

**SUBSTITUTE FOR
HOUSE BILL NO. 5291**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 4, 6, 11, 11a, 11j, 11k, 11m, 15, 18, 19, 20,
20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25f,
25g, 26a, 26b, 26c, 31a, 31c, 31d, 31f, 32d, 32p, 35, 35a, 39, 39a,
41, 51a, 51c, 51d, 53a, 54, 55, 56, 61a, 61b, 62, 64b, 65, 67, 74,
81, 94, 94a, 98, 99h, 99s, 101, 102d, 104, 107, 147, 147a, 147c,
152a, 166, 201, 201a, 202a, 203, 206, 207a, 207b, 207c, 209, 210b,
210c, 217, 219, 220, 222, 223, 224, 225, 226, 229a, 230, 236, 236a,
236b, 236c, 237b, 238, 241, 246, 251, 252, 254, 256, 263, 263a,
264, 265, 265a, 267, 268, 269, 270, 274, 274c, 275, 276, 277, 278,
279, 280, 281, 282, 283, 284, 289, and 290 (MCL 388.1604, 388.1606,
388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1615,

388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g,
388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1623a,
388.1624, 388.1624a, 388.1624c, 388.1625f, 388.1625g, 388.1626a,
388.1626b, 388.1626c, 388.1631a, 388.1631c, 388.1631d, 388.1631f,
388.1632d, 388.1632p, 388.1635, 388.1635a, 388.1639, 388.1639a,
388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654,
388.1655, 388.1656, 388.1661a, 388.1661b, 388.1662, 388.1664b,
388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a,
388.1698, 388.1699h, 388.1699s, 388.1701, 388.1702d, 388.1704,
388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1766,
388.1801, 388.1801a, 388.1802a, 388.1803, 388.1806, 388.1807a,
388.1807b, 388.1807c, 388.1809, 388.1810b, 388.1810c, 388.1817,
388.1819, 388.1820, 388.1822, 388.1823, 388.1824, 388.1825,
388.1826, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b,
388.1836c, 388.1837b, 388.1838, 388.1841, 388.1846, 388.1851,
388.1852, 388.1854, 388.1856, 388.1863, 388.1863a, 388.1864,
388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870,
388.1874, 388.1874c, 388.1875, 388.1876, 388.1877, 388.1878,
388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884,
388.1889, and 388.1890), sections 4, 203, 219, 220, 223, 238, 251,
and 254 as amended and section 237b as added by 2012 PA 201,
section 6 as amended by 2016 PA 56, sections 11, 21f, 31a, 32d, and
107 as amended by 2015 PA 139, sections 11a, 11j, 11k, 11m, 15, 20,
20d, 20f, 20g, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25f, 26a,
26b, 26c, 31d, 31f, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56,
61a, 62, 64b, 74, 81, 94, 94a, 98, 99h, 101, 104, 147, 147a, 147c,
152a, 201, 201a, 206, 207a, 207b, 207c, 209, 210b, 217, 222, 225,

226, 229a, 230, 236, 236a, 236b, 236c, 241, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 25g, 31c, 35, 35a, 55, 61b, 65, 67, 99s, 102d, 210c, and 274c as added by 2015 PA 85, section 18 as amended by 2015 PA 114, sections 19, 202a, 224, and 275 as amended by 2014 PA 196, section 166 as amended by 1996 PA 300, and sections 289 and 290 as amended by 2013 PA 60, and by adding sections 11o, 11s, 20j, 21, 21g, 31b, 54b, 61c, 95b, 99t, 152b, and 167a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

10 (3) "Extended school year" means an educational program
11 conducted by a district in which pupils must be enrolled but not
12 necessarily in attendance on the pupil membership count day in an
13 extended year program. The mandatory clock hours shall be completed
14 by each pupil not more than 365 calendar days after the pupil's
15 first day of classes for the school year prescribed. The department
16 shall prescribe pupil, personnel, and other reporting requirements
17 for the educational program.

1 (4) "Fiscal year" means the state fiscal year that commences
2 October 1 and continues through September 30.

3 (5) ~~"General educational development testing preparation~~
4 ~~program" means a program that has high school level courses in~~
5 ~~English language arts, social studies, science, and mathematics and~~
6 ~~that prepares a person to successfully complete the general~~
7 ~~educational development (GED) test.~~ **"HIGH SCHOOL EQUIVALENCY TEST"**
8 **MEANS THE G.E.D. TEST DEVELOPED BY THE GED TESTING SERVICE, THE**
9 **TEST ASSESSING SECONDARY COMPLETION (TASC) DEVELOPED BY CTB/MCGRAW-**
10 **HILL, THE HISET TEST DEVELOPED BY THE EDUCATION TESTING SERVICE**
11 **(ETS), OR ANOTHER COMPARABLE TEST APPROVED BY THE DEPARTMENT OF**
12 **TALENT AND ECONOMIC DEVELOPMENT.**

13 (6) "High school pupil" means a pupil in membership in grades
14 7 to 12, except in a district not maintaining grades above the
15 eighth grade.

16 Sec. 6. (1) "Center program" means a program operated by a
17 district or by an intermediate district for special education
18 pupils from several districts in programs for pupils with autism
19 spectrum disorder, pupils with severe cognitive impairment, pupils
20 with moderate cognitive impairment, pupils with severe multiple
21 impairments, pupils with hearing impairment, pupils with visual
22 impairment, and pupils with physical impairment or other health
23 impairment. Programs for pupils with emotional impairment housed in
24 buildings that do not serve regular education pupils also qualify.
25 Unless otherwise approved by the department, a center program
26 either shall serve all constituent districts within an intermediate
27 district or shall serve several districts with less than 50% of the

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

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

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

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

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

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

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

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

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

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

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

1 residence.

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (D) Is considered to be homeless under 42 USC 11302. ~~or was~~
9 ~~counted in membership under this subparagraph in 2014-2015.~~

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

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

1 not be counted in membership.

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

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

27 (ii) If the public school academy or the education achievement

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

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

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

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

26 (r) Full-time equated memberships for pupils in kindergarten
27 shall be determined by dividing the number of instructional hours

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

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

1 supplemental count day for the current school year, and dividing
2 that sum by 2.

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

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

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

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

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

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

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

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

24 (x) If a district's membership for a particular fiscal year,
25 as otherwise calculated under this subsection, would be less than
26 1,550 pupils and the district has 4.5 or fewer pupils per square
27 mile, as determined by the department, and if the district does not

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

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

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

19 (y) Full-time equated memberships for special education pupils
20 who are not enrolled in kindergarten but are enrolled in a
21 classroom program under R 340.1754 of the Michigan administrative
22 code shall be determined by dividing the number of class hours
23 scheduled and provided per year by 450. Full-time equated
24 memberships for special education pupils who are not enrolled in
25 kindergarten but are receiving early childhood special education
26 services under R 340.1755 or R 340.1862 of the Michigan
27 administrative code shall be determined by dividing the number of

1 hours of service scheduled and provided per year per-pupil by 180.

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

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

17 (bb) A district, a public school academy, or the education
18 achievement system that educates a pupil who attends a United
19 States Olympic Education Center may count the pupil in membership
20 regardless of whether or not the pupil is a resident of this state.

21 (cc) A pupil enrolled in a district other than the pupil's
22 district of residence pursuant to section 1148(2) of the revised
23 school code, MCL 380.1148, shall be counted in the educating
24 district or the education achievement system.

25 (dd) For a pupil enrolled in a dropout recovery program that
26 meets the requirements of section 23a, the pupil shall be counted
27 as 1/12 of a full-time equated membership for each month that the

1 district operating the program reports that the pupil was enrolled
2 in the program and was in full attendance. However, if the special
3 membership counting provisions under this subdivision and the
4 operation of the other membership counting provisions under this
5 subsection result in a pupil being counted as more than 1.0 FTE in
6 a fiscal year, the payment made for the pupil under sections 22a
7 and 22b shall not be based on more than 1.0 FTE for that pupil, and
8 any portion of an FTE for that pupil that exceeds 1.0 shall instead
9 be paid under section 25g. The district operating the program shall
10 report to the center the number of pupils who were enrolled in the
11 program and were in full attendance for a month not later than ~~the~~
12 ~~tenth day of the next month.~~ **30 DAYS AFTER THE END OF THE MONTH.** A
13 district shall not report a pupil as being in full attendance for a
14 month unless both of the following are met:

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

18 (ii) The pupil meets the district's definition under section
19 23a of satisfactory monthly progress for that month or, if the
20 pupil does not meet that definition of satisfactory monthly
21 progress for that month, the pupil did meet that definition of
22 satisfactory monthly progress in the immediately preceding month
23 and appropriate interventions are implemented within 10 school days
24 after it is determined that the pupil does not meet that definition
25 of satisfactory monthly progress.

26 (ee) A pupil participating in ~~an online~~ **A VIRTUAL** course under
27 section 21f shall be counted in membership in the district

1 enrolling the pupil.

2 (ff) If a public school academy that is not in its first or
3 second year of operation closes at the end of a school year and
4 does not reopen for the next school year, the department shall
5 adjust the membership count of the district or the education
6 achievement system in which a former pupil of the public school
7 academy enrolls and is in regular daily attendance for the next
8 school year to ensure that the district or the education
9 achievement system receives the same amount of membership aid for
10 the pupil as if the pupil were counted in the district or the
11 education achievement system on the supplemental count day of the
12 preceding school year.

13 (GG) IF A SPECIAL EDUCATION PUPIL IS EXPELLED UNDER SECTION
14 1311 OR 1311A OF THE REVISED SCHOOL CODE, MCL 380.1311 AND
15 380.1311A, AND IS NOT IN ATTENDANCE ON THE PUPIL MEMBERSHIP COUNT
16 DAY BECAUSE OF THE EXPULSION, AND IF THE PUPIL REMAINS ENROLLED IN
17 THE DISTRICT AND RESUMES REGULAR DAILY ATTENDANCE DURING THAT
18 SCHOOL YEAR, THE DISTRICT'S MEMBERSHIP SHALL BE ADJUSTED TO COUNT
19 THE PUPIL IN MEMBERSHIP AS IF HE OR SHE HAD BEEN IN ATTENDANCE ON
20 THE PUPIL MEMBERSHIP COUNT DAY.

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

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

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

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

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

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

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

15 (f) A pupil who has made an official written complaint or
16 whose parent or legal guardian has made an official written
17 complaint to law enforcement officials and to school officials of
18 the pupil's district of residence that the pupil has been the
19 victim of a criminal sexual assault or other serious assault, if
20 the official complaint either indicates that the assault occurred
21 at school or that the assault was committed by 1 or more other
22 pupils enrolled in the school the pupil would otherwise attend in
23 the district of residence or by an employee of the district of
24 residence. A person who intentionally makes a false report of a
25 crime to law enforcement officials for the purposes of this
26 subdivision is subject to section 411a of the Michigan penal code,
27 1931 PA 328, MCL 750.411a, which provides criminal penalties for

1 that conduct. As used in this subdivision:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (o) A pupil who enrolls in a district other than the pupil's
22 district of residence as a result of the pupil's school not making
23 adequate yearly progress under the no child left behind act of
24 2001, Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC**
25 **LAW 114-95.**

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

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

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

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

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

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

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

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

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

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

1 380.1852.

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

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

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

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

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

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

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

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

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

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

16 Sec. 11. (1) ~~For the fiscal year ending September 30, 2015,~~
17 ~~there is appropriated for the public schools of this state and~~
18 ~~certain other state purposes relating to education the sum of~~
19 ~~\$11,814,097,400.00 from the state school aid fund, the sum of~~
20 ~~\$18,000,000.00 from the MPSEERS retirement obligation reform reserve~~
21 ~~fund created under section 147b, and the sum of \$33,700,000.00 from~~
22 ~~the general fund.~~ For the fiscal year ending September 30, 2016,
23 there is appropriated for the public schools of this state and
24 certain other state purposes relating to education the sum of
25 ~~\$12,078,985,100.00~~ **\$12,005,339,300.00** from the state school aid
26 fund and the sum of ~~\$45,900,000.00~~ **\$55,100,000.00** from the general
27 fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017, THERE IS**

1 APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER
2 STATE PURPOSES RELATING TO EDUCATION THE SUM OF \$12,076,050,000.00
3 FROM THE STATE SCHOOL AID FUND, THE SUM OF \$221,000,100.00 FROM THE
4 GENERAL FUND, AN AMOUNT NOT TO EXCEED \$72,000,000.00 FROM THE
5 COMMUNITY DISTRICT EDUCATION TRUST FUND CREATED UNDER SECTION 12 OF
6 THE MICHIGAN TRUST FUND ACT, 2000 PA 489, MCL 12.262, AND AN AMOUNT
7 NOT TO EXCEED \$100.00 FROM THE WATER EMERGENCY RESERVE FUND. In
8 addition, all other available federal funds are appropriated each
9 fiscal year for the fiscal years ending September 30, ~~2015-2016~~ and
10 September 30, ~~2016-2017~~.

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

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

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

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

26 (a) Unexpended and unencumbered state school aid fund revenue
27 for a fiscal year that remains in the state school aid fund as of

1 the bookclosing for that fiscal year.

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

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

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

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

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

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

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

4 (7) For ~~2015-2016, 2016-2017~~, in addition to the
5 appropriations in section 11, there is appropriated from the school
6 aid stabilization fund to the state school aid fund the amount
7 necessary to fully fund the allocations under this article.

8 Sec. 11j. From the appropriation in section 11, there is
9 allocated an amount not to exceed ~~\$126,500,000.00~~ **\$99,500,000.00**
10 for 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
11 **\$126,500,000.00 FOR 2016-2017** for payments to the school loan bond
12 redemption fund in the department of treasury on behalf of
13 districts and intermediate districts. Notwithstanding section 296
14 or any other provision of this act, funds allocated under this
15 section are not subject to proration and shall be paid in full.

16 Sec. 11k. For ~~2015-2016, 2016-2017~~, there is appropriated from
17 the general fund to the school loan revolving fund an amount equal
18 to the amount of school bond loans assigned to the Michigan finance
19 authority, not to exceed the total amount of school bond loans held
20 in reserve as long-term assets. As used in this section, "school
21 loan revolving fund" means that fund created in section 16c of the
22 shared credit rating act, 1985 PA 227, MCL 141.1066c.

23 Sec. 11m. From the appropriation in section 11, ~~there is~~
24 ~~allocated for 2014-2015 an amount not to exceed \$0.00 and there is~~
25 allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed
26 ~~\$2,000,000.00~~ **\$3,000,000.00** for fiscal year cash-flow borrowing
27 costs solely related to the state school aid fund established by

1 section 11 of article IX of the state constitution of 1963.

2 SEC. 110. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
3 11, THERE IS ALLOCATED \$9,200,000.00 FOR 2015-2016 TO AN
4 INTERMEDIATE DISTRICT FOR THE PURPOSE OF PROVIDING STATE EARLY ON
5 SERVICES TO CHILDREN WHO RESIDE WITHIN THE BOUNDARIES OF A
6 CONSTITUENT DISTRICT WITH THE MAJORITY OF ITS TERRITORY LOCATED
7 WITHIN THE BOUNDARIES OF A CITY FOR WHICH AN EXECUTIVE PROCLAMATION
8 OF EMERGENCY IS ISSUED DURING THE FISCAL YEAR UNDER THE EMERGENCY
9 MANAGEMENT ACT, 1976 PA 390, MCL 30.401 TO 30.421.

10 (2) FOR THE PURPOSES OF THIS SECTION, STATE EARLY ON SERVICES
11 SHALL BE PROVIDED TO CHILDREN LESS THAN 5 YEARS OF AGE AS OF
12 SEPTEMBER 1, 2015 WHO DID NOT PARTICIPATE IN GREAT START READINESS
13 PROGRAMS DESCRIBED IN SECTIONS 32D AND 39. THE DEPARTMENT SHALL
14 ADMINISTER THE STATE EARLY ON SERVICES CONSISTENT WITH THE
15 DEFINITIONS OF SERVICES CONTAINED IN THE EARLY ON MICHIGAN STATE
16 PLAN.

17 SEC. 11S. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
18 11, THERE IS ALLOCATED \$10,142,500.00 FOR 2016-2017 FOR THE PURPOSE
19 OF PROVIDING SERVICES AND PROGRAMS TO CHILDREN WHO RESIDE WITHIN
20 THE BOUNDARIES OF A DISTRICT WITH THE MAJORITY OF ITS TERRITORY
21 LOCATED WITHIN THE BOUNDARIES OF A CITY FOR WHICH AN EXECUTIVE
22 PROCLAMATION OF EMERGENCY IS ISSUED IN THE CURRENT OR IMMEDIATELY
23 PRECEDING FISCAL YEAR UNDER THE EMERGENCY MANAGEMENT ACT, 1976 PA
24 390, MCL 30.401 TO 30.421. FROM THE FUNDING APPROPRIATED IN SECTION
25 11, THERE IS ALLOCATED \$100.00 FROM THE WATER EMERGENCY RESERVE
26 FUND FOR THE PURPOSES OF THIS SECTION.

27 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED

1 TO A DISTRICT WITH THE MAJORITY OF ITS TERRITORY LOCATED WITHIN THE
2 BOUNDARIES OF A CITY IN WHICH AN EXECUTIVE PROCLAMATION OF
3 EMERGENCY IS ISSUED IN THE CURRENT OR IMMEDIATELY PRECEDING FISCAL
4 YEAR AND THAT HAS AT LEAST 5,000 PUPILS IN MEMBERSHIP FOR THE
5 CURRENT FISCAL YEAR, AN AMOUNT NOT TO EXCEED \$1,292,500.00 FOR THE
6 PURPOSE OF EMPLOYING SCHOOL NURSES AND SCHOOL SOCIAL WORKERS. THE
7 DISTRICT SHALL PROVIDE A REPORT TO THE DEPARTMENT IN A FORM,
8 MANNER, AND FREQUENCY APPROVED BY THE DEPARTMENT. THE DEPARTMENT
9 SHALL PROVIDE A COPY OF THAT REPORT TO THE GOVERNOR, THE HOUSE AND
10 SENATE SCHOOL AID SUBCOMMITTEES, THE HOUSE AND SENATE FISCAL
11 AGENCIES, AND THE STATE BUDGET DIRECTOR WITHIN 5 DAYS AFTER
12 RECEIPT. THE REPORT SHALL PROVIDE AT LEAST THE FOLLOWING
13 INFORMATION:

14 (A) HOW MANY PERSONNEL WERE HIRED USING THE FUNDS ALLOCATED
15 UNDER THIS SUBSECTION.

16 (B) A DESCRIPTION OF THE SERVICES PROVIDED TO PUPILS BY THOSE
17 PERSONNEL.

18 (C) HOW MANY PUPILS RECEIVED EACH TYPE OF SERVICE IDENTIFIED
19 IN SUBDIVISION (B).

20 (D) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY
21 TO ENSURE THAT THE CHILDREN DESCRIBED IN SUBSECTION (1) RECEIVED
22 APPROPRIATE LEVELS AND TYPES OF SERVICES.

23 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
24 TO AN INTERMEDIATE DISTRICT THAT HAS A CONSTITUENT DISTRICT
25 DESCRIBED IN SUBSECTION (2) AN AMOUNT NOT TO EXCEED \$950,000.00 TO
26 AUGMENT STAFF FOR THE PURPOSE OF PROVIDING ADDITIONAL EARLY
27 CHILDHOOD SERVICES AND NUTRITIONAL SERVICES TO CHILDREN DESCRIBED

1 IN SUBSECTION (1), REGARDLESS OF LOCATION OF SCHOOL OF ATTENDANCE.
2 THE EARLY CHILDHOOD SERVICES TO BE PROVIDED UNDER THIS SUBSECTION
3 ARE STATE EARLY ON SERVICES AS DESCRIBED IN SUBSECTION (4) AND
4 EARLY LITERACY SERVICES. IN ADDITION, FUNDS ALLOCATED UNDER THIS
5 SUBSECTION MAY ALSO BE EXPENDED TO PROVIDE INFORMATIONAL RESOURCES
6 TO PARENTS, EDUCATORS, AND THE COMMUNITY, AND TO COORDINATE
7 SERVICES WITH OTHER LOCAL AGENCIES. THE INTERMEDIATE DISTRICT SHALL
8 PROVIDE A REPORT TO THE DEPARTMENT IN A FORM, MANNER, AND FREQUENCY
9 APPROVED BY THE DEPARTMENT. THE DEPARTMENT SHALL PROVIDE A COPY OF
10 THAT REPORT TO THE GOVERNOR, THE HOUSE AND SENATE SCHOOL AID
11 SUBCOMMITTEES, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE
12 BUDGET DIRECTOR WITHIN 5 DAYS AFTER RECEIPT. THE REPORT SHALL
13 PROVIDE AT LEAST THE FOLLOWING INFORMATION:

14 (A) HOW MANY PERSONNEL WERE HIRED USING THE FUNDS APPROPRIATED
15 IN THIS SUBSECTION.

16 (B) A DESCRIPTION OF THE SERVICES PROVIDED TO CHILDREN BY
17 THOSE PERSONNEL.

18 (C) WHAT TYPES OF ADDITIONAL NUTRITIONAL SERVICES WERE
19 PROVIDED.

20 (D) HOW MANY CHILDREN RECEIVED EACH TYPE OF SERVICE IDENTIFIED
21 IN SUBDIVISIONS (B) AND (C).

22 (E) WHAT TYPES OF INFORMATIONAL RESOURCES AND COORDINATION
23 EFFORTS WERE PROVIDED.

24 (F) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY
25 TO ENSURE THAT THE CHILDREN DESCRIBED IN SUBSECTION (1) RECEIVED
26 APPROPRIATE LEVELS AND TYPES OF SERVICES.

27 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED

1 AN AMOUNT NOT TO EXCEED \$6,400,000.00 TO INTERMEDIATE DISTRICTS
2 DESCRIBED IN SUBSECTION (3) TO PROVIDE STATE EARLY ON SERVICES FOR
3 CHILDREN DESCRIBED IN SUBSECTION (1) WHO ARE LESS THAN 4 YEARS OF
4 AGE AS OF SEPTEMBER 1, 2016. THE DEPARTMENT SHALL ADMINISTER THE
5 STATE EARLY ON SERVICES CONSISTENT WITH THE DEFINITIONS OF SERVICES
6 CONTAINED IN THE EARLY ON MICHIGAN STATE PLAN, EXCEPT THAT ALL
7 CHILDREN DESCRIBED IN SUBSECTION (1) WHO ARE LESS THAN 4 YEARS OF
8 AGE AS OF SEPTEMBER 1, 2016 SHALL BE ASSESSED AND EVALUATED AT
9 LEAST TWICE ANNUALLY.

10 (5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
11 AN AMOUNT NOT TO EXCEED \$1,500,000.00 TO INTERMEDIATE DISTRICTS
12 DESCRIBED IN SUBSECTION (3) TO ENROLL CHILDREN DESCRIBED IN
13 SUBSECTION (1) IN SCHOOL-DAY GREAT START READINESS PROGRAMS,
14 REGARDLESS OF HOUSEHOLD INCOME ELIGIBILITY REQUIREMENTS CONTAINED
15 IN SECTION 39. THE DEPARTMENT SHALL ADMINISTER THIS FUNDING
16 CONSISTENT WITH ALL OTHER PROVISIONS OF THE GREAT START READINESS
17 PROGRAMS CONTAINED IN SECTION 32D AND SECTION 39.

18 (6) IN ADDITION TO OTHER FUNDING ALLOCATED AND APPROPRIATED IN
19 THIS SECTION, THERE IS APPROPRIATED AN AMOUNT NOT TO EXCEED
20 \$15,000,000.00 FOR 2016-2017 FOR STATE RESTRICTED CONTINGENCY
21 FUNDS. THESE CONTINGENCY FUNDS ARE NOT AVAILABLE FOR EXPENDITURE
22 UNTIL THEY HAVE BEEN TRANSFERRED TO A SECTION WITHIN THIS ARTICLE
23 UNDER SECTION 393(2) OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431,
24 MCL 18.1393.

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

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

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

1 deducted from the district's apportionments when the adjustment is
2 finalized. At the request of the district and upon the district
3 presenting evidence satisfactory to the department of the hardship,
4 the department may grant up to an additional 4 years for the
5 adjustment and may advance payments to the district otherwise
6 authorized under this article if the district would otherwise
7 experience a significant hardship in satisfying its financial
8 obligations. ~~For a district that is a strict discipline academy~~
9 ~~established under sections 1311b to 1311m of the revised school~~
10 ~~code, MCL 380.1311b to 380.1311m, and that claimed a hardship in~~
11 ~~2014-2015 because of an overpayment caused by a miscalculation of~~
12 ~~its pupil membership for 2013-2014, the department shall consider~~
13 ~~the amount of repayment made by the district as of the effective~~
14 ~~date of the amendatory act that added this sentence to constitute~~
15 ~~full repayment and the district is not required to continue making~~
16 ~~repayment for the overpayment that occurred in 2013-2014.~~

17 (3) If, based on an audit by the department or the
18 department's designee or because of new or updated information
19 received by the department, the department determines that the
20 amount paid to a district or intermediate district under this
21 article for the current fiscal year or a prior fiscal year was
22 incorrect, the department shall make the appropriate deduction or
23 payment in the district's or intermediate district's allocation in
24 the next apportionment after the adjustment is finalized. The
25 deduction or payment shall be calculated according to the law in
26 effect in the fiscal year in which the incorrect amount was paid.
27 If the district does not receive an allocation for the fiscal year

1 or if the allocation is not sufficient to pay the amount of any
2 deduction, the amount of any deduction otherwise applicable shall
3 be satisfied from the proceeds of a loan to the district under the
4 emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942,
5 or from the proceeds of millage levied or pledged under section
6 1211 of the revised school code, MCL 380.1211, as determined by the
7 department.

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

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

16 (6) In addition to funds appropriated in section 11 for all
17 programs and services, there is appropriated for ~~2014-2015 and for~~
18 ~~2015-2016-2016-2017~~ for obligations in excess of applicable
19 appropriations an amount equal to the collection of overpayments,
20 but not to exceed amounts available from overpayments.

21 Sec. 18. (1) Except as provided in another section of this
22 article, each district or other entity shall apply the money
23 received by the district or entity under this article to salaries
24 and other compensation of teachers and other employees, tuition,
25 transportation, lighting, heating, ventilation, water service, the
26 purchase of textbooks, other supplies, and any other school
27 operating expenditures defined in section 7. However, not more than

1 20% of the total amount received by a district under sections 22a
2 and 22b or received by an intermediate district under section 81
3 may be transferred by the board to either the capital projects fund
4 or to the debt retirement fund for debt service. The money shall
5 not be applied or taken for a purpose other than as provided in
6 this section. The department shall determine the reasonableness of
7 expenditures and may withhold from a recipient of funds under this
8 article the apportionment otherwise due upon a violation by the
9 recipient.

10 (2) A district or intermediate district shall adopt an annual
11 budget in a manner that complies with the uniform budgeting and
12 accounting act, 1968 PA 2, MCL 141.421 to 141.440a. Within 15 days
13 after a district board adopts its annual operating budget for the
14 following school fiscal year, or after a district board adopts a
15 subsequent revision to that budget, the district shall make all of
16 the following available through a link on its website homepage, or
17 may make the information available through a link on its
18 intermediate district's website homepage, in a form and manner
19 prescribed by the department:

20 (a) The annual operating budget and subsequent budget
21 revisions.

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

26 (i) A chart of personnel expenditures, broken into the
27 following subcategories:

1 (A) Salaries and wages.

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

5 (C) Retirement benefit costs.

6 (D) All other personnel costs.

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

9 (A) Instruction.

10 (B) Support services.

11 (C) Business and administration.

12 (D) Operations and maintenance.

13 (c) Links to all of the following:

14 (i) The current collective bargaining agreement for each
15 bargaining unit.

16 (ii) Each health care benefits plan, including, but not
17 limited to, medical, dental, vision, disability, long-term care, or
18 any other type of benefits that would constitute health care
19 services, offered to any bargaining unit or employee in the
20 district.

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

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

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

27 (vi) The district's written policy establishing specific

1 categories of reimbursable expenses, as described in section
2 1254(2) of the revised school code, MCL 380.1254.

3 (vii) Either the district's accounts payable check register
4 for the most recent school fiscal year or a statement of the total
5 amount of expenses incurred by board members or employees of the
6 district that were reimbursed by the district for the most recent
7 school fiscal year.

8 (d) The total salary and a description and cost of each fringe
9 benefit included in the compensation package for the superintendent
10 of the district and for each employee of the district whose salary
11 exceeds \$100,000.00.

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

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

16 (g) Any deficit elimination plan or enhanced deficit
17 elimination plan the district was required to submit under the
18 revised school code.

19 (h) Identification of all credit cards maintained by the
20 district as district credit cards, the identity of all individuals
21 authorized to use each of those credit cards, the credit limit on
22 each credit card, and the dollar limit, if any, for each
23 individual's authorized use of the credit card.

24 (i) Costs incurred for each instance of out-of-state travel by
25 the school administrator of the district that is fully or partially
26 paid for by the district and the details of each of those instances
27 of out-of-state travel, including at least identification of each

1 individual on the trip, destination, and purpose.

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

6 (4) For the purposes of determining the reasonableness of
7 expenditures, whether a district or intermediate district has
8 received the proper amount of funds under this article, and whether
9 a violation of this article has occurred, all of the following
10 apply:

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

24 (b) If a district operates in a single building with fewer
25 than 700 full-time equated pupils, if the district has stable
26 membership, and if the error rate of the immediately preceding 2
27 pupil accounting field audits of the district is less than 2%, the

1 district may have a pupil accounting field audit conducted
2 biennially but must continue to have desk audits for each pupil
3 count. The auditor must document compliance with the audit cycle in
4 the pupil auditing manual. As used in this subdivision, "stable
5 membership" means that the district's membership for the current
6 fiscal year varies from the district's membership for the
7 immediately preceding fiscal year by less than 5%.

8 (c) A district's or intermediate district's annual financial
9 audit shall include an analysis of the financial and pupil
10 accounting data used as the basis for distribution of state school
11 aid.

12 (d) The pupil and financial accounting records and reports,
13 audits, and management letters are subject to requirements
14 established in the auditing and accounting manuals approved and
15 published by the department.

16 (e) All of the following shall be done not later than November
17 1 each year for reporting the prior fiscal year data:

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

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

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

26 (f) The annual financial audit reports and pupil accounting
27 procedures reports shall be available to the public in compliance

1 with the freedom of information act, 1976 PA 442, MCL 15.231 to
2 15.246.

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

10 (5) By November 1 each fiscal year, each district and
11 intermediate district shall submit to the center, in a manner
12 prescribed by the center, annual comprehensive financial data
13 **CONSISTENT WITH THE DISTRICT'S OR INTERMEDIATE DISTRICT'S AUDITED**
14 **FINANCIAL STATEMENTS AND** consistent with accounting manuals and
15 charts of accounts approved and published by the department. For an
16 intermediate district, the report shall also contain the website
17 address where the department can access the report required under
18 section 620 of the revised school code, MCL 380.620. The department
19 shall ensure that the prescribed Michigan public school accounting
20 manual chart of accounts includes standard conventions to
21 distinguish expenditures by allowable fund function and object. The
22 functions shall include at minimum categories for instruction,
23 pupil support, instructional staff support, general administration,
24 school administration, business administration, transportation,
25 facilities operation and maintenance, facilities acquisition, and
26 debt service; and shall include object classifications of salary,
27 benefits, including categories for active employee health

1 expenditures, purchased services, supplies, capital outlay, and
2 other. Districts shall report the required level of detail
3 consistent with the manual as part of the comprehensive annual
4 financial report.

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

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

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

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

20 (10) If a district or intermediate district does not comply
21 with subsections (4), (5), (6), and (7), **OR IF THE DEPARTMENT**
22 **DETERMINES THAT THE FINANCIAL DATA REQUIRED UNDER SUBSECTION (5)**
23 **ARE NOT CONSISTENT WITH AUDITED FINANCIAL STATEMENTS,** the
24 department shall withhold all state school aid due to the district
25 or intermediate district under this article, beginning with the
26 next payment due to the district or intermediate district, until
27 the district or intermediate district complies with subsections

1 (4), (5), (6), and (7). If the district or intermediate district
2 does not comply with subsections (4), (5), (6), and (7) by the end
3 of the fiscal year, the district or intermediate district forfeits
4 the amount withheld.

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

14 (12) Not later than November 1, ~~2015,~~**2016**, if a district or
15 intermediate district offers ~~online-~~**VIRTUAL** learning under section
16 21f, the district or intermediate district shall submit to the
17 department a report that details the per-pupil costs of operating
18 the ~~online-~~**VIRTUAL** learning by vendor type. The report shall
19 include at least all of the following information concerning the
20 operation of ~~online-~~**VIRTUAL** learning for the school fiscal year
21 ending June 30, ~~2015-~~**2016**:

22 (a) The name of the district operating the ~~online-~~**VIRTUAL**
23 learning and of each district that enrolled students in the ~~online~~
24 **VIRTUAL** learning.

25 (b) The total number of students enrolled in the ~~online~~
26 **VIRTUAL** learning and the total number of membership pupils enrolled
27 in the ~~online-~~**VIRTUAL** learning.

1 (c) For each pupil who is enrolled in a district other than
2 the district offering ~~online-VIRTUAL~~ learning, the name of that
3 district.

4 (d) The district in which the pupil was enrolled before
5 enrolling in the district offering ~~online-VIRTUAL~~ learning.

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

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

10 (g) The total cost to enroll a student in the program. This
11 cost shall be reported on a per-pupil, per-course, per-semester or
12 trimester basis by vendor type. The total shall include costs
13 broken down by cost for content development, content licensing,
14 training, ~~online-VIRTUAL~~ instruction and instructional support,
15 personnel, hardware and software, payment to each ~~online-VIRTUAL~~
16 learning provider, and other costs associated with operating ~~online~~
17 **VIRTUAL** learning.

18 (h) The name of each ~~online-VIRTUAL~~ education provider
19 contracted by the district and the state in which each ~~online~~
20 **VIRTUAL** education provider is headquartered.

21 (13) Not later than March 31, ~~2016,~~ **2017**, the department shall
22 submit to the house and senate appropriations subcommittees on
23 state school aid, the state budget director, and the house and
24 senate fiscal agencies a report summarizing the per-pupil costs by
25 vendor type of ~~online-VIRTUAL~~ courses available under section 21f.

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

1 (a) ~~Online~~**VIRTUAL** courses provided by the Michigan Virtual
2 University.

3 (b) ~~Online~~**VIRTUAL** courses provided by a school of excellence
4 that is a cyber school, as defined in section 551 of the revised
5 school code, MCL 380.551.

6 (c) ~~Online~~**VIRTUAL** courses provided by third party vendors not
7 affiliated with a Michigan public school.

8 (d) ~~Online~~**VIRTUAL** courses created and offered by a district
9 or intermediate district.

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

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

21 (2) Each district shall furnish to the center not later than 5
22 weeks after the pupil membership count day and by June 30 of the
23 school fiscal year ending in the fiscal year, in a manner
24 prescribed by the center, the information necessary for the
25 preparation of the district and high school graduation report. This
26 information shall meet requirements established in the pupil
27 auditing manual approved and published by the department. The

1 center shall calculate an annual graduation and pupil dropout rate
2 for each high school, each district, and this state, in compliance
3 with nationally recognized standards for these calculations. The
4 center shall report all graduation and dropout rates to the senate
5 and house education committees and appropriations committees, the
6 state budget director, and the department not later than 30 days
7 after the publication of the list described in subsection (6).

8 (3) By the first business day in December and by June 30 of
9 each year, a district shall furnish to the center, in a manner
10 prescribed by the center, information related to educational
11 personnel as necessary for reporting required by state and federal
12 law.

13 (4) By June 30 of each year, a district shall furnish to the
14 center, in a manner prescribed by the center, information related
15 to safety practices and criminal incidents as necessary for
16 reporting required by state and federal law.

17 (5) If a district or intermediate district fails to meet the
18 requirements of this section, the department shall withhold 5% of
19 the total funds for which the district or intermediate district
20 qualifies under this article until the district or intermediate
21 district complies with all of those subsections. If the district or
22 intermediate district does not comply with all of those subsections
23 by the end of the fiscal year, the department shall place the
24 amount withheld in an escrow account until the district or
25 intermediate district complies with all of those subsections.

26 (6) Before publishing a list of school or district
27 accountability designations as required by the no child left behind

1 act of 2001, Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT,**
2 **PUBLIC LAW 114-95,** the department shall allow a school or district
3 to appeal that determination. The department shall consider and act
4 upon the appeal within 30 days after it is submitted and shall not
5 publish the list until after all appeals have been considered and
6 decided.

7 ~~—— (7) It is the intent of the legislature to implement not later~~
8 ~~than 2016-2017, statewide standard reporting requirements for~~
9 ~~education data approved by the department in conjunction with the~~
10 ~~center. The department shall work with the center, intermediate~~
11 ~~districts, districts, and other interested stakeholders to develop~~
12 ~~recommendations on the implementation of this policy change. A~~
13 ~~district or intermediate district shall implement the statewide~~
14 ~~standard reporting requirements not later than 2014-2015 or when a~~
15 ~~district or intermediate district updates its education data~~
16 ~~reporting system, whichever is later.~~

17 Sec. 20. (1) For ~~2015-2016,~~ **2016-2017,** both of the following
18 apply:

19 (a) The basic foundation allowance is ~~\$8,169.00-~~ **\$8,229.00.**

20 (b) The minimum foundation allowance is ~~\$7,391.00-~~ **\$7,511.00.**

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

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

1 (a) Except as otherwise provided in this subdivision, for a
2 district that had a foundation allowance for the immediately
3 preceding state fiscal year that was equal to the minimum
4 foundation allowance for the immediately preceding state fiscal
5 year, but less than the basic foundation allowance for the
6 immediately preceding state fiscal year, the district shall receive
7 a foundation allowance in an amount equal to the sum of the
8 district's foundation allowance for the immediately preceding state
9 fiscal year plus the difference between twice the dollar amount of
10 the adjustment from the immediately preceding state fiscal year to
11 the current state fiscal year made in the basic foundation
12 allowance and [(the difference between the basic foundation
13 allowance for the current state fiscal year and basic foundation
14 allowance for the immediately preceding state fiscal year minus
15 ~~\$23.00~~—\$20.00) times (the difference between the district's
16 foundation allowance for the immediately preceding state fiscal
17 year and the minimum foundation allowance for the immediately
18 preceding state fiscal year) divided by the difference between the
19 basic foundation allowance for the current state fiscal year and
20 the minimum foundation allowance for the immediately preceding
21 state fiscal year]. However, the foundation allowance for a
22 district that had less than the basic foundation allowance for the
23 immediately preceding state fiscal year shall not exceed the basic
24 foundation allowance for the current state fiscal year. ~~For the~~
25 ~~purposes of this subdivision, for 2015-2016, the minimum foundation~~
26 ~~allowance for the immediately preceding state fiscal year shall be~~
27 ~~considered to be \$7,251.00.~~

1 (b) Except as otherwise provided in this subsection, for a
2 district that in the immediately preceding state fiscal year had a
3 foundation allowance in an amount equal to the amount of the basic
4 foundation allowance for the immediately preceding state fiscal
5 year, the district shall receive a foundation allowance for ~~2015-~~
6 ~~2016-2016-2017~~ in an amount equal to the basic foundation allowance
7 for ~~2015-2016-2016-2017~~.

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

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

25 ~~———— (e) For a district that received a payment under section 22e~~
26 ~~as that section was in effect for 2014-2015, the district's 2014-~~
27 ~~2015 foundation allowance shall be considered to have been an~~

1 ~~amount equal to the sum of the district's actual 2014-2015~~
2 ~~foundation allowance as otherwise calculated under this section~~
3 ~~plus the per pupil amount of the district's equity payment for~~
4 ~~2014-2015 under section 22c as that section was in effect for 2014-~~
5 ~~2015.~~

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

1 purposes of this subsection does not include the taxable value of
2 property within the geographic area of the dissolved district.

3 (5) The allocation calculated under this section for a pupil
4 shall be based on the foundation allowance of the pupil's district
5 of residence. For a pupil enrolled pursuant to section 105 or 105c
6 in a district other than the pupil's district of residence, the
7 allocation calculated under this section shall be based on the
8 lesser of the foundation allowance of the pupil's district of
9 residence or the foundation allowance of the educating district.
10 For a pupil in membership in a K-5, K-6, or K-8 district who is
11 enrolled in another district in a grade not offered by the pupil's
12 district of residence, the allocation calculated under this section
13 shall be based on the foundation allowance of the educating
14 district if the educating district's foundation allowance is
15 greater than the foundation allowance of the pupil's district of
16 residence. **THE CALCULATION UNDER THIS SUBSECTION SHALL TAKE INTO**
17 **ACCOUNT A DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20J.**

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

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

22 (7) Except as otherwise provided in this subsection, for
23 pupils attending an achievement school and in membership in the
24 education achievement system, other than special education pupils,
25 the allocation calculated under this section is an amount per
26 membership pupil other than special education pupils equal to the
27 foundation allowance of the district in which the achievement

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

21 (8) Subject to subsection (4), for a district that is formed
22 or reconfigured after June 1, 2002 by consolidation of 2 or more
23 districts or by annexation, the resulting district's foundation
24 allowance under this section beginning after the effective date of
25 the consolidation or annexation shall be the lesser of the sum of
26 the average of the foundation allowances of each of the original or
27 affected districts, calculated as provided in this section,

1 weighted as to the percentage of pupils in total membership in the
2 resulting district who reside in the geographic area of each of the
3 original or affected districts plus \$100.00 or the highest
4 foundation allowance among the original or affected districts. This
5 subsection does not apply to a receiving district unless there is a
6 subsequent consolidation or annexation that affects the district.

7 **THE CALCULATION UNDER THIS SUBSECTION SHALL TAKE INTO ACCOUNT A**
8 **DISTRICT'S PER-PUPIL ALLOCATION UNDER SECTION 20J.**

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

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

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

22 (a) The pupil membership factor shall be computed by dividing
23 the estimated membership in the school year ending in the current
24 state fiscal year, excluding intermediate district membership, by
25 the estimated membership for the school year ending in the
26 subsequent state fiscal year, excluding intermediate district
27 membership. If a consensus membership factor is not determined at

1 the revenue estimating conference, the principals of the revenue
2 estimating conference shall report their estimates to the house and
3 senate subcommittees responsible for school aid appropriations not
4 later than 7 days after the conclusion of the revenue conference.

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

23 (c) The index shall be calculated by multiplying the pupil
24 membership factor by the revenue adjustment factor. If a consensus
25 index is not determined at the revenue estimating conference, the
26 principals of the revenue estimating conference shall report their
27 estimates to the house and senate subcommittees responsible for

1 school aid appropriations not later than 7 days after the
2 conclusion of the revenue conference.

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

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

12 (14) As used in this section:

13 (a) "Certified mills" means the lesser of 18 mills or the
14 number of mills of school operating taxes levied by the district in
15 1993-94.

16 (b) "Combined state and local revenue" means the aggregate of
17 the district's state school aid received by or paid on behalf of
18 the district under this section and the district's local school
19 operating revenue.

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

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

25 (e) "Dissolved district" means a district that loses its
26 organization, has its territory attached to 1 or more other
27 districts, and is dissolved as provided under section 12 of the

1 revised school code, MCL 380.12.

2 (f) "Immediately preceding state fiscal year" means the state
3 fiscal year immediately preceding the current state fiscal year.

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

15 (h) "Local school operating revenue" means school operating
16 taxes levied under section 1211 of the revised school code, MCL
17 380.1211. For a receiving district, if school operating taxes are
18 to be levied on behalf of a dissolved district that has been
19 attached in whole or in part to the receiving district to satisfy
20 debt obligations of the dissolved district under section 12 of the
21 revised school code, MCL 380.12, local school operating revenue
22 does not include school operating taxes levied within the
23 geographic area of the dissolved district.

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

27 (j) "Maximum public school academy allocation", except as

1 otherwise provided in this subdivision, means the maximum per-pupil
2 allocation as calculated by adding the highest per-pupil allocation
3 among all public school academies for the immediately preceding
4 state fiscal year plus the difference between twice the amount of
5 the difference between the basic foundation allowance for the
6 current state fiscal year and the basic foundation allowance for
7 the immediately preceding state fiscal year and [(the amount of the
8 difference between the basic foundation allowance for the current
9 state fiscal year and the basic foundation allowance for the
10 immediately preceding state fiscal year minus ~~\$23.00~~-\$20.00) times
11 (the difference between the highest per-pupil allocation among all
12 public school academies for the immediately preceding state fiscal
13 year and the minimum foundation allowance for the immediately
14 preceding state fiscal year) divided by the difference between the
15 basic foundation allowance for the current state fiscal year and
16 the minimum foundation allowance for the immediately preceding
17 state fiscal year]. For the purposes of this subdivision, for ~~2015-~~
18 ~~2016,~~2016-2017, the maximum public school academy allocation is
19 \$7,391.00-\$7,511.00.

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

23 (l) "Nonexempt property" means property that is not a
24 principal residence, qualified agricultural property, qualified
25 forest property, supportive housing property, industrial personal
26 property, commercial personal property, or property occupied by a
27 public school academy.

1 (m) "Principal residence", "qualified agricultural property",
2 "qualified forest property", "supportive housing property",
3 "industrial personal property", and "commercial personal property"
4 mean those terms as defined in section 1211 of the revised school
5 code, MCL 380.1211.

6 (n) "Receiving district" means a district to which all or part
7 of the territory of a dissolved district is attached under section
8 12 of the revised school code, MCL 380.12.

9 (o) "School operating purposes" means the purposes included in
10 the operation costs of the district as prescribed in sections 7 and
11 18 and purposes authorized under section 1211 of the revised school
12 code, MCL 380.1211.

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

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

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

1 fiscal year.

2 Sec. 20d. In making the final determination required under
3 former section 20a of a district's combined state and local revenue
4 per membership pupil in 1993-94 and in making calculations under
5 section 20 for ~~2015-2016, 2016-2017~~, the department and the
6 department of treasury shall comply with all of the following:

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

23 (b) If a district had an adjustment made to its 1993-94 total
24 state school aid that excluded payments made under former section
25 146 and under section 147 on behalf of the district's employees who
26 provided direct services for intermediate district center programs
27 operated by the district under article 5, if nonresident pupils

1 attending the center programs were included in the district's
2 membership for purposes of calculating the combined state and local
3 revenue per membership pupil for 1993-94, and if there is a signed
4 agreement by all constituent districts of the intermediate district
5 that an adjustment under this subdivision shall be made, the
6 foundation allowances for 1995-96 and 1996-97 of all districts that
7 had pupils attending the intermediate district center program
8 operated by the district that had the adjustment shall be
9 calculated as if their combined state and local revenue per
10 membership pupil for 1993-94 included resident pupils attending the
11 center program and excluded nonresident pupils attending the center
12 program.

13 Sec. 20f. (1) From the funds appropriated in section 11, there
14 is allocated an amount not to exceed \$18,000,000.00 for ~~2015-2016~~
15 **2016-2017** for payments to eligible districts under this section.

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

21 (a) The increase in the district's foundation allowance or
22 per-pupil payment as calculated under section 20 from 2012-2013 to
23 2013-2014.

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

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

1 2012-2013 minus the quotient of the district's allocation under
2 section 147a for 2013-2014 divided by the district's membership
3 pupils for 2013-2014.

4 (3) The amount allocated to each eligible district under
5 subsection (2) is an amount per membership pupil equal to the
6 amount per membership pupil the district received under this
7 section in 2013-2014.

8 (4) The funding under this subsection is from the allocation
9 under subsection (1). A district is eligible for funding under this
10 subsection for ~~2015-2016~~ **2016-2017** if the sum of the following is
11 less than \$25.00:

12 (a) The increase in the district's foundation allowance or
13 per-pupil payment as calculated under section 20 from 2014-2015 to
14 2015-2016.

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

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

19 (d) The quotient of the district's allocation under section
20 31a for 2015-2016 divided by the district's membership pupils for
21 2015-2016 minus the quotient of the district's allocation under
22 section 31a for 2014-2015 divided by the district's membership
23 pupils for 2014-2015.

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

27 (a) The increase in the district's foundation allowance or

1 per-pupil payment as calculated under section 20 from 2014-2015 to
2 2015-2016.

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

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

7 (d) The quotient of the district's allocation under section
8 31a for 2015-2016 divided by the district's membership pupils for
9 2015-2016 minus the quotient of the district's allocation under
10 section 31a for 2014-2015 divided by the district's membership
11 pupils for 2014-2015.

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

16 Sec. 20g. (1) From the money appropriated under section 11,
17 there is allocated an amount not to exceed \$2,200,000.00 for ~~2015-~~
18 ~~2016-2016-2017~~ for grants to eligible districts that first received
19 payments under this section in 2013-2014 for transition costs
20 related to the enrollment of pupils who were previously enrolled in
21 a district that was dissolved under section 12 of the revised
22 school code, MCL 380.12, allocated as provided under subsection
23 (3). Payments under this section shall continue for a total of 4
24 fiscal years following the dissolution of a district, after which
25 the payments shall cease.

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

1 district under this section.

2 (3) The amount allocated to each eligible district under this
3 section is an amount equal to the product of the number of
4 membership pupils enrolled in the eligible district who were
5 previously enrolled in the dissolved school district in the school
6 year immediately preceding the dissolution, or who reside in the
7 geographic area of the dissolved school district and are entering
8 kindergarten, times 10.0% of the lesser of the foundation allowance
9 of the eligible district as calculated under section 20 or the
10 basic foundation allowance under section 20(1).

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

14 **SEC. 20J. (1) FOUNDATION ALLOWANCE SUPPLEMENTAL PAYMENTS FOR**
15 **2016-2017 TO DISTRICTS THAT IN THE 2015-2016 FISCAL YEAR HAD A**
16 **FOUNDATION ALLOWANCE GREATER THAN \$8,169.00 SHALL BE CALCULATED**
17 **UNDER THIS SECTION.**

18 (2) THE PER-PUPIL ALLOCATION TO EACH DISTRICT UNDER THIS
19 SECTION SHALL BE THE DIFFERENCE BETWEEN THE DOLLAR AMOUNT OF THE
20 ADJUSTMENT FROM THE IMMEDIATELY PRECEDING STATE FISCAL YEAR TO THE
21 CURRENT STATE FISCAL YEAR IN THE BASIC FOUNDATION ALLOWANCE MINUS
22 THE DOLLAR AMOUNT OF THE ADJUSTMENT FROM THE IMMEDIATELY PRECEDING
23 FISCAL YEAR TO THE CURRENT STATE FISCAL YEAR IN A QUALIFYING
24 DISTRICT'S FOUNDATION ALLOWANCE.

25 (3) IF A DISTRICT'S LOCAL REVENUE PER PUPIL DOES NOT EXCEED
26 THE SUM OF ITS FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-
27 PUPIL ALLOCATION UNDER SUBSECTION (2), THE TOTAL PAYMENT TO THE

1 DISTRICT CALCULATED UNDER THIS SECTION SHALL BE THE PRODUCT OF THE
2 PER-PUPIL ALLOCATION UNDER SUBSECTION (2) MULTIPLIED BY THE
3 DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION PUPILS. IF A
4 DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE FOUNDATION ALLOWANCE
5 UNDER SECTION 20 BUT DOES NOT EXCEED THE SUM OF THE FOUNDATION
6 ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL ALLOCATION UNDER
7 SUBSECTION (2), THE TOTAL PAYMENT TO THE DISTRICT CALCULATED UNDER
8 THIS SECTION SHALL BE THE PRODUCT OF THE DIFFERENCE BETWEEN THE SUM
9 OF THE FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL
10 ALLOCATION UNDER SUBSECTION (2) MINUS THE LOCAL REVENUE PER PUPIL
11 MULTIPLIED BY THE DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION
12 PUPILS. IF A DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE SUM OF
13 THE FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER-PUPIL
14 ALLOCATION UNDER SUBSECTION (2), THERE IS NO PAYMENT CALCULATED
15 UNDER THIS SECTION FOR THE DISTRICT.

16 (4) PAYMENTS TO DISTRICTS SHALL NOT BE MADE UNDER THIS
17 SECTION. RATHER, THE CALCULATIONS UNDER THIS SECTION SHALL BE MADE
18 AND USED TO DETERMINE THE AMOUNT OF STATE PAYMENTS UNDER SECTION
19 22B.

20 SEC. 21. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
21 ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR 2016-2017 TO MAKE
22 SUPPLEMENTAL PAYMENTS TO ELIGIBLE DISTRICTS THAT ARE IDENTIFIED AS
23 BEING AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS
24 STATE.

25 (2) DISTRICTS ARE ELIGIBLE TO RECEIVE THE SUPPLEMENTAL
26 PAYMENTS CALCULATED UNDER THIS SECTION FOR 3 CONSECUTIVE FISCAL
27 YEARS IF ALL OF THE FOLLOWING CONDITIONS ARE MET:

1 (A) THE STATE SCHOOL REFORM/REDESIGN OFFICER HAS APPOINTED A
2 CHIEF EXECUTIVE OFFICER TO TAKE CONTROL OF 1 OR MORE PUBLIC SCHOOLS
3 IN THE DISTRICT, AS PROVIDED FOR IN SECTION 1280C(7) OF THE REVISED
4 SCHOOL CODE, MCL 380.1280C, AND THERE IS AT LEAST 1 HIGH SCHOOL
5 OPERATED BY THE DISTRICT.

6 (B) AS DETERMINED BY THE SCHOOL REFORM OFFICE, AN INTERVENTION
7 AGREEMENT MEETING AT LEAST THE FOLLOWING CRITERIA HAS BEEN EXECUTED
8 BY THE STATE SCHOOL REFORM/REDESIGN OFFICER AND THE DISTRICT. THE
9 INTERVENTION AGREEMENT SHALL INCLUDE, BUT IS NOT LIMITED TO:

10 (i) THE RIGHTS AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE
11 OFFICER. HOWEVER, THE INTERVENTION AGREEMENT SHALL NOT MITIGATE THE
12 AUTHORITY OF THE CHIEF EXECUTIVE OFFICER PRESCRIBED IN APPLICABLE
13 STATUTE INCLUDING FINANCIAL AND EMPLOYMENT AUTHORITY.

14 (ii) THE ALLOCATION OF SUPPLEMENTAL PAYMENTS UNDER THIS
15 SECTION.

16 (iii) THE COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER.

17 (iv) THE ROLE OF THE DISTRICT'S BOARD AND OFFICERS DURING THE
18 INTERVENTION TERM.

19 (v) TERMINATION AND RENEWAL RIGHTS OF THE SCHOOL REFORM
20 OFFICE.

21 (vi) LIABILITY PROVISIONS FOR THE CHIEF EXECUTIVE OFFICER.

22 (vii) A DISPUTE RESOLUTION PROCESS.

23 (viii) THE LENGTH OF THE TERM OF THE AGREEMENT.

24 (ix) OTHER PROVISIONS AS DETERMINED BY THE SCHOOL REFORM
25 OFFICE FOR SUCCESSFUL IMPLEMENTATION OF THE CHIEF EXECUTIVE OFFICER
26 INTERVENTION.

27 (C) THE DISTRICT AGREES TO APPEAR IN PERSON BEFORE THE HOUSE

1 AND SENATE APPROPRIATIONS SUBCOMMITTEES RESPONSIBLE FOR SCHOOL AID
2 AND PROVIDE A QUARTERLY REPORT CONCERNING THE DISTRICT'S USE OF
3 FUNDS TO INCREASE PUPIL ACHIEVEMENT.

4 (3) THE SUPPLEMENTAL PAYMENT PROVIDED TO A DISTRICT UNDER THIS
5 SECTION SHALL BE CALCULATED BY MULTIPLYING THE DISTRICT'S
6 FOUNDATION ALLOWANCE BY 20% OF THE HIGH SCHOOL'S MEMBERSHIP FOR THE
7 PRIOR FISCAL YEAR. THE SAME DOLLAR AMOUNT SHALL CONTINUE TO BE
8 AVAILABLE TO THE DISTRICT FOR A MAXIMUM OF 3 YEARS, SUBJECT TO THE
9 CONDITIONS SPECIFIED IN SUBSECTION (2).

10 (4) FROM THE ALLOCATION IN SUBSECTION (1), IN ADDITION TO THE
11 SUPPLEMENTAL PAYMENTS CALCULATED UNDER SUBSECTION (3), THERE IS
12 ALLOCATED AN AMOUNT SUFFICIENT TO PAY FOR THE APPOINTMENT OF CHIEF
13 EXECUTIVE OFFICERS BY THE STATE SCHOOL REFORM/REDESIGN OFFICER, AS
14 PROVIDED FOR IN SECTION 1280C(7) OF THE REVISED SCHOOL CODE, MCL
15 380.1280C.

16 (5) FOR THE PURPOSES OF THIS SECTION, A HIGH SCHOOL IS A
17 SCHOOL THAT OPERATES EXCLUSIVELY ALL OF GRADES 9 TO 12.

18 Sec. 21f. (1) ~~A pupil enrolled in a district in any of grades~~
19 ~~6 to 12 is eligible to enroll in an online course as provided for~~
20 ~~in this section.~~ A PRIMARY DISTRICT SHALL ENROLL AN ELIGIBLE PUPIL
21 IN VIRTUAL COURSES IN ACCORDANCE WITH THE PROVISIONS OF THIS
22 SECTION. A PRIMARY DISTRICT SHALL NOT OFFER A VIRTUAL COURSE TO AN
23 ELIGIBLE PUPIL UNLESS THE VIRTUAL COURSE IS PUBLISHED IN THE
24 PRIMARY DISTRICT'S CATALOG OF BOARD-APPROVED COURSES OR IN THE
25 STATEWIDE CATALOG OF VIRTUAL COURSES MAINTAINED BY THE MICHIGAN
26 VIRTUAL UNIVERSITY PURSUANT TO SECTION 98. THE PRIMARY DISTRICT
27 SHALL ALSO PROVIDE ON ITS PUBLICLY ACCESSIBLE WEBSITE A LINK TO THE

1 STATEWIDE CATALOG OF VIRTUAL COURSES MAINTAINED BY THE MICHIGAN
2 VIRTUAL UNIVERSITY. UNLESS THE PUPIL IS AT LEAST AGE 18 OR IS AN
3 EMANCIPATED MINOR, A PUPIL SHALL NOT BE ENROLLED IN A VIRTUAL
4 COURSE WITHOUT THE CONSENT OF THE PUPIL'S PARENT OR LEGAL GUARDIAN.

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

21 ~~—(3) An eligible pupil may enroll in an online course published~~
22 ~~in the pupil's primary district's catalog of online courses~~
23 ~~described in subsection (7) (a) or the statewide catalog of online~~
24 ~~courses maintained by the Michigan Virtual University pursuant to~~
25 ~~section 98.~~

26 (3) A PUPIL MAY BE ENROLLED IN MORE THAN 2 VIRTUAL COURSES IN
27 A SPECIFIC ACADEMIC TERM, SEMESTER, OR TRIMESTER IF ALL OF THE

1 FOLLOWING CONDITIONS ARE MET:

2 (A) THE PRIMARY DISTRICT HAS DETERMINED THAT IT IS IN THE BEST
3 INTEREST OF THE PUPIL.

4 (B) THE PUPIL AGREES WITH THE RECOMMENDATION OF THE PRIMARY
5 DISTRICT.

6 (C) THE PRIMARY DISTRICT, IN COLLABORATION WITH THE PUPIL, HAS
7 DEVELOPED AN EDUCATION DEVELOPMENT PLAN, IN A FORM AND MANNER
8 SPECIFIED BY THE DEPARTMENT, THAT IS KEPT ON FILE BY THE DISTRICT.

9 (4) ~~A providing district or community college shall determine~~
10 ~~whether or not it has capacity to accept applications for~~
11 ~~enrollment from nonresident applicants in online courses and may~~
12 ~~use that limit as the reason for refusal to enroll an applicant. If~~
13 ~~the number of nonresident applicants eligible for acceptance in an~~
14 ~~online~~ **A VIRTUAL** course does not exceed the capacity of the
15 ~~providing district or community college~~ **PROVIDER** to provide the
16 ~~online~~ **VIRTUAL** course, the ~~providing district or community college~~
17 **PROVIDER** shall accept for enrollment all of the ~~nonresident~~
18 applicants eligible for acceptance. If the number of ~~nonresident~~
19 applicants exceeds the ~~providing district's or community college's~~
20 **PROVIDER'S** capacity to provide the ~~online~~ **VIRTUAL** course, the
21 ~~providing district or community college~~ **PROVIDER** shall use a random
22 draw system, subject to the need to abide by state and federal
23 antidiscrimination laws and court orders. **A PRIMARY DISTRICT THAT**
24 **IS ALSO A PROVIDER SHALL DETERMINE WHETHER OR NOT IT HAS THE**
25 **CAPACITY TO ACCEPT APPLICATIONS FOR ENROLLMENT FROM NONRESIDENT**
26 **APPLICANTS IN VIRTUAL COURSES AND MAY USE THAT LIMIT AS THE REASON**
27 **FOR REFUSAL TO ENROLL A NONRESIDENT APPLICANT.**

1 (5) A PRIMARY DISTRICT MAY NOT ESTABLISH ADDITIONAL
2 REQUIREMENTS BEYOND THOSE SPECIFIED IN THIS SUBSECTION THAT WOULD
3 PROHIBIT A PUPIL FROM TAKING A VIRTUAL COURSE. A pupil's primary
4 district may deny the pupil enrollment in an online course if any
5 of the following apply, as determined by the district:

6 (A) THE PUPIL IS ENROLLED IN ANY OF GRADES K TO 5.

7 (B) ~~(a)~~The pupil has previously gained the credits **THAT WOULD**
8 **BE** provided from the completion of the ~~online-VIRTUAL~~ course.

9 (C) ~~(b)~~The ~~online-VIRTUAL~~ course is not capable of generating
10 academic credit.

11 (D) ~~(c)~~The ~~online-VIRTUAL~~ course is inconsistent with the
12 remaining graduation requirements or career interests of the pupil.

13 ~~——(d) The pupil does not possess the prerequisite knowledge and~~
14 ~~skills to be successful in the online course or has demonstrated~~
15 ~~failure in previous online coursework in the same subject.~~

16 (E) THE PUPIL HAS NOT COMPLETED THE PREREQUISITE COURSEWORK
17 FOR THE REQUESTED VIRTUAL COURSE OR HAS NOT DEMONSTRATED
18 PROFICIENCY IN THE PREREQUISITE COURSE CONTENT.

19 (F) THE PUPIL HAS FAILED A PREVIOUS VIRTUAL COURSE IN THE SAME
20 SUBJECT DURING THE 2 MOST RECENT ACADEMIC YEARS.

21 (G) ~~(e)~~The ~~online-VIRTUAL~~ course is of insufficient quality
22 or rigor. A **PRIMARY** district that denies a pupil enrollment **REQUEST**
23 for this reason shall ~~make a reasonable effort to assist the pupil~~
24 ~~to find an alternative course~~**ENROLL THE PUPIL IN A VIRTUAL COURSE**
25 in the same or a similar subject that **THE PRIMARY DISTRICT**
26 **DETERMINES** is of acceptable rigor and quality.

27 (H) ~~(f)~~The cost of the ~~online-VIRTUAL~~ course exceeds the

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

4 ~~— (g) The online course enrollment request does not occur within~~
5 ~~the same timelines established by the primary district for~~
6 ~~enrollment and schedule changes for regular courses.~~

7 **(I) THE REQUEST FOR A VIRTUAL COURSE ENROLLMENT WAS NOT MADE**
8 **IN THE ACADEMIC TERM, SEMESTER, TRIMESTER, OR SUMMER PRECEDING THE**
9 **ENROLLMENT. THIS SUBDIVISION DOES NOT APPLY TO A REQUEST MADE BY A**
10 **PUPIL WHO IS NEWLY ENROLLED IN THE PRIMARY DISTRICT.**

11 (6) If a pupil is denied enrollment in ~~an online~~ **A VIRTUAL**
12 course by the pupil's primary district, the **PRIMARY DISTRICT SHALL**
13 **PROVIDE WRITTEN NOTIFICATION TO THE PUPIL OF THE DENIAL, THE REASON**
14 **OR REASONS FOR THE DENIAL PURSUANT TO SUBSECTION (5), AND A**
15 **DESCRIPTION OF THE APPEAL PROCESS.** THE pupil may appeal the denial
16 by submitting a letter to the superintendent of the intermediate
17 district in which the pupil's primary district is located. The
18 letter of appeal shall include the reason provided by the primary
19 district for not enrolling the pupil and the reason why the pupil
20 is claiming that the enrollment should be approved. The
21 intermediate district superintendent or designee shall respond to
22 the appeal within 5 days after it is received. If the intermediate
23 district superintendent or designee determines that the denial of
24 enrollment does not meet 1 or more of the reasons specified in
25 subsection (5), the primary district shall ~~allow~~ **ENROLL** the pupil
26 ~~to enroll in the online~~ **VIRTUAL** course.

27 (7) To provide ~~an online~~ **A VIRTUAL** course **TO AN ELIGIBLE PUPIL**

1 under this section, ~~the providing district or intermediate district~~
2 **A PROVIDER** shall do all of the following:

3 (a) ~~Provide the Michigan Virtual University with the course~~
4 ~~syllabus in a form and method prescribed by the Michigan Virtual~~
5 ~~University for inclusion in a statewide online course catalog. The~~
6 ~~district or intermediate district shall also provide on its~~
7 ~~publicly accessible website a link to the course syllabi for all of~~
8 ~~the online courses offered by the district or intermediate district~~
9 ~~and a link to the statewide catalog of online courses maintained by~~
10 ~~the Michigan Virtual University.~~ **ENSURE THAT THE VIRTUAL COURSE HAS**
11 **BEEN PUBLISHED IN THE PUPIL'S PRIMARY DISTRICT'S CATALOG OF BOARD-**
12 **APPROVED COURSES OR PUBLISHED IN THE STATEWIDE CATALOG OF VIRTUAL**
13 **COURSES MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY.**

14 (b) Assign to each pupil a teacher of record and provide the
15 primary district with the ~~personal~~ **PERSONNEL** identification code
16 **ASSIGNED BY THE CENTER** for the teacher of record. **IF THE PROVIDER**
17 **IS A COMMUNITY COLLEGE, THE VIRTUAL COURSE MUST BE TAUGHT BY AN**
18 **INSTRUCTOR EMPLOYED BY OR CONTRACTED THROUGH THE PROVIDING**
19 **COMMUNITY COLLEGE.**

20 (c) Offer the ~~online~~ **VIRTUAL** course on an open entry and exit
21 method, or aligned to a semester, trimester, or accelerated
22 academic term format.

23 **(D) IF THE VIRTUAL COURSE IS OFFERED TO ELIGIBLE PUPILS IN**
24 **MORE THAN 1 DISTRICT, THE FOLLOWING ADDITIONAL REQUIREMENTS MUST**
25 **ALSO BE MET:**

26 **(i) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH A COURSE**
27 **SYLLABUS THAT MEETS THE REQUIREMENTS UNDER SUBSECTION (13) (F) IN A**

1 FORM AND MANNER PRESCRIBED BY THE MICHIGAN VIRTUAL UNIVERSITY FOR
2 INCLUSION IN A STATEWIDE CATALOG OF VIRTUAL COURSES.

3 (ii) ~~(d)~~ Not later than October 1, ~~2015,~~ **OF EACH FISCAL YEAR,**
4 provide the Michigan Virtual University with ~~the number of~~
5 ~~enrollments in each online~~ **AN AGGREGATED COUNT OF ENROLLMENTS FOR**
6 **EACH VIRTUAL** course the ~~district or intermediate district~~ provided
7 **PROVIDER DELIVERED** to pupils pursuant to this section ~~in~~ **DURING** the
8 immediately preceding school year, and the number of enrollments in
9 which the pupil earned 60% or more of the total course points for
10 each ~~online~~ **VIRTUAL** course.

11 (8) To provide an online course under this section, a
12 community college shall ~~do all of the following:~~

13 ~~—— (a) Provide the Michigan Virtual University with the course~~
14 ~~syllabus in a form and method prescribed by the Michigan Virtual~~
15 ~~University for inclusion in a statewide online course catalog.~~

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

19 ~~—— (c) Ensure~~ **ENSURE** that each online course it provides under
20 this section generates postsecondary credit.

21 ~~—— (d) Beginning with October 1, 2016, and by October 1 of each~~
22 ~~year thereafter, provide the Michigan Virtual University with the~~
23 ~~number of enrollments in each online course the community college~~
24 ~~provided to pupils pursuant to this section in the immediately~~
25 ~~preceding school year, and the number of enrollments in which the~~
26 ~~pupil earned 60% or more of the total course points for each online~~
27 ~~course.~~

1 ~~—— (c) Be taught by an instructor employed by or contracted~~
2 ~~through the community college.~~

3 (9) For any ~~online~~-**VIRTUAL** course a pupil enrolls in under
4 this section, the pupil's primary district must assign to the pupil
5 a mentor ~~to monitor the pupil's progress during the online course~~
6 and shall supply the ~~providing district~~-**PROVIDER** with the mentor's
7 contact information.

8 (10) For a pupil enrolled in 1 or more ~~online~~-**VIRTUAL** courses,
9 ~~published in the pupil's primary district's catalog of online~~
10 ~~courses under subsection (7) or in the statewide catalog of online~~
11 ~~courses maintained by the Michigan Virtual University,~~ the primary
12 district shall use foundation allowance or per-pupil funds
13 calculated under section 20 to pay for the expenses associated with
14 the ~~online~~-**VIRTUAL** course or courses. A **PRIMARY** district is not
15 required to pay toward the cost of an ~~online~~-**A VIRTUAL** course an
16 amount that exceeds 6.67% of the minimum foundation allowance for
17 the current fiscal year as calculated under section 20.

18 (11) ~~An online~~-**A VIRTUAL** learning pupil shall have the same
19 rights and access to technology in his or her primary district's
20 school facilities as all other pupils enrolled in the pupil's
21 primary district.

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

1 course title as it appears in the ~~online~~-**VIRTUAL** course syllabus.

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

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

9 (14) ~~(15)~~As used in this section:

10 (A) **"INSTRUCTOR" MEANS AN INDIVIDUAL WHO IS EMPLOYED BY OR**
11 **CONTRACTED THROUGH A COMMUNITY COLLEGE.**

12 (B) ~~(a)~~"Mentor" means a professional employee of the primary
13 district who monitors the pupil's progress, ensures the pupil has
14 access to needed technology, is available for assistance, and
15 ensures access to the teacher of record. A mentor may also serve as
16 the teacher of record if **THE PRIMARY DISTRICT IS THE PROVIDER FOR**
17 **THE VIRTUAL COURSE AND** the mentor meets the requirements under
18 subdivision ~~(g)~~. **(E)**.

19 ~~—— (b) "Online course" means a course of study that is capable of~~
20 ~~generating a credit or a grade, that is provided in an interactive~~
21 ~~Internet-connected learning environment, in which pupils are~~
22 ~~separated from their teachers by time or location, or both, and, if~~
23 ~~the course is provided by a district or intermediate district, in~~
24 ~~which a teacher who holds a valid Michigan teaching certificate~~
25 ~~that qualifies the teacher to teach the course is responsible for~~
26 ~~providing instruction, determining appropriate instructional~~
27 ~~methods for each pupil, diagnosing learning needs, assessing pupil~~

1 ~~learning, prescribing intervention strategies, reporting outcomes,~~
2 ~~and evaluating the effects of instruction and support strategies.~~

3 ~~—— (c) "Online course syllabus" means a document that includes~~
4 ~~all of the following:~~

5 ~~—— (i) The state academic standards addressed in an online~~
6 ~~course.~~

7 ~~—— (ii) The online course content outline.~~

8 ~~—— (iii) The online course required assessments.~~

9 ~~—— (iv) The online course prerequisites.~~

10 ~~—— (v) Expectations for actual instructor contact time with the~~
11 ~~online learning pupil and other pupil to instructor communications.~~

12 ~~—— (vi) Academic support available to the online learning pupil.~~

13 ~~—— (vii) The online course learning outcomes and objectives.~~

14 ~~—— (viii) The name of the institution or organization providing~~
15 ~~the online content.~~

16 ~~—— (ix) The name of the institution or organization providing the~~
17 ~~online instructor.~~

18 ~~—— (x) The course titles assigned by the district or intermediate~~
19 ~~district and the course titles and course codes from the National~~
20 ~~Center for Education Statistics (NCES) school codes for the~~
21 ~~exchange of data (SCED).~~

22 ~~—— (xi) The number of eligible nonresident pupils that will be~~
23 ~~accepted by the district or intermediate district in the online~~
24 ~~course.~~

25 ~~—— (xii) The results of the online course quality review using~~
26 ~~the guidelines and model review process published by the Michigan~~
27 ~~Virtual University.~~

1 ~~—— (d) "Online learning pupil" means a pupil enrolled in 1 or~~
2 ~~more online courses.~~

3 (C) ~~(e)~~—"Primary district" means the district that enrolls the
4 pupil and reports the pupil as a ~~full-time equated pupil~~ for pupil
5 membership purposes.

6 (D) ~~(f)~~—"Providing district"—"**PROVIDER**" means the district,
7 intermediate district, or community college that the primary
8 district pays to provide the ~~online~~-**VIRTUAL** course **OR THE MICHIGAN**
9 **VIRTUAL UNIVERSITY IF IT IS PROVIDING THE VIRTUAL COURSE.**

10 (E) ~~(g)~~—"Teacher of record" means a teacher who ~~holds a valid~~
11 ~~Michigan teaching certificate, who, if applicable, is endorsed in~~
12 ~~the subject area and grade of the online course, and is responsible~~
13 ~~for providing instruction, determining instructional methods for~~
14 ~~each pupil, diagnosing learning needs, assessing pupil learning,~~
15 ~~prescribing intervention strategies, reporting outcomes, and~~
16 ~~evaluating the effects of instruction and support strategies.~~ **MEETS**
17 **ALL OF THE FOLLOWING:**

18 (i) **HOLDS A VALID MICHIGAN TEACHING CERTIFICATE OR A TEACHING**
19 **PERMIT RECOGNIZED BY THE DEPARTMENT.**

20 (ii) **IF APPLICABLE, IS ENDORSED IN THE SUBJECT AREA AND GRADE**
21 **OF THE VIRTUAL COURSE.**

22 (iii) **IS RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING**
23 **INSTRUCTIONAL METHODS FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS,**
24 **ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION STRATEGIES AND**
25 **MODIFYING LESSONS, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS**
26 **OF INSTRUCTION AND SUPPORT STRATEGIES.**

27 (iv) **HAS A PERSONNEL IDENTIFICATION CODE PROVIDED BY THE**

1 CENTER.

2 (v) IF THE PROVIDER IS A COMMUNITY COLLEGE, IS AN INSTRUCTOR
3 EMPLOYED BY OR CONTRACTED THROUGH THE PROVIDING COMMUNITY COLLEGE.

4 (F) "VIRTUAL COURSE" MEANS A COURSE OF STUDY THAT IS CAPABLE
5 OF GENERATING A CREDIT OR A GRADE AND THAT IS PROVIDED IN AN
6 INTERACTIVE LEARNING ENVIRONMENT WHERE THE MAJORITY OF THE
7 CURRICULUM IS DELIVERED USING THE INTERNET AND IN WHICH PUPILS MAY
8 BE SEPARATED FROM THEIR INSTRUCTOR OR TEACHER OF RECORD BY TIME OR
9 LOCATION, OR BOTH.

10 (G) "VIRTUAL COURSE SYLLABUS" MEANS A DOCUMENT THAT INCLUDES
11 ALL OF THE FOLLOWING:

12 (i) AN ALIGNMENT DOCUMENT DETAILING HOW THE COURSE MEETS
13 APPLICABLE STATE STANDARDS OR, IF THE STATE DOES NOT HAVE STATE
14 STANDARDS, NATIONALLY RECOGNIZED STANDARDS.

15 (ii) THE VIRTUAL COURSE CONTENT OUTLINE.

16 (iii) THE VIRTUAL COURSE REQUIRED ASSESSMENTS.

17 (iv) THE VIRTUAL COURSE PREREQUISITES.

18 (v) EXPECTATIONS FOR ACTUAL INSTRUCTOR OR TEACHER OF RECORD
19 CONTACT TIME WITH THE VIRTUAL LEARNING PUPIL AND OTHER
20 COMMUNICATIONS BETWEEN A PUPIL AND THE INSTRUCTOR OR TEACHER OF
21 RECORD.

22 (vi) ACADEMIC SUPPORT AVAILABLE TO THE VIRTUAL LEARNING PUPIL.

23 (vii) THE VIRTUAL COURSE LEARNING OUTCOMES AND OBJECTIVES.

24 (viii) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING
25 THE VIRTUAL CONTENT.

26 (ix) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE
27 INSTRUCTOR OR TEACHER OF RECORD.

1 (x) THE COURSE TITLES ASSIGNED BY THE PROVIDER AND THE COURSE
2 TITLES AND COURSE CODES FROM THE NATIONAL CENTER FOR EDUCATION
3 STATISTICS (NCES) SCHOOL CODES FOR THE EXCHANGE OF DATA (SCED).

4 (xi) THE NUMBER OF ELIGIBLE PUPILS THAT WILL BE ACCEPTED BY
5 THE PROVIDER IN THE VIRTUAL COURSE. A PRIMARY DISTRICT THAT IS ALSO
6 THE PROVIDER MAY LIMIT THE ENROLLMENT TO THOSE PUPILS ENROLLED IN
7 THE PRIMARY DISTRICT.

8 (xii) THE RESULTS OF THE VIRTUAL COURSE QUALITY REVIEW USING
9 THE GUIDELINES AND MODEL REVIEW PROCESS PUBLISHED BY THE MICHIGAN
10 VIRTUAL UNIVERSITY.

11 (H) "VIRTUAL LEARNING PUPIL" MEANS A PUPIL ENROLLED IN 1 OR
12 MORE VIRTUAL COURSES.

13 SEC. 21G. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
14 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR
15 2016-2017 FOR A GRANT TO A PUBLIC-PRIVATE PARTNERSHIP, LED BY THE
16 MICHIGAN CENTER OF INNOVATION IN EDUCATION, A MICHIGAN-BASED
17 NONPROFIT ORGANIZATION THAT IS EXEMPT FROM FEDERAL TAXES UNDER
18 SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE, 26 USC 501(C) (3),
19 IN PARTNERSHIP WITH THE MICHIGAN ASSOCIATION OF INTERMEDIATE SCHOOL
20 ADMINISTRATORS, AND IN COORDINATION WITH THE DEPARTMENT AND THE
21 CENTER, TO DEVELOP AND PILOT A COMPETENCY-BASED TRANSCRIPT AND
22 MARKETPLACE TO PROVIDE ENHANCED CHOICE TO PUPILS AND PARENTS FOR
23 THE COMPLETION OF THE REQUIREMENTS FOR A HIGH SCHOOL DIPLOMA UNDER
24 THE MICHIGAN MERIT STANDARD UNDER SECTIONS 1278A AND 1278B OF THE
25 REVISED SCHOOL CODE, MCL 380.1278A AND 380.1278B.

26 (2) THE PARTNERSHIP UNDER SUBSECTION (1) SHALL DO ALL OF THE
27 FOLLOWING:

1 (A) ESTABLISH AN ARTICULATION FRAMEWORK FOR MICHIGAN ACADEMIC,
2 TECHNICAL, AND GLOBAL COMPETENCIES OF PREKINDERGARTEN THROUGH HIGH
3 SCHOOL DIPLOMA REQUIREMENTS, INCLUDING PROVIDING FOR CAREER AND
4 TECHNICAL AND DUAL ENROLLMENT OPPORTUNITIES.

5 (B) ESTABLISH ASSESSMENT CRITERIA FOR MEASURING THESE
6 COMPETENCIES AND AWARDING UNIVERSALLY RECOGNIZED CREDENTIALS,
7 MICRO-CREDENTIALS, CREDITS, AND MICRO-CREDITS FOR DEMONSTRATED
8 COMPETENCIES INDEPENDENT OF STATE-ADMINISTERED ASSESSMENTS.

9 (C) IDENTIFY A MEANS OF ACCREDITING EDUCATION SERVICE
10 PROVIDERS AS COMPETENCY-BASED CREDENTIALING ORGANIZATIONS TO
11 FACILITATE ANY-TIME, ANY-PACE, ANY-WAY, ANY-PLACE LEARNING SUCH
12 THAT CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND MICRO-CREDITS CAN
13 BE EARNED INSIDE AND OUTSIDE TRADITIONAL CLASSROOM SETTINGS.

14 (D) DEVELOP AND PILOT A PUPIL-OWNED TRANSCRIPT THAT SATISFIES
15 POSTSECONDARY INSTITUTION REQUIREMENTS FOR ADMISSION AND ALLOWS
16 PUPILS TO ACCUMULATE CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND
17 MICRO-CREDITS REQUIRED FOR HIGH SCHOOL GRADUATION, POSTSECONDARY
18 MATRICULATION, AND EARLY CAREER SUCCESS.

19 (E) ESTABLISH AND PILOT A MARKETPLACE OF ACCREDITED EDUCATION
20 SERVICE PROVIDERS TO PROVIDE ENHANCED CHOICE FOR PUPILS AND PARENTS
21 WHEN SELECTING CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND MICRO-
22 CREDITS NEEDED TO SATISFY MICHIGAN HIGH SCHOOL DIPLOMA
23 REQUIREMENTS, INCLUDING CAREER AND TECHNICAL AND DUAL ENROLLMENT
24 OPPORTUNITIES.

25 (3) ACCREDITED EDUCATION SERVICE PROVIDERS SHALL INCLUDE, BUT
26 ARE NOT LIMITED TO, THE FOLLOWING:

27 (A) DISTRICTS AND PUBLIC CAREER AND TECHNICAL PROGRAMS.

1 (B) PRESCHOOL, AFTER-SCHOOL, AND OTHER QUALIFYING PROGRAMS.

2 (C) MUSEUMS, HISTORICAL SOCIETIES, SCIENCE CENTERS, AND OTHER
3 COMMUNITY EDUCATION ORGANIZATIONS.

4 (D) BUSINESS AND CIVIC ORGANIZATIONS AND OTHER INSTITUTIONS
5 PROVIDING INTERNSHIP AND APPRENTICESHIP OPPORTUNITIES.

6 (E) COMMUNITY COLLEGES, TRADE SCHOOLS, AND UNIVERSITIES
7 OFFERING DUAL ENROLLMENT OPPORTUNITIES.

8 (4) THE TRANSCRIPT AND MARKETPLACE SHALL DO ALL OF THE
9 FOLLOWING:

10 (A) USE MICHIGAN-SPECIFIC ACADEMIC STANDARDS WHEN DEFINING
11 ACADEMIC COMPETENCIES.

12 (B) USE INDUSTRY STANDARDS FOR THE COMPETENCY ASSESSMENT.

13 (C) USE INDUSTRY STANDARDS FOR ARTICULATING AND TRANSCRIPTING
14 OF CREDENTIALS, MICRO-CREDENTIALS, CREDITS, AND MICRO-CREDITS.

15 (D) OFFER ITS SERVICES AT NO COST TO PUPILS OR PARENTS.

16 Sec. 22a. (1) From the appropriation in section 11, there is
17 allocated ~~an amount not to exceed \$5,377,000,000.00 for 2014-2015~~
18 ~~and an amount not to exceed \$5,281,700,000.00~~ **\$5,255,000,000.00** for
19 2015-2016 **AND AN AMOUNT NOT TO EXCEED \$5,218,500,000.00 FOR 2016-**
20 **2017** for payments to districts and qualifying public school
21 academies to guarantee each district and qualifying public school
22 academy an amount equal to its 1994-95 total state and local per
23 pupil revenue for school operating purposes under section 11 of
24 article IX of the state constitution of 1963. Pursuant to section
25 11 of article IX of the state constitution of 1963, this guarantee
26 does not apply to a district in a year in which the district levies
27 a millage rate for school district operating purposes less than it

1 levied in 1994. However, subsection (2) applies to calculating the
2 payments under this section. Funds allocated under this section
3 that are not expended in the state fiscal year for which they were
4 allocated, as determined by the department, may be used to
5 supplement the allocations under sections 22b and 51c in order to
6 fully fund those calculated allocations for the same fiscal year.

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

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

1 operating taxes are to be levied on behalf of a dissolved district
2 that has been attached in whole or in part to the receiving
3 district to satisfy debt obligations of the dissolved district
4 under section 12 of the revised school code, MCL 380.12, taxable
5 value per membership pupil of all property in the receiving
6 district that is nonexempt property and taxable value per
7 membership pupil of property in the receiving district that is
8 commercial personal property do not include property within the
9 geographic area of the dissolved district; ad valorem property tax
10 revenue of the receiving district captured under tax increment
11 financing acts does not include ad valorem property tax revenue
12 captured within the geographic boundaries of the dissolved district
13 under tax increment financing acts; and certified mills do not
14 include the certified mills of the dissolved district.

15 (b) For a district that had a 1994-95 foundation allowance
16 greater than \$6,500.00, the state payment under this subsection
17 shall be the sum of the amount calculated under subdivision (a)
18 plus the amount calculated under this subdivision. The amount
19 calculated under this subdivision shall be equal to the difference
20 between the district's 1994-95 foundation allowance minus \$6,500.00
21 and the current year hold harmless school operating taxes per
22 pupil. If the result of the calculation under subdivision (a) is
23 negative, the negative amount shall be an offset against any state
24 payment calculated under this subdivision. If the result of a
25 calculation under this subdivision is negative, there shall not be
26 a state payment or a deduction under this subdivision. The taxable
27 values per membership pupil used in the calculations under this

1 subdivision are as adjusted by ad valorem property tax revenue
2 captured under tax increment financing acts divided by the
3 district's membership. For a receiving district, if school
4 operating taxes are to be levied on behalf of a dissolved district
5 that has been attached in whole or in part to the receiving
6 district to satisfy debt obligations of the dissolved district
7 under section 12 of the revised school code, MCL 380.12, ad valorem
8 property tax revenue captured under tax increment financing acts do
9 not include ad valorem property tax revenue captured within the
10 geographic boundaries of the dissolved district under tax increment
11 financing acts.

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

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

22 (5) Except as otherwise provided in this subsection, for a
23 district that is formed or reconfigured after June 1, 2000 by
24 consolidation of 2 or more districts or by annexation, the
25 resulting district's 1994-95 foundation allowance under this
26 section beginning after the effective date of the consolidation or
27 annexation shall be the average of the 1994-95 foundation

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

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

14 (7) As used in this section:

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

19 (b) "Certified mills" means the lesser of 18 mills or the
20 number of mills of school operating taxes levied by the district in
21 1993-94.

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

24 (d) "Current year hold harmless school operating taxes per
25 pupil" means the per pupil revenue generated by multiplying a
26 district's 1994-95 hold harmless millage by the district's current
27 year taxable value per membership pupil. For a receiving district,

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

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

12 (f) "Hold harmless millage" means, for a district with a 1994-
13 95 foundation allowance greater than \$6,500.00, the number of mills
14 by which the exemption from the levy of school operating taxes on a
15 homestead, qualified agricultural property, qualified forest
16 property, supportive housing property, industrial personal
17 property, commercial personal property, and property occupied by a
18 public school academy could be reduced as provided in section 1211
19 of the revised school code, MCL 380.1211, and the number of mills
20 of school operating taxes that could be levied on all property as
21 provided in section 1211(2) of the revised school code, MCL
22 380.1211, as certified by the department of treasury for the 1994
23 tax year. For a receiving district, if school operating taxes are
24 to be levied on behalf of a dissolved district that has been
25 attached in whole or in part to the receiving district to satisfy
26 debt obligations of the dissolved district under section 12 of the
27 revised school code, MCL 380.12, school operating taxes do not

1 include school operating taxes levied within the geographic area of
2 the dissolved district.

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

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

11 (i) "Nonexempt property" means property that is not a
12 principal residence, qualified agricultural property, qualified
13 forest property, supportive housing property, industrial personal
14 property, commercial personal property, or property occupied by a
15 public school academy.

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

19 (k) "Receiving district" means a district to which all or part
20 of the territory of a dissolved district is attached under section
21 12 of the revised school code, MCL 380.12.

22 (l) "School operating taxes" means local ad valorem property
23 taxes levied under section 1211 of the revised school code, MCL
24 380.1211, and retained for school operating purposes as defined in
25 section 20.

26 (m) "Tax increment financing acts" means 1975 PA 197, MCL
27 125.1651 to 125.1681, the tax increment finance authority act, 1980

1 PA 450, MCL 125.1801 to 125.1830, the local development financing
2 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
3 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
4 or the corridor improvement authority act, 2005 PA 280, MCL
5 125.2871 to 125.2899.

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

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

25 (ii) For the number of mills of school operating taxes that
26 may be levied on all property as provided in section 1211(2) of the
27 revised school code, MCL 380.1211, the taxable value of all

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

9 Sec. 22b. (1) ~~From the appropriation in section 11, FOR~~
10 **DISCRETIONARY NONMANDATED PAYMENTS TO DISTRICTS UNDER THIS SECTION,**
11 **THERE IS ALLOCATED FROM THE APPROPRIATION IN SECTION 11 AN AMOUNT**
12 **NOT TO EXCEED \$3,690,000,000.00 FOR 2015-2016 AND** there is
13 allocated **FOR 2016-2017** an amount not to exceed \$3,440,000,000.00
14 ~~for 2014-2015 and an amount not to exceed \$3,728,000,000.00 for~~
15 ~~2015-2016 for discretionary nonmandated payments to districts under~~
16 ~~this section.~~ **\$3,717,503,200.00 FROM THE STATE SCHOOL AID FUND**
17 **MONEY APPROPRIATED IN SECTION 11, AN AMOUNT NOT TO EXCEED**
18 **\$182,496,800.00 FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION**
19 **11, AND AN AMOUNT NOT TO EXCEED \$72,000,000.00 FROM THE COMMUNITY**
20 **DISTRICT EDUCATION TRUST FUND APPROPRIATION IN SECTION 11.** Funds
21 allocated under this section that are not expended in the state
22 fiscal year for which they were allocated, as determined by the
23 department, may be used to supplement the allocations under
24 sections 22a and 51c in order to fully fund those calculated
25 allocations for the same fiscal year.

26 (2) Subject to subsection (3) and section 296, the allocation
27 to a district under this section shall be an amount equal to the

1 sum of the amounts calculated under sections 20, **20J**, 51a(2),
2 51a(3), and 51a(11), minus the sum of the allocations to the
3 district under sections 22a and 51c.

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

6 (a) Comply with section 1280b of the revised school code, MCL
7 380.1280b.

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

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

13 (d) Comply with section 1230g of the revised school code, MCL
14 380.1230g.

15 (e) Comply with section 21f.

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

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

26 (6) From the allocation in subsection (1), the department
27 shall pay up to \$1,000,000.00 in litigation costs incurred by this

1 state associated with lawsuits filed by 1 or more districts or
2 intermediate districts against this state. If the allocation under
3 this section is insufficient to fully fund all payments required
4 under this section, the payments under this subsection shall be
5 made in full before any proration of remaining payments under this
6 section.

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

22 (8) If the local claims review board or a court of competent
23 jurisdiction makes a final determination that this state is in
24 violation of section 29 of article IX of the state constitution of
25 1963 regarding state payments to districts, the state budget
26 director shall use work project funds under subsection (7) or
27 allocate from the discretionary funds for nonmandated payments

1 under this section the amount as may be necessary to satisfy the
2 amount owed to districts before making any payments to districts
3 under subsection (2).

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

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

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

1 the following fiscal year. The purpose of the work project is to
2 provide for any payments that may be awarded to districts as a
3 result of the litigation. The work project shall be completed upon
4 resolution of the litigation. In addition, this state reserves the
5 right to terminate future federal title XIX Medicaid reimbursement
6 payments to districts if the amount or allocation of reimbursed
7 funds is challenged in the lawsuit. As used in this subsection,
8 "title XIX" means title XIX of the social security act, 42 USC 1396
9 to 1396v.

10 ~~———— (12) Payments under this section are subject to section 25g.~~

11 Sec. 22d. (1) From the appropriation in section 11, an amount
12 not to exceed \$5,000,000.00 is allocated for ~~2015-2016-2016-2017~~
13 for supplemental payments to rural districts under this section.

14 (2) From the allocation under subsection (1), there is
15 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
16 \$957,300.00 for payments under this subsection to districts that
17 meet all of the following:

18 (a) Operates grades K to 12.

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

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

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

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

25 (3) The amount of the additional funding to each eligible
26 district under subsection (2) shall be determined under a spending
27 plan developed as provided in this subsection and approved by the

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

15 (4) Subject to subsection (6), from the allocation in
16 subsection (1), there is allocated for ~~2015-2016-2016-2017~~ an
17 amount not to exceed \$4,042,700.00 for payments under this
18 subsection to districts that have 7.3 or fewer pupils per square
19 mile as determined by the department.

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

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

24 Sec. 22g. (1) From the funds appropriated in section 11, there
25 is allocated for ~~2015-2016-2016-2017~~ only an amount not to exceed
26 \$5,000,000.00 for competitive assistance grants to districts and
27 intermediate districts.

1 (2) Funds received under this section may be used for
2 reimbursement of transition costs associated with **THE CONSOLIDATION**
3 **OF OPERATIONS OR SERVICES BETWEEN 2 OR MORE DISTRICTS OR**
4 **INTERMEDIATE DISTRICTS OR** the DISSOLUTION, consolidation, or
5 annexation of districts or intermediate districts. Grant funding
6 shall be available for **CONSOLIDATIONS OF OPERATIONS OR SERVICES,**
7 **DISSOLUTIONS,** consolidations, or annexations that occur on or after
8 June 1, ~~2015~~—2016. Districts may spend funds allocated under this
9 section over 3 fiscal years.

10 Sec. 23a. (1) A dropout recovery program operated by a
11 district qualifies for the special membership counting provisions
12 of section 6(4)(dd) and the hours and day of pupil instruction
13 exemption under section 101(12) if the dropout recovery program
14 meets all of the following:

15 (a) Enrolls only eligible pupils.

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

24 (c) Develops a written learning plan.

25 (d) Monitors the pupil's progress against the written learning
26 plan.

27 (e) Requires each pupil to make satisfactory monthly progress,

1 as defined by the district under subsection (2).

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

4 (g) The program may be operated on or off a district school
5 campus, but may be operated using distance learning online only if
6 the program provides a computer and Internet access for each
7 eligible pupil participating in the program.

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

9 (i) If the district partners with an education management
10 organization for the program, the education management organization
11 has a dropout recovery program partnership relationship with at
12 least 1 other district.

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

17 (3) As used in this section:

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

23 (b) "Education management organization" means a private
24 provider that operates 1 or more other dropout recovery programs
25 that meet the requirements of this section in partnership with 1 or
26 more districts.

27 (c) "Eligible pupil" means a pupil who has been expelled from

1 school under the mandatory expulsion provisions in section 1311 or
2 1311a of the revised school code, MCL 380.1311 and 380.1311a, a
3 pupil who has been suspended or expelled from school under a local
4 policy, a pupil who is referred by a court, a pupil who is pregnant
5 or is a parent, a pupil who was previously a dropout, or a pupil
6 who is determined by the district to be at risk of dropping out.

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

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

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

26 Sec. 24. (1) From the appropriation in section 11, there is
27 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed

1 \$8,000,000.00 for payments to the educating district or
2 intermediate district for educating pupils assigned by a court or
3 the department of health and human services to reside in or to
4 attend a juvenile detention facility or child caring institution
5 licensed by the department of health and human services and
6 approved by the department to provide an on-grounds education
7 program. The amount of the payment under this section to a district
8 or intermediate district shall be calculated as prescribed under
9 subsection (2).

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

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

1 detention facility or child caring institution. Costs reimbursed by
2 federal funds are not included.

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

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

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

20 Sec. 24a. From the appropriation in section 11, there is
21 allocated an amount not to exceed ~~\$2,189,800.00~~ **\$1,301,000.00** for
22 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
23 **\$1,328,100.00 FOR 2016-2017** for payments to intermediate districts
24 for pupils who are placed in juvenile justice service facilities
25 operated by the department of health and human services. Each
26 intermediate district shall receive an amount equal to the state
27 share of those costs that are clearly and directly attributable to

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

14 Sec. 24c. From the appropriation in section 11, there is
15 allocated an amount not to exceed ~~\$1,497,400.00 for 2015-2016~~
16 **\$1,522,400.00 FOR 2016-2017** for payments to districts for pupils
17 who are enrolled in a nationally administered community-based
18 education and youth mentoring program, known as the youth challenge
19 program, that is administered by the department of military and
20 veterans affairs. Both of the following apply to a district
21 receiving payments under this section:

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

26 (b) The district may retain for its administrative expenses an
27 amount not to exceed 3% of the amount of the payment the district

1 receives under this section.

2 Sec. 25f. (1) From the state school aid fund money
3 appropriated in section 11, there is allocated an amount not to
4 exceed ~~\$1,000,000.00 for 2015-2016~~ **\$250,000.00 FOR 2016-2017** for
5 payments to strict discipline academies established under sections
6 1311b to 1311m of the revised school code, MCL 380.1311b to
7 380.1311m, as provided under this section.

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

12 (2) ~~(3)~~—The total amount allocated to a strict discipline
13 academy under this section is an amount equal to the lesser of the
14 strict discipline academy's added cost or the department's approved
15 per-pupil allocation for the strict discipline academy. However,
16 the sum of the amounts received by a strict discipline academy
17 under this section and under section 24 shall not exceed the
18 product of the strict discipline academy's per-pupil allocation
19 calculated under section 20 multiplied by the strict discipline
20 academy's full-time equated membership. The department shall
21 allocate funds to strict discipline academies under this section on
22 a monthly basis. For the purposes of this subsection:

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

1 department, in whole or in part, for educating those pupils in a
2 strict discipline academy. The department shall include all costs
3 including, but not limited to, educational costs, insurance,
4 management fees, technology costs, legal fees, auditing fees,
5 interest, pupil accounting costs, and any other administrative
6 costs necessary to operate the program or to comply with statutory
7 requirements. Costs reimbursed by federal funds are not included.

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

14 (3) ~~(4)~~—Special education pupils funded under section 53a
15 shall not be funded under this section.

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

20 (5) ~~(6)~~—Payments to districts under this section shall be made
21 according to the payment schedule under section 17b.

22 Sec. 25g. (1) From the state school aid fund money
23 appropriated in section 11, there is allocated an amount not to
24 exceed ~~\$1,000,000.00 for 2015-2016~~ **\$250,000.00 FOR 2016-2017** for
25 the purposes of this section. If the operation of the special
26 membership counting provisions under section 6(4)(dd) and the other
27 membership counting provisions under section 6(4) result in a pupil

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

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

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

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

15 Sec. 26a. From the funds appropriated in section 11, there is
16 allocated an amount not to exceed ~~\$26,300,000.00~~ **\$20,000,000.00** for
17 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
18 **\$20,000,000.00 FOR 2016-2017** to reimburse districts and
19 intermediate districts pursuant to section 12 of the Michigan
20 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied
21 in ~~2015-2016~~. The allocations shall be made not later than 60 days
22 after the department of treasury certifies to the department and to
23 the state budget director that the department of treasury has
24 received all necessary information to properly determine the
25 amounts due to each eligible recipient.

26 Sec. 26b. (1) From the appropriation in section 11, there is
27 allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed

1 ~~\$4,276,800.00~~ **\$4,405,100.00** for payments to districts, intermediate
2 districts, and community college districts for the portion of the
3 payment in lieu of taxes obligation that is attributable to
4 districts, intermediate districts, and community college districts
5 pursuant to section 2154 of the natural resources and environmental
6 protection act, 1994 PA 451, MCL 324.2154.

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

11 Sec. 26c. (1) From the appropriation in section 11, there is
12 allocated an amount not to exceed ~~\$610,000.00~~ **\$278,000.00** for 2015-
13 2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00**
14 **FOR 2016-2017** to the promise zone fund created in subsection (3).

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

20 (3) The promise zone fund is created as a separate account
21 within the state school aid fund to be used solely for the purposes
22 of the Michigan promise zone authority act, 2008 PA 549, MCL
23 390.1661 to 390.1679. All of the following apply to the promise
24 zone fund:

25 (a) The state treasurer shall direct the investment of the
26 promise zone fund. The state treasurer shall credit to the promise
27 zone fund interest and earnings from fund investments.

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1 (b) Money in the promise zone fund at the close of a fiscal
2 year shall remain in the promise zone fund and shall not lapse to
3 the general fund.

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

10 Sec. 31a. (1) From the state school aid fund money
11 appropriated in section 11, there is allocated for ~~2015-2016-2016-~~
12 ~~2017~~ an amount not to exceed ~~\$389,695,500.00~~ **\$407,695,500.00** for
13 payments to eligible districts, eligible public school academies,
14 and the education achievement system for the purposes of ensuring
15 that pupils are proficient in reading by the end of grade 3 and
16 that high school graduates are career and college ready and for the
17 purposes under subsections (7) and (8).

18 ~~[(2) For a district or public school academy, or the education~~
19 ~~achievement system, to be eligible to receive funding under this~~
20 ~~section, other than funding under subsection (7) or (8), FROM THE FUNDS~~
21 **ALLOCATED UNDER SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO**
22 **EXCEED \$378,988,200.00 FOR FUNDING UNDER THIS SECTION, OTHER THAN**
23 **PAYMENTS UNDER SUBSECTIONS (7) AND (8), FOR DISTRICTS, PUBLIC SCHOOL**
24 **ACADEMIES, AND EDUCATION ACHIEVEMENT SYSTEMS FOR WHICH** the sum of the
25 district's or public school academy's or the education achievement
26 system's combined state and local revenue per membership pupil in the
27 current state fiscal year, as calculated under section 20, ~~must be~~ IS

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1 less than or equal to the basic foundation allowance under section 20 for
2 the current state fiscal year.

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7 (3) For a district or public school academy that operates
8 grades K to 3, or the education achievement system, to be eligible
9 to receive funding under this section, other than funding under
10 subsection (7) or (8), the district or public school academy, or
11 the education achievement system, must implement, for at least
12 grades K to 3, a multi-tiered system of supports that is an
13 evidence-based model that uses data-driven problem solving to
14 integrate academic and behavioral instruction and that uses
15 intervention delivered to all pupils in varying intensities based
16 on pupil needs. This multi-tiered system of supports must provide
17 at least all of the following essential elements:

18 (a) Implements effective instruction for all learners.

19 (b) Intervenes early.

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

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

24 (ii) Targeted group interventions.

25 (iii) Intense individual interventions.

26 (d) Monitors pupil progress to inform instruction.

27 (e) Uses data to make instructional decisions.

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

3 (g) Engages families and the community.

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

6 (i) Implements instruction and intervention practices with
7 fidelity.

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

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

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

16 (5) Except as otherwise provided in this section, a district
17 or public school academy, or the education achievement system,
18 receiving funding under this section shall use that money only to
19 provide instructional programs and direct noninstructional
20 services, including, but not limited to, medical, mental health, or
21 counseling services, for at-risk pupils; for school health clinics;
22 and for the purposes of subsection (6), (7), (8), or (11). In
23 addition, a district that is a school district of the first class
24 or a district or public school academy in which at least 50% of the
25 pupils in membership met the income eligibility criteria for free
26 breakfast, lunch, or milk in the immediately preceding state fiscal
27 year, as determined and reported as described in subsection (4), or

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

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

18 (7) From the funds allocated under subsection (1), there is
19 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
20 ~~\$3,557,300.00~~ **\$5,557,300.00** to support child and adolescent health
21 centers. These grants shall be awarded for 5 consecutive years
22 beginning with 2003-2004 in a form and manner approved jointly by
23 the department and the department of health and human services.
24 Each grant recipient shall remain in compliance with the terms of
25 the grant award or shall forfeit the grant award for the duration
26 of the 5-year period after the noncompliance. To continue to
27 receive funding for a child and adolescent health center under this

1 section a grant recipient shall ensure that the child and
2 adolescent health center has an advisory committee and that at
3 least one-third of the members of the advisory committee are
4 parents or legal guardians of school-aged children. A child and
5 adolescent health center program shall recognize the role of a
6 child's parents or legal guardian in the physical and emotional
7 well-being of the child. Funding under this subsection shall be
8 used to support child and adolescent health center services
9 provided to children up to age 21. If any funds allocated under
10 this subsection are not used for the purposes of this subsection
11 for the fiscal year in which they are allocated, those unused funds
12 shall be used that fiscal year to avoid or minimize any proration
13 that would otherwise be required under subsection (12) for that
14 fiscal year. ~~In addition to the funds otherwise allocated under
15 this subsection, from the money allocated in subsection (1), there
16 is allocated an amount not to exceed \$2,000,000.00 for 2015-2016
17 only for child and adolescent health centers to increase access to
18 nurses and behavioral health services in schools, using 3 existing
19 school clinics as hubs for services and using mobile teams to serve
20 satellite school sites.~~

21 (8) From the funds allocated under subsection (1), there is
22 allocated for ~~2015-2016~~ **2016-2017** an amount not to exceed
23 \$5,150,000.00 for the state portion of the hearing and vision
24 screenings as described in section 9301 of the public health code,
25 1978 PA 368, MCL 333.9301. A local public health department shall
26 pay at least 50% of the total cost of the screenings. The frequency
27 of the screenings shall be as required under R 325.13091 to R

1 325.13096 and R 325.3271 to R 325.3276 of the Michigan
2 administrative code. Funds shall be awarded in a form and manner
3 approved jointly by the department and the department of health and
4 human services. Notwithstanding section 17b, payments to eligible
5 entities under this subsection shall be paid on a schedule
6 determined by the department.

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

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1 shall be forfeited to the school aid fund.

2 (10) In order to receive funds under this section, a district
3 or public school academy or the education achievement system shall
4 allow access for the department or the department's designee to
5 audit all records related to the program for which it receives
6 those funds. The district or public school academy or the education
7 achievement system shall reimburse the state for all disallowances
8 found in the audit.

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

15 [(12) If necessary, and before any proration required under
16 section 296, the department shall prorate payments under this section ~~by~~
17 **AS FOLLOWS:**

18 **(A) FOR A DISTRICT, PUBLIC SCHOOL ACADEMY, OR EDUCATION ACHIEVEMENT**
19 **SYSTEM THAT RECEIVES FUNDING UNDER SUBSECTION (2), BY** reducing the amount
20 of the per pupil payment under ~~this section~~ **SUBSECTION (2)** by a dollar
21 amount calculated by determining the amount by which the amount necessary
22 to fully fund the requirements of ~~this section~~ **SUBSECTION (2)** exceeds the
23 maximum amount allocated under ~~this section~~ **SUBSECTION (2)** and then
24 dividing that amount by the total statewide number of pupils **ENROLLED IN**
DISTRICTS, PUBLIC SCHOOL ACADEMIES, AND EDUCATION ACHIEVEMENT SYSTEMS
RECEIVING FUNDING UNDER SUBSECTION (2) who met the income eligibility
criteria for free breakfast, lunch, or milk in the immediately preceding
fiscal year, as described in subsection (4).

(B) FOR A DISTRICT, PUBLIC SCHOOL ACADEMY, OR EDUCATION ACHIEVEMENT
SYSTEM THAT RECEIVES FUNDING UNDER SUBSECTION (19), BY REDUCING THE
AMOUNT OF THE PER PUPIL PAYMENT UNDER SUBSECTION (19) BY A DOLLAR AMOUNT
CALCULATED BY DETERMINING THE AMOUNT BY WHICH THE AMOUNT NECESSARY TO
FULLY FUND THE REQUIREMENTS OF SUBSECTION (19) EXCEEDS THE MAXIMUM AMOUNT
ALLOCATED UNDER SUBSECTION (19) AND THEN DIVIDING THAT AMOUNT BY THE
TOTAL STATEWIDE NUMBER OF PUPILS ENROLLED IN DISTRICTS, PUBLIC SCHOOL
ACADEMIES, AND EDUCATION ACHIEVEMENT SYSTEMS RECEIVING FUNDING UNDER
SUBSECTION (19) WHO MET THE INCOME ELIGIBILITY CRITERIA FOR FREE
BREAKFAST, LUNCH, OR MILK IN THE IMMEDIATELY PRECEDING FISCAL YEAR, AS
DESCRIBED IN SUBSECTION (4).]

25 (13) If a district is formed by consolidation after June 1,

26 1995, and if 1 or more of the original districts were not eligible

27 before the consolidation for an additional allowance under this

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

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

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

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

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

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

27 (e) Is a pupil who is at risk of not meeting the district's

1 core academic curricular objectives in English language arts or
2 mathematics, as demonstrated on local assessments.

3 (f) The pupil is enrolled in a priority or priority-successor
4 school, as defined in the elementary and secondary education act of
5 2001 flexibility waiver approved by the United States Department of
6 Education.

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

10 (i) The pupil is eligible for free or reduced price breakfast,
11 lunch, or milk.

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

14 (iii) The pupil is homeless.

15 (iv) The pupil is a migrant.

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

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

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

22 (15) Beginning in 2018-2019, if a district, public school
23 academy, or the education achievement system does not demonstrate
24 to the satisfaction of the department that at least 50% of at-risk
25 pupils are ~~reading at grade level~~ **PROFICIENT IN ENGLISH LANGUAGE**
26 **ARTS** by the end of grade 3 as measured by the state assessment for
27 the immediately preceding school year and demonstrate to the

1 satisfaction of the department improvement over each of the 3
2 immediately preceding school years in the percentage of at-risk
3 pupils that are career- and college-ready as determined by
4 proficiency on the English language arts, mathematics, and science
5 content area assessments on the grade 11 summative assessment under
6 section 1279g(2)(a) of the revised school code, MCL 380.1279g, the
7 district, public school academy, or education achievement system
8 shall ensure all of the following:

9 (a) The district, public school academy, or the education
10 achievement system shall determine the proportion of total at-risk
11 pupils that represents the number of pupils in grade 3 that are not
12 ~~reading at grade level~~ **PROFICIENT IN ENGLISH LANGUAGE ARTS** by the
13 end of grade 3, and the district, public school academy, or the
14 education achievement system shall expend that same proportion
15 multiplied by 1/2 of its total at-risk funds under this section on
16 tutoring and other methods of improving grade 3 ~~reading levels.~~
17 **ENGLISH LANGUAGE ARTS PROFICIENCY.**

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

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1 activities to improve scores on the college entrance examination
2 portion of the Michigan merit examination.

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

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

16 (18) The department shall collaborate with the department of
17 health and human services to prioritize assigning Pathways to
18 Potential Success coaches to elementary schools that have a high
19 percentage of pupils in grades K to 3 who are not reading at grade
20 level.

**[(19) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS
ALLOCATED AN AMOUNT NOT TO EXCEED \$18,000,000.00 FOR FUNDING UNDER THIS
SECTION, OTHER THAN PAYMENTS UNDER SUBSECTIONS (7) AND (8), FOR
DISTRICTS, PUBLIC SCHOOL ACADEMIES, AND EDUCATION ACHIEVEMENT SYSTEMS FOR
WHICH 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, PLUS THE AMOUNT OF THE DISTRICT'S PER PUPIL ALLOCATION UNDER
SECTION 20J, IS GREATER THAN THE BASIC FOUNDATION ALLOWANCE UNDER SECTION
20 FOR THE CURRENT STATE FISCAL YEAR.]**

21 **SEC. 31B. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS**
22 **ALLOCATED AN AMOUNT NOT TO EXCEED \$3,500,000.00 FOR 2016-2017 FOR**
23 **GRANTS TO AT-RISK DISTRICTS FOR IMPLEMENTING A YEAR-ROUND**
24 **INSTRUCTIONAL PROGRAM FOR AT LEAST 1 OF ITS SCHOOLS.**

25 (2) THE DEPARTMENT SHALL SELECT DISTRICTS FOR GRANTS UNDER
26 THIS SECTION FROM AMONG APPLICANT DISTRICTS THAT MEET BOTH OF THE
27 FOLLOWING:

1 (A) THE DISTRICT MEETS 1 OR BOTH OF THE FOLLOWING:

2 (i) IS ELIGIBLE IN 2016-2017 FOR THE COMMUNITY ELIGIBILITY
3 OPTION FOR FREE AND REDUCED PRICE LUNCH UNDER 42 USC 1759A.

4 (ii) AT LEAST 50% OF THE PUPILS IN MEMBERSHIP IN THE DISTRICT
5 MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR
6 MILK IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, AS DETERMINED
7 UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, 42 USC 1751
8 TO 1769I.

9 (B) THE BOARD OF THE DISTRICT HAS ADOPTED A RESOLUTION STATING
10 THAT THE DISTRICT WILL IMPLEMENT FOR THE FIRST TIME A YEAR-ROUND
11 INSTRUCTIONAL CALENDAR THAT WILL BEGIN IN 2017-2018 FOR AT LEAST 1
12 SCHOOL OPERATED BY THE DISTRICT AND COMMITTING TO PROVIDING THE
13 YEAR-ROUND INSTRUCTIONAL CALENDAR IN EACH OF THOSE SCHOOLS FOR AT
14 LEAST 3 SCHOOL YEARS.

15 (3) A DISTRICT SEEKING A GRANT UNDER THIS SECTION SHALL APPLY
16 TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED BY THE
17 DEPARTMENT NOT LATER THAN MAY 1, 2017. THE DEPARTMENT SHALL SELECT
18 DISTRICTS FOR GRANTS AND MAKE NOTIFICATION NOT LATER THAN JUNE 1,
19 2017.

20 (4) THE DEPARTMENT SHALL AWARD GRANTS UNDER THIS SECTION ON A
21 COMPETITIVE BASIS, BUT SHALL GIVE PRIORITY BASED SOLELY ON
22 CONSIDERATION OF THE FOLLOWING CRITERIA:

23 (A) GIVING PRIORITY TO DISTRICTS WITH LOWER GENERAL FUND
24 BALANCES AS A PERCENT OF REVENUES.

25 (B) GIVING PRIORITY TO DISTRICTS THAT OPERATE AT LEAST 1
26 SCHOOL THAT HAS BEEN IDENTIFIED BY THE DEPARTMENT AS EITHER A
27 PRIORITY SCHOOL OR A FOCUS SCHOOL.

1 (C) ENSURING THAT GRANT FUNDING INCLUDES BOTH RURAL AND URBAN
2 DISTRICTS.

3 (5) THE AMOUNT OF A GRANT UNDER THIS SECTION TO ANY 1 DISTRICT
4 SHALL NOT EXCEED \$750,000.00.

5 (6) A GRANT PAYMENT UNDER THIS SECTION TO A DISTRICT SHALL BE
6 USED FOR NECESSARY MODIFICATIONS TO INSTRUCTIONAL FACILITIES AND
7 OTHER NONRECURRING COSTS OF PREPARING FOR THE OPERATION OF A YEAR-
8 ROUND INSTRUCTIONAL PROGRAM AS APPROVED BY THE DEPARTMENT.

9 (7) A DISTRICT RECEIVING A GRANT UNDER THIS SECTION IS NOT
10 REQUIRED TO PROVIDE MORE THAN THE MINIMUM NUMBER OF DAYS AND HOURS
11 OF PUPIL INSTRUCTION PRESCRIBED UNDER SECTION 101, BUT SHALL SPREAD
12 AT LEAST THOSE MINIMUM AMOUNTS OF PUPIL INSTRUCTION OVER THE ENTIRE
13 YEAR IN EACH OF ITS SCHOOLS IN WHICH A YEAR-ROUND INSTRUCTIONAL
14 CALENDAR IS IMPLEMENTED. THE DISTRICT SHALL COMMIT TO PROVIDING THE
15 YEAR-ROUND INSTRUCTIONAL CALENDAR IN EACH OF THOSE SCHOOLS FOR AT
16 LEAST 3 SCHOOL YEARS.

17 (8) FOR A DISTRICT RECEIVING A GRANT UNDER THIS SECTION,
18 EXCESSIVE HEAT IS CONSIDERED TO BE A CONDITION NOT WITHIN THE
19 CONTROL OF SCHOOL AUTHORITIES FOR THE PURPOSE OF DAYS OR HOURS
20 BEING COUNTED AS DAYS OR HOURS OF PUPIL INSTRUCTION UNDER SECTION
21 101(4).

22 (9) NOTWITHSTANDING SECTION 17B, GRANT PAYMENTS TO DISTRICTS
23 UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE
24 DEPARTMENT.

25 Sec. 31c. (1) from the funds appropriated in section 11, there
26 is allocated an amount not to exceed ~~\$1,000,000.00 for 2015-2016~~
27 \$4,000,000.00 FOR 2016-2017 for programs intended to improve public

1 safety, reduce the number of youth involved in gang-related
2 activity, and increase high school graduation rates.

3 (2) The department shall award grants to districts that form
4 partnerships with nonprofit organizations, law enforcement, and
5 other community resources to provide programs that divert young
6 adults from gang-related criminal activity.

7 (3) Grants awarded under this section may include, but are not
8 limited to, grants for any of the following activities:

9 (a) Employment training and placement programs.

10 (b) Counseling services.

11 (c) Assistance to program participants in accessing community
12 resources for continuing education, court advocacy, and health
13 care.

14 (d) Outreach programs to educate participants and their
15 families.

16 (4) Each grant recipient under this section shall partner with
17 a university to collect data necessary to evaluate the
18 effectiveness of programs in reducing violent crime and gang-
19 related activity in the community.

20 Sec. 31d. (1) From the appropriations in section 11, there is
21 allocated an amount not to exceed \$22,495,100.00 for ~~2015-2016~~
22 **2016-2017** for the purpose of making payments to districts and other
23 eligible entities under this section.

24 (2) The amounts allocated from state sources under this
25 section shall be used to pay the amount necessary to reimburse
26 districts for 6.0127% of the necessary costs of the state mandated
27 portion of the school lunch programs provided by those districts.

1 The amount due to each district under this section shall be
2 computed by the department using the methods of calculation adopted
3 by the Michigan supreme court in the consolidated cases known as
4 Durant v State of Michigan, Michigan supreme court docket no.
5 104458-104492.

6 (3) The payments made under this section include all state
7 payments made to districts so that each district receives at least
8 6.0127% of the necessary costs of operating the state mandated
9 portion of the school lunch program in a fiscal year.

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

16 (5) From the federal funds appropriated in section 11, there
17 is allocated for ~~2015-2016~~**2016-2017** all available federal funding,
18 estimated at \$510,000,000.00 for the national school lunch program
19 and all available federal funding, estimated at \$3,200,000.00 for
20 the emergency food assistance program.

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

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

1 Sec. 31f. (1) From the appropriations in section 11, there is
2 allocated an amount not to exceed ~~\$5,625,000.00~~ **\$2,500,000.00** for
3 2015-2016 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
4 **\$2,500,000.00 FOR 2016-2017** for the purpose of making payments to
5 districts to reimburse for the cost of providing breakfast.

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

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

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

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

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

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

1 Sec. 32d. (1) From the funds appropriated in section 11, there
2 is allocated to eligible intermediate districts and consortia of
3 intermediate districts for great start readiness programs an amount
4 not to exceed \$243,600,000.00 for ~~2015-2016.~~ **2016-2017.** Funds
5 allocated under this section for great start readiness programs
6 shall be used to provide part-day, school-day, or GSRP/head start
7 blended comprehensive free compensatory classroom programs designed
8 to improve the readiness and subsequent achievement of
9 educationally disadvantaged children who meet the participant
10 eligibility and prioritization guidelines as defined by the
11 department. For a child to be eligible to participate in a program
12 under this section, the child shall be at least 4, but less than 5,
13 years of age as of ~~the date specified for determining a child's~~
14 ~~eligibility to attend school under section 1147 of the revised~~
15 ~~school code, MCL 380.1147.~~ **SEPTEMBER 1 OF THE SCHOOL YEAR IN WHICH**
16 **THE PROGRAM IS OFFERED AND SHALL MEET THOSE ELIGIBILITY AND**
17 **PRIORITIZATION GUIDELINES.**

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

1 (3) In addition to the allocation under subsection (1), from
2 the general fund money appropriated under section 11, there is
3 allocated an amount not to exceed \$300,000.00 for ~~2015-2016-2016-~~
4 **2017** for a competitive grant to continue a longitudinal evaluation
5 of children who have participated in great start readiness
6 programs.

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

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

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

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

21 (d) Physical and dental health and developmental screening
22 services for all program participants.

23 (e) Referral services for families of program participants to
24 community social service agencies, including mental health
25 services, as appropriate.

26 (f) Active and continuous involvement of the parents or
27 guardians of the program participants.

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

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

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

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

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

21 (a) Ensure compliance with all program components described in
22 subsection (4).

23 (b) Except as otherwise provided in this subdivision, ensure
24 that at least 90% of the children participating in an eligible
25 great start readiness program for whom the intermediate district is
26 receiving funds under this section are children who live with
27 families with a household income that is equal to or less than 250%

1 of the federal poverty level. If the intermediate district
2 determines that all eligible children are being served and that
3 there are no children on the waiting list under section 39(1)(d)
4 who live with families with a household income that is equal to or
5 less than 250% of the federal poverty level, the intermediate
6 district may then enroll children who live with families with a
7 household income that is equal to or less than 300% of the federal
8 poverty level. The enrollment process shall consider income and
9 risk factors, such that children determined with higher need are
10 enrolled before children with lesser need. For purposes of this
11 subdivision, all age-eligible children served in foster care or who
12 are experiencing homelessness or who have individualized education
13 plans recommending placement in an inclusive preschool setting
14 shall be considered to live with families with household income
15 equal to or less than 250% of the federal poverty level regardless
16 of actual family income **AND SHALL BE PRIORITIZED FOR ENROLLMENT**
17 **WITHIN THE LOWEST QUINTILE.**

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

20 (i) Teachers possessing proper training. A lead teacher must
21 have a valid teaching certificate with an early childhood (ZA or
22 ZS) endorsement or a bachelor's **OR HIGHER** degree in child
23 development or early ~~child development~~ **CHILDHOOD EDUCATION** with
24 specialization in preschool teaching. However, if an applicant
25 demonstrates to the department that it is unable to fully comply
26 with this subparagraph after making reasonable efforts to comply,
27 teachers who have significant but incomplete training in early

1 childhood education or child development may be used if the
2 applicant provides to the department, and the department approves,
3 a plan for each teacher to come into compliance with the standards
4 in this subparagraph. A teacher's compliance plan must be completed
5 within 2 years of the date of employment. Progress toward
6 completion of the compliance plan shall consist of at least 2
7 courses per calendar year.

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

24 (d) Include a program budget that contains only those costs
25 that are not reimbursed or reimbursable by federal funding, that
26 are clearly and directly attributable to the great start readiness
27 program, and that would not be incurred if the program were not

1 being offered. Eligible costs include transportation costs. The
2 program budget shall indicate the extent to which these funds will
3 supplement other federal, state, local, or private funds. Funds
4 received under this section shall not be used to supplant any
5 federal funds received by the applicant to serve children eligible
6 for a federally funded preschool program that has the capacity to
7 serve those children.

8 (6) For a grant recipient that enrolls pupils in a school-day
9 program funded under this section, each child enrolled in the
10 school-day program shall be counted as ~~2 children served by the~~
11 ~~program~~ **DESCRIBED IN SECTION 39** for purposes of determining the
12 ~~number of children to be served and for determining the amount of~~
13 ~~the grant award. A grant award shall not be increased solely on the~~
14 ~~basis of providing a school day program.~~

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

20 (8) An intermediate district or consortium of intermediate
21 districts receiving a grant under this section shall designate an
22 early childhood coordinator, and may provide services directly or
23 may contract with 1 or more districts or public or private for-
24 profit or nonprofit providers that meet all requirements of
25 ~~subsection (4).~~ **SUBSECTIONS (4) AND (5).**

26 (9) Funds received under this section may be retained for
27 administrative services ~~as follows:~~

1 ~~—— (a) For the portion of the total grant amount for which~~
 2 ~~services are provided directly by an intermediate district or~~
 3 ~~consortium of intermediate districts, the intermediate district or~~
 4 ~~consortium of intermediate districts may retain an amount equal to~~
 5 ~~not more than 7% of that portion of the grant amount.~~

6 ~~—— (b) For~~ **FOR** the portion of the total grant amount for which
 7 services are **EITHER PROVIDED DIRECTLY OR** contracted, ~~the~~ **BY AN**
 8 intermediate district or consortium of intermediate districts. **THE**
 9 **INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS**
 10 receiving the grant may retain an amount equal to not more than 4%
 11 5% of that portion of the grant amount. ~~and the subrecipients~~ **A**
 12 **SUBRECIPIENT** engaged by the intermediate district ~~to provide~~
 13 ~~program services may retain for administrative services an amount~~
 14 ~~equal to not more than 4% of that portion of the grant amount.~~ **SHALL**
 15 **BE CONSIDERED A CONTRACTOR TO PROVIDE DIRECT SERVICES FOR ELIGIBLE**
 16 **CHILDREN.**

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

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

1 next lowest household income until slots are completely filled. If
2 the grant recipient determines that all eligible children are being
3 served and that there are no children on the waiting list under
4 section 39(1)(d) who live with families with a household income
5 that is equal to or less than 250% of the federal poverty level,
6 the grant recipient may then enroll children who live with families
7 with a household income that is equal to or less than 300% of the
8 federal poverty level. The enrollment process shall consider income
9 and risk factors, such that children determined with higher need
10 are enrolled before children with lesser need. For purposes of this
11 subdivision, all age-eligible children served in foster care or who
12 are experiencing homelessness or who have individualized education
13 plans recommending placement in an inclusive preschool setting
14 shall be considered to live with families with household income
15 equal to or less than 250% of the federal poverty level regardless
16 of actual family income **AND SHALL BE PRIORITIZED FOR ENROLLMENT**
17 **WITHIN THE LOWEST QUINTILE.**

18 (12) An intermediate district or consortium of intermediate
19 districts receiving a grant under this section shall allow parents
20 of eligible children who are residents of the intermediate district
21 or within the consortium to choose a program operated by or
22 contracted with another intermediate district or consortium of
23 intermediate districts and shall ~~pay to the educating intermediate~~
24 ~~district or consortium the per child amount attributable to each~~
25 ~~child enrolled pursuant to this sentence, as determined under~~
26 ~~section 39.~~ **ENTER INTO A WRITTEN AGREEMENT REGARDING PAYMENT, IN A**
27 **MANNER PRESCRIBED THE DEPARTMENT.**

1 (13) An intermediate district or consortium of intermediate
2 districts receiving a grant under this section shall conduct a
3 local process to contract with interested and eligible public and
4 private for-profit and nonprofit community-based providers that
5 meet all requirements of subsection (4) for at least 30% of its
6 total slot allocation. The intermediate district or consortium
7 shall report to the department, in a manner prescribed by the
8 department, a detailed list of community-based providers by
9 provider type, including private for-profit, private nonprofit,
10 community college or university, head start grantee or delegate,
11 and district or intermediate district, and the number and
12 proportion of its total slot allocation allocated to each provider
13 as subrecipient. If the intermediate district or consortium is not
14 able to contract for at least 30% of its total slot allocation, the
15 grant recipient shall notify the department and, if the department
16 verifies that the intermediate district or consortium attempted to
17 contract for at least 30% of its total slot allocation and was not
18 able to do so, then the intermediate district or consortium may
19 retain and use all of its allocated slots as provided under this
20 section. To be able to use this exemption, the intermediate
21 district or consortium shall demonstrate to the department that the
22 intermediate district or consortium increased the percentage of its
23 total slot allocation for which it contracts with a community-based
24 provider and the intermediate district or consortium shall submit
25 evidence satisfactory to the department, and the department must be
26 able to verify this evidence, demonstrating that the intermediate
27 district or consortium took measures to contract for at least 30%

1 of its total slot allocation as required under this subsection,
2 including, but not limited to, at least all of the following
3 measures:

4 (a) The intermediate district or consortium notified each
5 **NONPARTICIPATING** licensed child care center located in the service
6 area of the intermediate district or consortium ~~at least twice~~
7 regarding the center's eligibility to participate, **IN A MANNER**
8 **PRESCRIBED BY THE DEPARTMENT**. ~~One of these notifications may be~~
9 ~~made electronically, but at least 1 of these notifications shall be~~
10 ~~made via hard copy through the United States mail. At least 1 of~~
11 ~~these notifications shall be made within 7 days after the~~
12 ~~intermediate district or consortium receives notice from the~~
13 ~~department of its slot allocations.~~

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

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

24 (14) If an intermediate district or consortium of intermediate
25 districts receiving a grant under this section fails to submit
26 satisfactory evidence to demonstrate its effort to contract for at
27 least 30% of its total slot allocation, as required under

1 subsection (1), the department shall reduce the slots allocated to
2 the intermediate district or consortium by a percentage equal to
3 the difference between the percentage of an intermediate district's
4 or consortium's total slot allocation awarded to community-based
5 providers and 30% of its total slot allocation.

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

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

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

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

27 (d) Not later than ~~November~~ **DECEMBER** 1 of each year, compile

1 the results of the information reported by each intermediate
2 district or consortium under subsection (10) and report to the
3 legislature a list by intermediate district or consortium with the
4 number and percentage of each intermediate district's or
5 consortium's total slot allocation allocated to community-based
6 providers by provider type, including private for-profit, private
7 nonprofit, community college or university, head start grantee or
8 delegate, and district or intermediate district.

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

22 (17) As used in this section:

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

26 (b) "Part-day program" means a program that operates at least
27 4 days per week, 30 weeks per year, for at least 3 hours of

1 teacher-child contact time per day but for fewer hours of teacher-
2 child contact time per day than a school-day program.

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

8 (18) An intermediate district or consortium of intermediate
9 districts receiving funds under this section shall establish a
10 sliding scale of tuition rates based upon household income for
11 children participating in an eligible great start readiness program
12 who live with families with a household income that is more than
13 250% of the federal poverty level to be used by all of its
14 providers, as approved by the department. A grant recipient shall
15 charge tuition according to that sliding scale of tuition rates on
16 a uniform basis for any child who does not meet the income
17 eligibility requirements under this section.

18 (19) From the amount appropriated in subsection (1), there is
19 allocated an amount not to exceed \$10,000,000.00 for reimbursement
20 of transportation costs for children attending great start
21 readiness programs funded under this section. To receive
22 reimbursement under this subsection, not later than November 1,
23 ~~2015,~~ 2016, a program funded under this section that provides
24 transportation shall submit to the intermediate district that is
25 the fiscal agent for the program a projected transportation budget.
26 The amount of the reimbursement for transportation under this
27 subsection shall be no more than the projected transportation

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

11 Sec. 32p. (1) From the school aid fund appropriation in
12 section 11, there is allocated an amount not to exceed
13 \$13,400,000.00 to intermediate districts for ~~2015-2016~~**2016-2017**
14 for the purpose of providing early childhood funding to
15 intermediate school districts to support the activities under
16 subsection (2) and subsection (4), and to provide early childhood
17 programs for children from birth through age 8. The funding
18 provided to each intermediate district under this section shall be
19 determined by the distribution formula established by the
20 department's office of great start to provide equitable funding
21 statewide. In order to receive funding under this section, each
22 intermediate district shall provide an application to the office of
23 great start not later than September 15 of the immediately
24 preceding fiscal year indicating the activities planned to be
25 provided.

26 (2) Each intermediate district or consortium of intermediate
27 districts that receives funding under this section shall convene a

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

6 (a) Children born healthy.

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

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

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

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

18 (a) Physical health.

19 (b) Social-emotional health.

20 (c) Family supports and basic needs.

21 (d) Parent education.

22 (e) Early education and care.

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

1 that is approved by the department. The goals of the home visits
2 funded under this subsection shall be to improve school readiness,
3 reduce the number of pupils retained in grade level, and reduce the
4 number of pupils requiring special education services. The
5 department shall coordinate the goals of the home visit strategic
6 plans approved under this subsection with other state agency home
7 visit programs in a way that strengthens Michigan's home visiting
8 infrastructure and maximizes federal funds available for the
9 purposes of at-risk family home visits.

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

24 (6) An intermediate district or consortium of intermediate
25 districts that receives funding under this section may carry over
26 any unexpended funds received under this section into the next
27 fiscal year and may expend those unused funds through June 30 of

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

5 Sec. 35. (1) The funds allocated under section 35a shall be
6 used for programs to ensure children are reading at grade level by
7 the end of grade 3. The superintendent shall designate staff or
8 contracted employees funded under section 35a as critical shortage.
9 Programs funded under section 35a are intended to ensure that this
10 state will be in the top 10 most improved states in grade 4 reading
11 proficiency by the 2019 National Assessment of Educational Progress
12 (NAEP) and will be in the top 10 states overall in grade 4 reading
13 proficiency by 2025.

14 (2) From the general fund appropriation in section 11, there
15 is allocated to the department an amount not to exceed
16 \$1,000,000.00 for ~~2015-2016~~ **2016-2017** for implementation costs
17 associated with programs funded under section 35a.

18 ~~—— (3) From the amount allocated under subsection (2), there is~~
19 ~~allocated an amount not to exceed \$100,000.00 for the purpose of~~
20 ~~performing an evaluation of the pilot programs under section 35a(2)~~
21 ~~in a manner approved by the department. The evaluation report shall~~
22 ~~include at least all of the following:~~

23 ~~—— (a) A description of the components of the pilot programs that~~
24 ~~were effective in helping parents prepare their children for~~
25 ~~success in school.~~

26 ~~—— (b) A description of any barriers that parents and their~~
27 ~~children encountered that prevented them from participating in the~~

1 ~~pilot programs.~~

2 ~~—— (c) An assessment of whether these pilot programs should be~~
3 ~~expanded to other locations in the state.~~

4 Sec. 35a. (1) From the appropriations in section 11, there is
5 allocated for ~~2015-2016-2016-2017~~ for the purposes of this section
6 an amount not to exceed ~~\$23,900,000.00~~ **\$22,900,000.00** from the
7 state school aid fund. ~~appropriation and an amount not to exceed~~
8 ~~\$1,500,000.00 from the general fund appropriation.~~

9 ~~—— (2) From the allocations under subsection (1), there is~~
10 ~~allocated an amount not to exceed \$1,000,000.00 for 2015-2016 for~~
11 ~~the purpose of conducting parent education pilot programs for~~
12 ~~parents of children less than 4 years of age so that children are~~
13 ~~developmentally ready to succeed in school at the time of school~~
14 ~~entry. All of the following apply to programs funded under this~~
15 ~~subsection:~~

16 ~~—— (a) The department shall develop a competitive application~~
17 ~~process and method of grant distribution consistent with the~~
18 ~~provisions of this subsection. The amount of a grant award to a~~
19 ~~pilot program shall be an amount equal to the number of children~~
20 ~~residing in the district or consortium of districts operating the~~
21 ~~program who are younger than 4 years of age as of the date~~
22 ~~specified for determining a child's eligibility to attend school~~
23 ~~under section 1147 of the revised school code, MCL 380.1147,~~
24 ~~multiplied by \$120.00 per child or \$130,000.00, whichever is less.~~
25 ~~The department shall ensure that grants are awarded in each~~
26 ~~prosperity region or subregion.~~

27 ~~—— (b) An application for a competitive grant under this~~

1 ~~subsection shall be submitted by an intermediate district on behalf~~
2 ~~of a district or consortium of districts within the intermediate~~
3 ~~district. The application shall be submitted in a form and manner~~
4 ~~approved by the department and shall contain at least the following~~
5 ~~components.~~

6 ~~—— (i) A description of the program design including the names of~~
7 ~~the district or consortium of districts that will operate the~~
8 ~~program, the physical location of the program, and the anticipated~~
9 ~~number of families that will be served.~~

10 ~~—— (ii) An assurance that the program will be supervised by a~~
11 ~~teacher who has a valid teaching certificate with an early~~
12 ~~childhood (ZA or ZS) endorsement, a valid teaching certificate in~~
13 ~~career education with both a KH and VH endorsement, a bachelor's~~
14 ~~degree in child development or early child development, or a~~
15 ~~bachelor's degree related to adult learning.~~

16 ~~—— (iii) An estimate of the number of families residing in the~~
17 ~~district or consortium of districts that will operate the pilot~~
18 ~~program that have at least 1 child less than 4 years of age as of~~
19 ~~the date specified for determining a child's eligibility to attend~~
20 ~~school under section 1147 of the revised school code, MCL 380.1147.~~

21 ~~—— (iv) A description of the public awareness and outreach~~
22 ~~efforts that will be made.~~

23 ~~—— (v) An assurance that the intermediate district and the~~
24 ~~district or consortium of districts operating the program will~~
25 ~~provide information in a form and manner as approved by the~~
26 ~~department to allow for an evaluation of the pilot projects.~~

27 ~~—— (vi) A description of the sliding fee scale that will be~~

1 established for tuition, with fees reduced or waived for those
2 unable to pay.

3 ~~—— (vii) A budget for the program. A program may use not more
4 than 5% of a grant to administer the program.~~

5 ~~—— (c) To be eligible for a grant under this subsection, a
6 program shall provide at least 2 hours per week throughout the
7 school year for parents and their eligible children to participate
8 in parent education programs and meet at least the following
9 minimum requirements:~~

10 ~~—— (i) Require that parents be physically present in classes with
11 their children or be in concurrent classes.~~

12 ~~—— (ii) Use research based information to educate parents about
13 the physical, cognitive, social, and emotional development of
14 children.~~

15 ~~—— (iii) Provide structured learning activities requiring
16 interaction between children and their parents.~~

17 ~~—— (iv) Provide structured learning activities for children that
18 promote positive interaction with their peers.~~

19 ~~—— (d) For a child to be eligible to participate in a program
20 under this subsection, the child shall be less than 4 years of age
21 as of the date specified for determining a child's eligibility to
22 attend school under section 1147 of the revised school code, MCL
23 380.1147.~~

24 (2) ~~(3)~~—From the allocations under subsection (1), there is
25 allocated an amount not to exceed \$950,000.00 for ~~2015-2016-2016-~~
26 ~~2017~~ for professional development purposes under this subsection.
27 This allocation represents the ~~first~~**SECOND** of 2 years of funding

1 for the purposes of this subsection. All of the following apply to
2 funding under this subsection:

3 (a) The department shall award grants to districts to support
4 professional development for educators in a department-approved
5 research-based training program related to current state literacy
6 standards for pupils in grades K to 3. The professional development
7 shall also include training in the use of screening and diagnostic
8 tools, progress monitoring, and intervention methods used to
9 address barriers to learning and delays in learning that are
10 diagnosed through the use of these tools. The department shall
11 determine the amount of the grant awards.

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

16 (c) The funds allocated under this subsection are a work
17 project appropriation, and any unexpended funds for ~~2015-2016-2016-~~
18 ~~2017~~ are carried forward into ~~2016-2017-~~**2017-2018**. The purpose of
19 the work project is to continue to implement the professional
20 development training described in this subsection. The estimated
21 completion date of the work project is September 30, ~~2017-~~**2018**.

22 (3) ~~(4)~~From the allocations under subsection (1), there is
23 allocated an amount not to exceed \$1,450,000.00 for ~~2015-2016-2016-~~
24 ~~2017~~ for grants under this subsection. This allocation represents
25 the ~~first~~**SECOND** of 2 years of funding. All of the following apply
26 to grants under this subsection:

27 (a) The department shall award grants to districts to

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

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

15 (c) The funds allocated under this subsection are a work
16 project appropriation, and any unexpended funds for ~~2015-2016-2016-~~
17 ~~2017~~ are carried forward into ~~2016-2017.-2017-2018~~. The purpose of
18 the work project is to continue to implement the professional
19 development training described in this subsection. The estimated
20 completion date of the work project is September 30, ~~2017-2018~~.

21 (4) ~~(5)~~—From the allocations under subsection (1), there is
22 allocated an amount not to exceed \$3,000,000.00 **FOR 2016-2017** for
23 the purpose of providing early literacy coaches at intermediate
24 districts to assist teachers in developing and implementing
25 instructional strategies for pupils in grades K to 3 so that pupils
26 are reading at grade level by the end of grade 3. All of the
27 following apply to funding under this subsection:

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

5 (i) Current state literacy standards for pupils in grades K to
6 3.

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

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

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

21 (i) Each intermediate district shall be awarded grant funding
22 to support the cost of 1 early literacy coach in an equal amount
23 per early literacy coach, not to exceed \$37,500.00.

24 (ii) After distribution of the grant funding under
25 subparagraph (i), the department shall distribute the remainder of
26 grant funding for additional early literacy coaches in an amount
27 not to exceed \$37,500.00 per early literacy coach. The number of

1 funded early literacy coaches for each intermediate district shall
2 be based on the percentage of the total statewide number of pupils
3 in grades K to 3 who meet the income eligibility standards for the
4 federal free and reduced-price lunch programs who are enrolled in
5 districts in the intermediate district. For each additional early
6 literacy coach funded under this subparagraph, the department shall
7 not make an award to an intermediate district under this
8 subparagraph in an amount that is less than the amount necessary to
9 pay 1/2 of the total cost of that additional early literacy coach.

10 (c) The funds allocated under this subsection are a work
11 project appropriation, and any unexpended funds for ~~2015-2016-2016-~~
12 ~~2017~~ are carried forward into ~~2016-2017-~~**2017-2018**. The purpose of
13 the work project is to continue to provide early literacy coaches
14 as described in this subsection. The estimated completion date of
15 the work project is September 30, ~~2017-~~**2018**.

16 (5) ~~(6)~~ From the allocations under subsection (1), there is
17 allocated an amount not to exceed \$17,500,000.00 for ~~2015-2016~~
18 ~~2016-2017~~ to districts that provide additional instructional time
19 to those pupils in grades K to 3 who have been identified by using
20 department-approved screening and diagnostic tools as needing
21 additional supports and interventions in order to be reading at
22 grade level by the end of grade 3. Additional instructional time
23 may be provided before, during, and after regular school hours or
24 as part of a year-round balanced school calendar. All of the
25 following apply to funding under this subsection:

26 (a) In order to be eligible to receive funding, a district
27 shall demonstrate to the satisfaction of the department that the

1 district has done all of the following:

2 (i) Implemented a multi-tiered system of support instructional
3 delivery model that is an evidence-based model that uses data-
4 driven problem solving to integrate academic and behavioral
5 instruction and that uses intervention delivered to all pupils in
6 varying intensities based on pupil needs. The multi-tiered system
7 of supports must provide at least all of the following essential
8 elements:

9 (A) Implements effective instruction for all learners.

10 (B) Intervenes early.

11 (C) Provides a multi-tiered model of instruction and
12 intervention that provides the following: a core curriculum and
13 classroom interventions available to all pupils that meet the needs
14 of most pupils; targeted group interventions; and intense
15 individual interventions.

16 (D) Monitors pupil progress to inform instruction.

17 (E) Uses data to make instructional decisions.

18 (F) Uses assessments including universal screening,
19 diagnostics, and progress monitoring.

20 (G) Engages families and the community.

21 (H) Implements evidence-based, scientifically validated,
22 instruction and intervention.

23 (I) Implements instruction and intervention practices with
24 fidelity.

25 (J) Uses a collaborative problem-solving model.

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

1 time.

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

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

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

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 ~~—— (7) From the general fund money allocated in subsection (1),~~
17 ~~the department shall allocate the amount of \$1,000,000.00 for 2015-~~
18 ~~2016 to the Michigan Education Corps. All of the following apply to~~
19 ~~funding under this subsection:~~

20 ~~—— (a) By August 1, 2016, the Michigan Education Corps shall~~
21 ~~provide a report concerning its use of the funding to the senate~~
22 ~~and house appropriations subcommittees on state school aid, the~~
23 ~~senate and house fiscal agencies, and the senate and house caucus~~
24 ~~policy offices on outcomes and performance measures of the Michigan~~
25 ~~Education Corps, including, but not limited to, the degree to which~~
26 ~~the Michigan Education Corps's replication of the Michigan Reading~~
27 ~~Corps program is demonstrating sufficient efficacy and impact. The~~

1 ~~report must include data pertaining to at least all of the~~
2 ~~following:~~

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

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

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

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

18 ~~—— (B) Average linear growth rates.~~

19 ~~—— (C) Exit rates.~~

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

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

25 ~~—— (b) If the department determines that the Michigan Education~~
26 ~~Corps has misused the funds allocated under this subsection, the~~
27 ~~Michigan Education Corps shall reimburse this state for the amount~~

1 ~~of state funding misused.~~

2 ~~—— (8) From the general fund money allocated under subsection~~
3 ~~(1), there is allocated to the department an amount not to exceed~~
4 ~~\$500,000.00 for 2015-2016 for the adoption of a certification test~~
5 ~~to ensure that all newly certificated elementary teachers have the~~
6 ~~skills to deliver evidence-based literacy instruction.~~

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

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

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

25 (c) The number of ~~children the applicant will be able to serve~~
26 **SLOTS THE APPLICANT WILL BE ABLE TO FILL WITH CHILDREN** who meet the
27 criteria of section 32d including a verification of physical

1 facility and staff resources capacity.

2 (d) The estimated number of **SLOTS THAT WILL REMAIN UNFILLED**
3 **AND** children who meet the criteria of section 32d who will remain
4 unserved after the applicant and community early childhood programs
5 have met their funded enrollments. The applicant shall maintain a
6 waiting list of identified unserved eligible children who would be
7 served when openings are available.

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

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

27 (4) The initial allocation for each fiscal year to each

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

22 (5) If funds allocated for eligible applicants under section
23 32d remain after the initial allocation under subsection (4), the
24 allocation under this subsection shall be distributed to each
25 eligible applicant under section 32d in decreasing order of
26 concentration of eligible children as determined by the formula
27 under subsection (3). The allocation shall be determined by

1 multiplying the number of ~~children-SLOTS~~ in each district within
2 the applicant's service area ~~served-FILLED~~ in the immediately
3 preceding fiscal year or the number of ~~children-SLOTS~~ the applicant
4 indicates it will be able to ~~serve-FILL~~ under subsection (1)(c),
5 whichever is less, minus the number of ~~children-SLOTS~~ for which the
6 applicant received funding in subsection (4) by \$3,625.00.

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

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

1 ~~programming per day.~~

2 (7) ~~(8)~~—If, taking into account the total amount to be
3 allocated to the applicant as calculated under this section, an
4 applicant determines that it is able to include additional eligible
5 children in the great start readiness program without additional
6 funds under section 32d, the applicant may include additional
7 eligible children but shall not receive additional funding under
8 section 32d for those children.

9 Sec. 39a. (1) From the federal funds appropriated in section
10 11, there is allocated for ~~2015-2016-2016-2017~~ to districts,
11 intermediate districts, and other eligible entities all available
12 federal funding, estimated at ~~\$779,076,400.00~~ **\$821,939,900.00** for
13 the federal programs under the no child left behind act of 2001,
14 Public Law 107-110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW**
15 **114-95**. These funds are allocated as follows:

16 (a) An amount estimated at ~~\$5,000,000.00~~ **\$2,000,000.00** to
17 provide students with drug- and violence-prevention programs and to
18 implement strategies to improve school safety, funded from DED-
19 OESE, drug-free schools and communities funds.

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

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

27 (d) An amount estimated at ~~\$10,286,500.00~~ **\$250,000.00** for the

1 Michigan charter school subgrant program, funded from DED-OESE,
2 charter school funds.

3 (e) An amount estimated at \$3,000,000.00 for rural and low
4 income schools, funded from DED-OESE, rural and low income school
5 funds.

6 (f) An amount estimated at \$565,000,000.00 to provide
7 supplemental programs to enable educationally disadvantaged
8 children to meet challenging academic standards, funded from DED-
9 OESE, title I, disadvantaged children funds.

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

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

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

21 **(J) AN AMOUNT ESTIMATED AT \$55,900,000.00 TO IMPROVE THE**
22 **ACADEMIC ACHIEVEMENT OF STUDENTS, FUNDED FROM DED-OESE, TITLE IV,**
23 **STUDENT SUPPORT AND ACADEMIC ENRICHMENT GRANTS.**

24 (2) From the federal funds appropriated in section 11, there
25 is allocated for ~~2015-2016-2016-2017~~ to districts, intermediate
26 districts, and other eligible entities all available federal
27 funding, estimated at \$30,800,000.00 for the following programs

1 that are funded by federal grants:

2 (a) An amount estimated at \$200,000.00 for acquired
3 immunodeficiency syndrome education grants, funded from HHS -
4 Centers for Disease Control and Prevention, AIDS funding.

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

8 (c) An amount estimated at \$4,000,000.00 to provide mental
9 health, substance abuse, or violence prevention services to
10 students, funded from HHS-SAMHSA.

11 (d) An amount estimated at \$24,000,000.00 for providing career
12 and technical education services to pupils, funded from DED-OVAE,
13 basic grants to states.

14 (3) All federal funds allocated under this section shall be
15 distributed in accordance with federal law and with flexibility
16 provisions outlined in Public Law 107-116, and in the education
17 flexibility partnership act of 1999, Public Law 106-25.
18 Notwithstanding section 17b, payments of federal funds to
19 districts, intermediate districts, and other eligible entities
20 under this section shall be paid on a schedule determined by the
21 department.

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

27 (5) As used in this section:

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

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

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

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

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

10 Sec. 41. From the appropriation in section 11, there is
11 allocated an amount not to exceed \$1,200,000.00 for ~~2015-2016-2016-~~
12 **2017** to applicant districts and intermediate districts offering
13 programs of instruction for pupils of limited English-speaking
14 ability under section 1153 of the revised school code, MCL
15 380.1153. Reimbursement shall be on a per-pupil basis and shall be
16 based on the number of pupils of limited English-speaking ability
17 in membership on the pupil membership count day. Funds allocated
18 under this section shall be used solely for instruction in
19 speaking, reading, writing, or comprehension of English. A pupil
20 shall not be counted under this section or instructed in a program
21 under this section for more than 3 years.

22 Sec. 51a. (1) From the appropriation in section 11, there is
23 allocated an amount not to exceed ~~\$901,946,100.00~~ **\$947,246,100.00**
24 for ~~2014-2015-2015-2016~~ and an amount not to exceed ~~\$918,546,100.00~~
25 ~~for 2015-2016~~ **\$973,046,100.00 FOR 2016-2017** from state sources and
26 all available federal funding under sections 611 to 619 of part B
27 of the individuals with disabilities education act, 20 USC 1411 to

1 1419, estimated at \$370,000,000.00 each fiscal year ~~for 2014-2015~~
2 ~~and for 2015-2016~~, **AND FOR 2016-2017**, plus any carryover federal
3 funds from previous year appropriations. The allocations under this
4 subsection are for the purpose of reimbursing districts and
5 intermediate districts for special education programs, services,
6 and special education personnel as prescribed in article 3 of the
7 revised school code, MCL 380.1701 to 380.1766; net tuition payments
8 made by intermediate districts to the Michigan schools for the deaf
9 and blind; and special education programs and services for pupils
10 who are eligible for special education programs and services
11 according to statute or rule. For meeting the costs of special
12 education programs and services not reimbursed under this article,
13 a district or intermediate district may use money in general funds
14 or special education funds, not otherwise restricted, or
15 contributions from districts to intermediate districts, tuition
16 payments, gifts and contributions from individuals or other
17 entities, or federal funds that may be available for this purpose,
18 as determined by the intermediate district plan prepared pursuant
19 to article 3 of the revised school code, MCL 380.1701 to 380.1766.
20 Notwithstanding section 17b, payments of federal funds to
21 districts, intermediate districts, and other eligible entities
22 under this section shall be paid on a schedule determined by the
23 department.

24 (2) From the funds allocated under subsection (1), there is
25 allocated the amount necessary, estimated at ~~\$248,100,000.00 for~~
26 ~~2014-2015~~ **\$264,100,000.00 FOR 2015-2016** and estimated at
27 ~~\$251,800,000.00 for 2015-2016,~~ **\$271,600,000.00 FOR 2016-2017**, for

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

6 (a) The initial amount allocated to a district under this
7 subsection toward fulfilling the specified percentages shall be
8 calculated by multiplying the district's special education pupil
9 membership, excluding pupils described in subsection (11), times
10 the foundation allowance under section 20 of the pupil's district
11 of residence **PLUS THE AMOUNT OF THE DISTRICT'S PER-PUPIL ALLOCATION**
12 **UNDER SECTION 20J**, not to exceed the basic foundation allowance
13 under section 20 for the current fiscal year, or, for a special
14 education pupil in membership in a district that is a public school
15 academy, times an amount equal to the amount per membership pupil
16 calculated under section 20(6) or, for a pupil described in this
17 subsection who is counted in membership in the education
18 achievement system, times an amount equal to the amount per
19 membership pupil under section 20(7). For an intermediate district,
20 the amount allocated under this subdivision toward fulfilling the
21 specified percentages shall be an amount per special education
22 membership pupil, excluding pupils described in subsection (11),
23 and shall be calculated in the same manner as for a district, using
24 the foundation allowance under section 20 of the pupil's district
25 of residence, not to exceed the basic foundation allowance under
26 section 20 for the current fiscal year, **AND THAT DISTRICT'S PER-**
27 **PUPIL ALLOCATION UNDER SECTION 20J.**

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

6 (3) From the funds allocated under subsection (1), there is
7 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
8 \$1,000,000.00 and there is allocated for ~~2015-2016-2016-2017~~ an
9 amount not to exceed ~~\$1,300,000.00~~ **\$1,100,000.00** to make payments
10 to districts and intermediate districts under this subsection. If
11 the amount allocated to a district or intermediate district for a
12 fiscal year under subsection (2)(b) is less than the sum of the
13 amounts allocated to the district or intermediate district for
14 1996-97 under sections 52 and 58, there is allocated to the
15 district or intermediate district for the fiscal year an amount
16 equal to that difference, adjusted by applying the same proration
17 factor that was used in the distribution of funds under section 52
18 in 1996-97 as adjusted to the district's or intermediate district's
19 necessary costs of special education used in calculations for the
20 fiscal year. This adjustment is to reflect reductions in special
21 education program operations or services between 1996-97 and
22 subsequent fiscal years. Adjustments for reductions in special
23 education program operations or services shall be made in a manner
24 determined by the department and shall include adjustments for
25 program or service shifts.

26 (4) If the department determines that the sum of the amounts
27 allocated for a fiscal year to a district or intermediate district

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

18 (5) State funds shall be allocated on a total approved cost
19 basis. Federal funds shall be allocated under applicable federal
20 requirements, except that an amount not to exceed \$3,500,000.00 may
21 be allocated by the department each fiscal year for ~~2014-2015-2015-~~
22 ~~2016~~ and for ~~2015-2016-2016-2017~~ to districts, intermediate
23 districts, or other eligible entities on a competitive grant basis
24 for programs, equipment, and services that the department
25 determines to be designed to benefit or improve special education
26 on a statewide scale.

27 (6) From the amount allocated in subsection (1), there is

1 allocated an amount not to exceed \$2,200,000.00 each fiscal year
2 ~~for 2014-2015 and for 2015-2016~~ **AND FOR 2016-2017** to reimburse 100%
3 of the net increase in necessary costs incurred by a district or
4 intermediate district in implementing the revisions in the
5 administrative rules for special education that became effective on
6 July 1, 1987. As used in this subsection, "net increase in
7 necessary costs" means the necessary additional costs incurred
8 solely because of new or revised requirements in the administrative
9 rules minus cost savings permitted in implementing the revised
10 rules. Net increase in necessary costs shall be determined in a
11 manner specified by the department.

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

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

1 of special education programs, ancillary, and other related
2 services shall be reimbursed under this section only for that
3 portion of time actually spent providing these programs and
4 services, with the exception of special education programs and
5 services provided to youth placed in child caring institutions or
6 juvenile detention programs approved by the department to provide
7 an on-grounds education program.

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

22 (c) If the department determines before bookclosing for a
23 fiscal year that the amounts allocated for that fiscal year under
24 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
25 will exceed expenditures for that fiscal year under subsections
26 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
27 district or intermediate district whose reimbursement for that

1 fiscal year would otherwise be affected by subdivision (b),
2 subdivision (b) does not apply to the calculation of the
3 reimbursement for that district or intermediate district and
4 reimbursement for that district or intermediate district shall be
5 calculated in the same manner as it was for 2003-2004. If the
6 amount of the excess allocations under subsections (2), (3), (6),
7 and (11) and sections 53a, 54, and 56 is not sufficient to fully
8 fund the calculation of reimbursement to those districts and
9 intermediate districts under this subdivision, then the
10 calculations and resulting reimbursement under this subdivision
11 shall be prorated on an equal percentage basis. Beginning in 2015-
12 2016, the amount of reimbursement under this subdivision for a
13 fiscal year shall not exceed \$2,000,000.00 for any district or
14 intermediate district.

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

27 (e) Beginning with calculations for 2004-2005, if an

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

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

20 (9) Special education personnel transferred from 1 district to
21 another to implement the revised school code shall be entitled to
22 the rights, benefits, and tenure to which the person would
23 otherwise be entitled had that person been employed by the
24 receiving district originally.

25 (10) If a district or intermediate district uses money
26 received under this section for a purpose other than the purpose or
27 purposes for which the money is allocated, the department may

1 require the district or intermediate district to refund the amount
2 of money received. Money that is refunded shall be deposited in the
3 state treasury to the credit of the state school aid fund.

4 (11) From the funds allocated in subsection (1), there is
5 allocated the amount necessary, estimated at ~~\$3,400,000.00 for~~
6 ~~2014-2015~~ **\$4,000,000.00 FOR 2015-2016** and estimated at
7 ~~\$3,300,000.00 for 2015-2016,~~ **\$3,700,000.00 FOR 2016-2017**, to pay
8 the foundation allowances for pupils described in this subsection.
9 The allocation to a district under this subsection shall be
10 calculated by multiplying the number of pupils described in this
11 subsection who are counted in membership in the district times **SUM**
12 **OF** the foundation allowance under section 20 of the pupil's
13 district of residence **PLUS THE AMOUNT OF THE DISTRICT'S PER-PUPIL**
14 **ALLOCATION UNDER SECTION 20J**, not to exceed the basic foundation
15 allowance under section 20 for the current fiscal year, or, for a
16 pupil described in this subsection who is counted in membership in
17 a district that is a public school academy, times an amount equal
18 to the amount per membership pupil under section 20(6) or, for a
19 pupil described in this subsection who is counted in membership in
20 the education achievement system, times an amount equal to the
21 amount per membership pupil under section 20(7). The allocation to
22 an intermediate district under this subsection shall be calculated
23 in the same manner as for a district, using the foundation
24 allowance under section 20 of the pupil's district of residence,
25 not to exceed the basic foundation allowance under section 20 for
26 the current fiscal year, **AND THAT DISTRICT'S PER-PUPIL ALLOCATION**
27 **UNDER SECTION 20J**. This subsection applies to all of the following

1 pupils:

2 (a) Pupils described in section 53a.

3 (b) Pupils counted in membership in an intermediate district
4 who are not special education pupils and are served by the
5 intermediate district in a juvenile detention or child caring
6 facility.

7 (c) Pupils with an emotional impairment counted in membership
8 by an intermediate district and provided educational services by
9 the department of health and human services.

10 (12) If it is determined that funds allocated under subsection
11 (2) or (11) or under section 51c will not be expended, funds up to
12 the amount necessary and available may be used to supplement the
13 allocations under subsection (2) or (11) or under section 51c in
14 order to fully fund those allocations. After payments under
15 subsections (2) and (11) and section 51c, the remaining
16 expenditures from the allocation in subsection (1) shall be made in
17 the following order:

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

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

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

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

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

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

27 (14) If a public school academy enrolls pursuant to this

1 section a pupil who resides outside of the intermediate district in
2 which the public school academy is located and who is eligible for
3 special education programs and services according to statute or
4 rule, or who is a child with disabilities, as defined under the
5 individuals with disabilities education act, Public Law 108-446,
6 the provision of special education programs and services and the
7 payment of the added costs of special education programs and
8 services for the pupil are the responsibility of the district and
9 intermediate district in which the pupil resides unless the
10 enrolling district or intermediate district has a written agreement
11 with the district or intermediate district in which the pupil
12 resides or the public school academy for the purpose of providing
13 the pupil with a free appropriate public education and the written
14 agreement includes at least an agreement on the responsibility for
15 the payment of the added costs of special education programs and
16 services for the pupil.

17 ~~(15) It is the intent of the legislature that, beginning~~
18 **BEGINNING** in 2016-2017, a district, public school academy, or
19 intermediate district that fails to comply with subsection (14) or
20 with the requirements of federal regulations regarding the
21 treatment of public school academies and public school academy
22 pupils for the purposes of special education, 34 CFR 300.209,
23 forfeits from its total state aid an amount equal to 10% of its
24 total state aid.

25 Sec. 51c. As required by the court in the consolidated cases
26 known as Durant v State of Michigan, Michigan supreme court docket
27 no. 104458-104492, from the allocation under section 51a(1), there

1 is allocated each fiscal year for ~~2014-2015~~ **2015-2016** and for ~~2015-~~
2 ~~2016-2016~~ **2016-2017** the amount necessary, estimated at ~~\$597,300,000.00~~
3 ~~for 2014-2015~~ **\$626,000,000.00 FOR 2015-2016** and estimated at
4 ~~\$610,000,000.00 for 2015-2016,~~ **\$644,500,000.00 FOR 2016-2017**, for
5 payments to reimburse districts for 28.6138% of total approved
6 costs of special education excluding costs reimbursed under section
7 53a, and 70.4165% of total approved costs of special education
8 transportation. Funds allocated under this section that are not
9 expended in the state fiscal year for which they were allocated, as
10 determined by the department, may be used to supplement the
11 allocations under sections 22a and 22b in order to fully fund those
12 calculated allocations for the same fiscal year.

13 Sec. 51d. (1) From the federal funds appropriated in section
14 11, there is allocated for ~~2015-2016,~~ **2016-2017**, all available
15 federal funding, estimated at \$71,000,000.00, for special education
16 programs and services that are funded by federal grants. All
17 federal funds allocated under this section shall be distributed in
18 accordance with federal law. Notwithstanding section 17b, payments
19 of federal funds to districts, intermediate districts, and other
20 eligible entities under this section shall be paid on a schedule
21 determined by the department.

22 (2) From the federal funds allocated under subsection (1), the
23 following amounts are allocated for ~~2015-2016,~~ **2016-2017**:

24 (a) An amount estimated at \$14,000,000.00 for handicapped
25 infants and toddlers, funded from DED-OSERS, handicapped infants
26 and toddlers funds.

27 (b) An amount estimated at \$12,000,000.00 for preschool grants

1 (Public Law 94-142), funded from DED-OSERS, handicapped preschool
2 incentive funds.

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

6 (3) As used in this section, "DED-OSERS" means the United
7 States Department of Education Office of Special Education and
8 Rehabilitative Services.

9 Sec. 53a. (1) For districts, reimbursement for pupils
10 described in subsection (2) shall be 100% of the total approved
11 costs of operating special education programs and services approved
12 by the department and included in the intermediate district plan
13 adopted pursuant to article 3 of the revised school code, MCL
14 380.1701 to 380.1766, minus the district's foundation allowance
15 calculated under section 20 **AND MINUS THE DISTRICT'S PER-PUPIL**
16 **ALLOCATION UNDER SECTION 20J**. For intermediate districts,
17 reimbursement for pupils described in subsection (2) shall be
18 calculated in the same manner as for a district, using the
19 foundation allowance under section 20 of the pupil's district of
20 residence, not to exceed the basic foundation allowance under
21 section 20 for the current fiscal year, **AND THAT DISTRICT'S PER-**
22 **PUPIL ALLOCATION UNDER SECTION 20J**.

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

25 (a) Pupils assigned to a district or intermediate district
26 through the community placement program of the courts or a state
27 agency, if the pupil was a resident of another intermediate

1 district at the time the pupil came under the jurisdiction of the
2 court or a state agency.

3 (b) Pupils who are residents of institutions operated by the
4 department of health and human services.

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

8 (d) Pupils enrolled in a department-approved on-grounds
9 educational program longer than 180 days, but not longer than 233
10 days, at a residential child care institution, if the child care
11 institution offered in 1991-92 an on-grounds educational program
12 longer than 180 days but not longer than 233 days.

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

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

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

23 (5) Not more than \$10,500,000.00 of the allocation for ~~2015-~~
24 ~~2016-2016-2017~~ in section 51a(1) shall be allocated under this
25 section.

26 Sec. 54. Each intermediate district shall receive an amount
27 per-pupil for each pupil in attendance at the Michigan schools for

1 the deaf and blind. The amount shall be proportionate to the total
2 instructional cost at each school. Not more than \$1,688,000.00 of
3 the allocation for ~~2015-2016~~-2016-2017 in section 51a(1) shall be
4 allocated under this section.

5 SEC. 54B. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
6 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,370,000.00 FOR
7 2016-2017 TO BEGIN IMPLEMENTATION OF THE RECOMMENDATIONS OF THE
8 SPECIAL EDUCATION REFORM TASK FORCE PUBLISHED IN JANUARY 2016.

9 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
10 FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$750,000.00 FOR THE PURPOSE
11 OF PILOTING STATEWIDE IMPLEMENTATION OF THE MICHIGAN INTEGRATED
12 BEHAVIOR AND LEARNING SUPPORT INITIATIVE (MIBLSI), A NATIONALLY
13 RECOGNIZED PROGRAM THAT INCLUDES POSITIVE BEHAVIORAL INTERVENTION
14 AND SUPPORTS AND PROVIDES A STATEWIDE STRUCTURE TO SUPPORT LOCAL
15 INITIATIVES FOR AN INTEGRATED BEHAVIOR AND READING PROGRAM. WITH
16 THE ASSISTANCE OF THE INTERMEDIATE DISTRICTS INVOLVED IN MIBLSI,
17 THE DEPARTMENT SHALL IDENTIFY AT LEAST 3 INTERMEDIATE DISTRICTS TO
18 PARTICIPATE IN THE PILOT TO ENSURE THAT MIBLSI CAN BE IMPLEMENTED
19 STATEWIDE WITH FIDELITY AND SUSTAINABILITY. IN ADDITION, THE
20 DEPARTMENT SHALL IDENTIFY AN INTERMEDIATE DISTRICT TO ACT AS A
21 FISCAL AGENT FOR THESE FUNDS.

22 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
23 FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$620,000.00 FOR THE PURPOSE
24 OF PROVIDING TRAINING TO INTERMEDIATE DISTRICTS AND DISTRICTS
25 RELATED TO THE SAFE IMPLEMENTATION OF EMERGENCY RESTRAINTS AND
26 SECLUSION. THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT A TRAINING
27 PROGRAM THAT IS BASED ON THE STATE BOARD'S ADOPTED STANDARDS AND ON

1 **ANY OTHER LEGISLATION ENACTED BY THE LEGISLATURE REGARDING THE**
2 **EMERGENCY USE OF SECLUSION AND RESTRAINT.**

3 Sec. 55. (1) From the money appropriated in section 11, there
4 is allocated an amount not to exceed \$150,000.00 for ~~2015-2016~~
5 **2016-2017** to Michigan State University, Department of Epidemiology,
6 for a study of the Conductive Learning Center located at Aquinas
7 College. This funding shall be used to develop and implement an
8 evaluation of the effectiveness of conductive education for
9 children with cerebral palsy. The evaluation shall be
10 multidimensional and shall include a control group of children with
11 cerebral palsy not enrolled in conductive education. It should
12 include an assessment of the motor system itself as well as the
13 impact of conductive education on each of the following:

- 14 (a) The acquisition of skills permitting complex motor
15 functions.
16 (b) The performance of tasks essential to daily living.
17 (c) The attitudes and feelings of both children and parents.
18 (d) The long-term need for special education for children with
19 cerebral palsy.

20 (2) ~~It is the intent of the legislature that this~~ **THIS** funding
21 is for the ~~first~~ **SECOND** of 2 years of funding for this purpose.

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

23 (a) "Membership" means for a particular fiscal year the total
24 membership for the immediately preceding fiscal year of the
25 intermediate district and the districts constituent to the
26 intermediate district.

27 (b) "Millage levied" means the millage levied for special

1 education pursuant to part 30 of the revised school code, MCL
2 380.1711 to 380.1743, including a levy for debt service
3 obligations.

4 (c) "Taxable value" means the total taxable value of the
5 districts constituent to an intermediate district, except that if a
6 district has elected not to come under part 30 of the revised
7 school code, MCL 380.1711 to 380.1743, membership and taxable value
8 of the district shall not be included in the membership and taxable
9 value of the intermediate district.

10 (2) From the allocation under section 51a(1), there is
11 allocated an amount not to exceed \$37,758,100.00 for ~~2015-2016~~
12 **2016-2017** to reimburse intermediate districts levying millages for
13 special education pursuant to part 30 of the revised school code,
14 MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the
15 reimbursement shall be limited as if the funds were generated by
16 these millages and governed by the intermediate district plan
17 adopted pursuant to article 3 of the revised school code, MCL
18 380.1701 to 380.1766. As a condition of receiving funds under this
19 section, an intermediate district distributing any portion of
20 special education millage funds to its constituent districts shall
21 submit for departmental approval and implement a distribution plan.

22 (3) Reimbursement for those millages levied in ~~2014-2015-2015-~~
23 **2016** shall be made in ~~2015-2016-2016-2017~~ at an amount per ~~2014-~~
24 ~~2015-2015-2016~~ membership pupil computed by subtracting from
25 ~~\$174,400.00~~ **\$179,100.00** the ~~2014-2015-2015-2016~~ taxable value
26 behind each membership pupil and multiplying the resulting
27 difference by the ~~2014-2015-2015-2016~~ millage levied.

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

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

8 Sec. 61a. (1) From the appropriation in section 11, there is
9 allocated an amount not to exceed \$36,611,300.00 for ~~2015-2016~~
10 **2016-2017** to reimburse on an added cost basis districts, except for
11 a district that served as the fiscal agent for a vocational
12 education consortium in the 1993-94 school year, and secondary area
13 vocational-technical education centers for secondary-level career
14 and technical education programs according to rules approved by the
15 superintendent. Applications for participation in the programs
16 shall be submitted in the form prescribed by the department. The
17 department shall determine the added cost for each career and
18 technical education program area. The allocation of added cost
19 funds shall be prioritized based on the capital and program
20 expenditures needed to operate the career and technical education
21 programs provided; the number of pupils enrolled; the advancement
22 of pupils through the instructional program; the existence of an
23 articulation agreement with at least 1 postsecondary institution
24 that provides pupils with opportunities to earn postsecondary
25 credit during the pupil's participation in the career and technical
26 education program and transfers those credits to the postsecondary
27 institution upon completion of the career and technical education

1 program; **AND** the program rank in student placement, job openings,
2 and wages, ~~, and the length of the training period provided,~~ and
3 shall not exceed 75% of the added cost of any program.

4 Notwithstanding any rule or department determination to the
5 contrary, when determining a district's allocation or the formula
6 for making allocations under this section, the department shall
7 include the participation of pupils in grade 9 in all of those
8 determinations and in all portions of the formula. With the
9 approval of the department, the board of a district maintaining a
10 secondary career and technical education program may offer the
11 program for the period from the close of the school year until
12 September 1. The program shall use existing facilities and shall be
13 operated as prescribed by rules promulgated by the superintendent.

14 (2) Except for a district that served as the fiscal agent for
15 a vocational education consortium in the 1993-94 school year,
16 districts and intermediate districts shall be reimbursed for local
17 career and technical education administration, shared time career
18 and technical education administration, and career education
19 planning district career and technical education administration.
20 The definition of what constitutes administration and reimbursement
21 shall be pursuant to guidelines adopted by the superintendent. Not
22 more than \$800,000.00 of the allocation in subsection (1) shall be
23 distributed under this subsection.

24 (3) A career and technical education program funded under this
25 section may provide an opportunity for participants who are
26 eligible to be funded under section 107 to enroll in the career and
27 technical education program funded under this section if the

1 participation does not occur during regular school hours.

2 (4) IN ADDITION TO THE MONEY ALLOCATED UNDER SUBSECTION (1),
3 FROM THE GENERAL FUND MONEY APPROPRIATED IN SECTION 11, THERE IS
4 ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$115,000.00 TO AN
5 ELIGIBLE MICHIGAN-APPROVED 501(C) (3) ORGANIZATION FOR THE PURPOSES
6 OF TEACHING OR TRAINING RESTAURANT MANAGEMENT AND CULINARY ARTS FOR
7 CAREER AND PROFESSIONAL DEVELOPMENT. THE DEPARTMENT SHALL OVERSEE
8 FUNDS DISTRIBUTED TO AN ELIGIBLE GRANTEE UNDER THIS SECTION. AS
9 USED IN THIS SUBSECTION, "ELIGIBLE MICHIGAN-APPROVED 501(C) (3)
10 ORGANIZATION" MEANS AN ORGANIZATION THAT IS EXEMPT FROM TAXATION
11 UNDER SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE OF 1986, 26
12 USC 501, THAT PROVIDES CURRICULUM AND TRAINING TO STATE-APPROVED
13 CAREER AND TECHNOLOGY EDUCATION PROGRAMS WITH CLASSIFICATION OF
14 INSTRUCTIONAL PROGRAMS (CIP) CODES IN THE 12.05XX CATEGORY, AND
15 THAT ADMINISTERS NATIONAL CERTIFICATION FOR THE PURPOSE OF
16 RESTAURANT MANAGEMENT AND CULINARY ARTS FOR CAREER AND PROFESSIONAL
17 DEVELOPMENT.

18 Sec. 61b. (1) From the appropriation in section 11, there is
19 allocated an amount not to exceed \$10,000,000.00 for 2015-2016 **AND**
20 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$15,000,000.00 FOR 2016-**
21 **2017** for CTE early/middle college programs authorized under this
22 section. The purpose of these programs is to increase the number of
23 Michigan residents with high-quality degrees or credentials, and to
24 increase the number of students who are college and career ready
25 upon high school graduation.

26 (2) From the funds allocated under subsection (1), an amount
27 as determined under this subsection shall be allocated to each

1 intermediate district serving as a fiscal agent for state-approved
2 CTE early/middle college programs in each of the prosperity regions
3 and subregions identified by the department. An intermediate
4 district shall not use more than 5% of the funds allocated under
5 this subsection for administrative costs for serving as the fiscal
6 agent.

7 (3) To be an eligible fiscal agent, an intermediate district
8 must agree to do all of the following in a form and manner
9 determined by the department:

10 (a) Distribute funds to eligible CTE early/middle college
11 programs in a prosperity region or subregion as described in this
12 section.

13 (b) Collaborate with the talent district career council that
14 is located in the prosperity region or subregion to develop a
15 regional strategic plan under subsection (4) that aligns CTE
16 programs and services into an efficient and effective delivery
17 system for high school students.

18 (c) Implement a regional process to rank career clusters in
19 the prosperity region or subregion as described under subsection
20 (4). Regional processes shall be approved by the department before
21 the ranking of career clusters.

22 (d) Report CTE early/middle college program and student data
23 and information as prescribed by the department.

24 (4) A regional strategic plan must be approved by the talent
25 district career council before submission to the department. A
26 regional strategic plan shall include, but not be limited to, the
27 following:

1 (a) An identification of regional employer need based on a
2 ranking of all career clusters in the prosperity region or
3 subregion ranked by 10-year job openings projections and median
4 wage for each standard occupational code in each career cluster as
5 obtained from the United States Bureau of Labor Statistics.
6 Standard occupational codes within high-ranking clusters also may
7 be further ranked by median wage. The rankings shall be reviewed by
8 the talent district career council located in the prosperity region
9 or subregion and modified if necessary to accurately reflect
10 employer demand for talent in the prosperity region or subregion. **A**
11 **TALENT DISTRICT CAREER COUNCIL SHALL DOCUMENT THAT IT HAS CONDUCTED**
12 **THIS REVIEW AND CERTIFY THAT IT IS ACCURATE.** These career cluster
13 rankings shall be determined and updated once every 3 years.

14 (b) An identification of educational entities in the
15 prosperity region or subregion that will provide eligible CTE
16 early/middle college programs including districts, intermediate
17 districts, postsecondary institutions, and noncredit occupational
18 training programs leading to an industry-recognized credential.

19 (c) A strategy to inform parents and students of CTE
20 early/middle college programs in the prosperity region or
21 subregion.

22 (d) Any other requirements as defined by the department.

23 (5) An eligible CTE early/middle college program is a 5-year
24 high school program that meets all of the following:

25 (a) Has been identified in the highest 5 career cluster
26 rankings in any of the 10 regional strategic plans jointly approved
27 by the Michigan talent investment agency in the department of

1 talent and economic development and the department.

2 (b) Has a coherent sequence of courses that will allow a
3 student to earn a high school diploma and achieve at least 1 of the
4 following in a specific career cluster:

5 (i) An associate degree.

6 (ii) An industry-recognized technical certification approved
7 by the Michigan talent investment agency in the department of
8 talent and economic development.

9 (iii) Up to 60 transferable college credits.

10 (iv) Participation in a registered apprenticeship.

11 (c) Is aligned with the Michigan merit curriculum.

12 (d) Has an articulation agreement with at least 1
13 postsecondary institution that provides students with opportunities
14 to receive postsecondary credits during the student's participation
15 in the CTE early/middle college program and transfers those credits
16 to the postsecondary institution upon completion of the CTE
17 early/middle college program.

18 (e) Provides instruction that is supervised, directed, or
19 coordinated by an appropriately certificated CTE teacher or, for
20 concurrent enrollment courses, a postsecondary faculty member.

21 (f) Provides for highly integrated student support services
22 that include at least the following:

23 (i) Teachers as academic advisors.

24 (ii) Supervised course selection.

25 (iii) Monitoring of student progress and completion.

26 (iv) Career planning services provided by a local one-stop
27 service center as described in the Michigan works one-stop service

1 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
2 high school counselor or advisor.

3 (g) Has courses that are taught on a college campus, are
4 college courses offered at the high school and taught by college
5 faculty, or are courses taught in combination with online
6 instruction.

7 (6) Funds to eligible CTE early/middle college programs shall
8 be distributed as follows:

9 (a) The department shall calculate statewide average CTE costs
10 per ~~full-time-equated~~ pupil for each career cluster by dividing
11 total prior year statewide costs for each career cluster by prior
12 year ~~full-time-equated~~ pupils for each career cluster.

13 (b) Distribution to each eligible CTE early/middle college
14 program shall be the product of 50% of CTE costs per ~~full-time~~
15 ~~equated~~ pupil times the current year ~~full-time-equated~~ pupil
16 enrollment of each career cluster in an eligible CTE early/middle
17 college program.

18 (7) In order to receive funds under this section, a CTE
19 early/middle college program shall furnish to the intermediate
20 district that is the fiscal agent identified in subsection (1), in
21 a form and manner determined by the department, all information
22 needed to administer this program and meet federal reporting
23 requirements; shall allow the department or the department's
24 designee to review all records related to the program for which it
25 receives funds; and shall reimburse the state for all disallowances
26 found in the review, as determined by the department.

27 **(8) TO THE EXTENT THAT FUNDS ARE AVAILABLE AFTER THE**

1 ALLOCATION IN SUBSECTION (2), THERE IS ALLOCATED FROM THE FUNDS
2 UNDER SUBSECTION (1) AN AMOUNT NOT TO EXCEED \$500,000.00 FOR GRANTS
3 TO INTERMEDIATE DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS
4 FOR THE PURPOSE OF PLANNING FOR NEW OR EXPANDED EARLY MIDDLE
5 COLLEGE PROGRAMS. APPLICATIONS FOR GRANTS SHALL BE SUBMITTED IN A
6 FORM AND MANNER DETERMINED BY THE DEPARTMENT. THE AMOUNT OF A GRANT
7 UNDER THIS SUBSECTION SHALL NOT EXCEED \$50,000.00. TO BE ELIGIBLE
8 FOR A GRANT UNDER THIS SUBSECTION, AN INTERMEDIATE DISTRICT OR
9 CONSORTIA OF INTERMEDIATE DISTRICTS MUST PROVIDE MATCHING FUNDS
10 EQUAL TO THE GRANT RECEIVED UNDER THIS SUBSECTION. NOTWITHSTANDING
11 SECTION 17B, PAYMENTS UNDER THIS SUBSECTION MAY BE MADE AS
12 DETERMINED BY THE DEPARTMENT.

13 (9) ~~(8)~~—Funds distributed under this section may be used to
14 fund program expenditures that would otherwise be paid from
15 foundation allowances. A PROGRAM RECEIVING FUNDING UNDER SECTION
16 61A MAY RECEIVE FUNDING UNDER THIS SECTION FOR ALLOWABLE COSTS THAT
17 EXCEED THE REIMBURSEMENT THE PROGRAM RECEIVED UNDER SECTION 61A.
18 THE COMBINED PAYMENTS RECEIVED BY A PROGRAM UNDER SECTION 61A AND
19 THIS SECTION SHALL NOT EXCEED THE TOTAL ALLOWABLE COSTS OF THE
20 PROGRAM. A program provider shall not use more than 5% of the funds
21 allocated under this section to the program for administrative
22 costs.

23 (10) ~~(9)~~—If the allocation under subsection (1) is
24 insufficient to fully fund payments as otherwise calculated under
25 this section, the department shall prorate payments under this
26 section on an equal percentage basis.

27 (11) ~~(10)~~—If pupils enrolled in a career cluster in an

1 eligible CTE early/middle college program qualify to be reimbursed
2 under this section, those pupils continue to qualify for
3 reimbursement until graduation, even if the career cluster is no
4 longer identified as being in the highest 5 career cluster
5 rankings.

6 (12) ~~(11)~~—As used in this section:

7 (a) "Allowable costs" means those costs directly attributable
8 to the program as jointly determined by the Michigan talent
9 investment agency and the department.

10 (b) "CTE" means career and technical education.

11 (c) "Talent district career council" means an advisory council
12 to the local workforce development boards located in a prosperity
13 region consisting of educational, employer, labor, and parent
14 representatives.

15 **SEC. 61C. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS**
16 **ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$10,000,000.00 TO**
17 **ELIGIBLE DISTRICTS AND INTERMEDIATE DISTRICTS FOR THE CTE SKILLED**
18 **TRADES EQUIPMENT INITIATIVE.**

19 **(2) THE DEPARTMENT SHALL DEVELOP CRITERIA FOR A COMPETITIVE**
20 **GRANT PROGRAM TO IMPROVE THE CAPITAL INFRASTRUCTURE NEEDED TO**
21 **ENSURE THAT CAREER AND TECHNICAL PROGRAMS CAN DELIVER EDUCATIONAL**
22 **PROGRAMS IN HIGH-WAGE, HIGH-SKILL, AND HIGH-DEMAND OCCUPATIONS**
23 **BASED ON STANDARDS AND CRITERIA DEVELOPED BY THE MISTEM ADVISORY**
24 **COUNCIL CREATED IN SECTION 99S.**

25 **(3) IN DEVELOPING THE CRITERIA UNDER SUBSECTION (2), THE**
26 **DEPARTMENT SHALL CONSIDER AT LEAST THE FINDINGS OF THE STUDY**
27 **CONDUCTED UNDER FORMER SECTION 64C REGARDING CURRENT CAPITAL**

1 INFRASTRUCTURE AND REGIONAL STRATEGIC PLANS APPROVED BY THE TALENT
2 DISTRICT CAREER COUNCILS LOCATED IN PROSPERITY REGIONS AS DESCRIBED
3 UNDER SECTION 61B.

4 (4) APPLICATIONS FOR GRANTS UNDER THIS SECTION SHALL BE
5 SUBMITTED IN A FORM AND MANNER APPROVED BY THE DEPARTMENT. THE
6 DEPARTMENT, IN COLLABORATION WITH THE MISTEM ADVISORY COUNCIL,
7 SHALL MAKE THE GRANT AWARDS. A GRANT AWARD SHALL NOT EXCEED
8 \$500,000.00.

9 (5) A GRANT UNDER THIS SECTION MAY BE USED ONLY FOR ELIGIBLE
10 COSTS, AS DETERMINED BY THE DEPARTMENT. ELIGIBLE COSTS INCLUDE THE
11 COSTS OF EQUIPMENT, RENOVATIONS RELATED TO INSTALLATION OF THE
12 EQUIPMENT, INSTALLATION COSTS OF THE EQUIPMENT, AND TRAINING FOR
13 INSTRUCTORS THAT WILL BE PROVIDING INSTRUCTION USING THE EQUIPMENT.

14 Sec. 62. (1) For the purposes of this section:

15 (a) "Membership" means for a particular fiscal year the total
16 membership for the immediately preceding fiscal year of the
17 intermediate district and the districts constituent to the
18 intermediate district or the total membership for the immediately
19 preceding fiscal year of the area vocational-technical program.

20 (b) "Millage levied" means the millage levied for area
21 vocational-technical education pursuant to sections 681 to 690 of
22 the revised school code, MCL 380.681 to 380.690, including a levy
23 for debt service obligations incurred as the result of borrowing
24 for capital outlay projects and in meeting capital projects fund
25 requirements of area vocational-technical education.

26 (c) "Taxable value" means the total taxable value of the
27 districts constituent to an intermediate district or area

1 vocational-technical education program, except that if a district
2 has elected not to come under sections 681 to 690 of the revised
3 school code, MCL 380.681 to 380.690, the membership and taxable
4 value of that district shall not be included in the membership and
5 taxable value of the intermediate district. However, the membership
6 and taxable value of a district that has elected not to come under
7 sections 681 to 690 of the revised school code, MCL 380.681 to
8 380.690, shall be included in the membership and taxable value of
9 the intermediate district if the district meets both of the
10 following:

11 (i) The district operates the area vocational-technical
12 education program pursuant to a contract with the intermediate
13 district.

14 (ii) The district contributes an annual amount to the
15 operation of the program that is commensurate with the revenue that
16 would have been raised for operation of the program if millage were
17 levied in the district for the program under sections 681 to 690 of
18 the revised school code, MCL 380.681 to 380.690.

19 (2) From the appropriation in section 11, there is allocated
20 an amount not to exceed \$9,190,000.00 for ~~2015-2016~~ **2016-2017** to
21 reimburse intermediate districts and area vocational-technical
22 education programs established under section 690(3) of the revised
23 school code, MCL 380.690, levying millages for area vocational-
24 technical education pursuant to sections 681 to 690 of the revised
25 school code, MCL 380.681 to 380.690. The purpose, use, and
26 expenditure of the reimbursement shall be limited as if the funds
27 were generated by those millages.

1 (3) Reimbursement for the millages levied in ~~2014-2015-2015-~~
2 ~~2016~~ shall be made in ~~2015-2016-2016-2017~~ at an amount per ~~2014-~~
3 ~~2015-2015-2016~~ membership pupil computed by subtracting from
4 ~~\$189,400.00~~ **\$196,100.00** the ~~2014-2015-2015-2016~~ taxable value
5 behind each membership pupil and multiplying the resulting
6 difference by the ~~2014-2015-2015-2016~~ millage levied.

7 (4) The amount paid to a single intermediate district under
8 this section shall not exceed 38.4% of the total amount allocated
9 under subsection (2).

10 (5) The amount paid to a single intermediate district under
11 this section shall not be less than 75% of the amount allocated to
12 the intermediate district under this section for the immediately
13 preceding fiscal year.

14 Sec. 64b. (1) From the appropriation in section 11, there is
15 allocated an amount not to exceed \$1,750,000.00 for ~~2015-2016-2016-~~
16 ~~2017~~ for supplemental payments to districts that support the
17 attendance of district pupils in grades 9 to 12 under the
18 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
19 388.524, or under the career and technical preparation act, 2000 PA
20 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that
21 support the attendance of district pupils in a concurrent
22 enrollment program if the district meets the requirements under
23 subsection (3). Programs funded under this section are intended to
24 increase the number of pupils who are college- and career-ready
25 upon high school graduation.

26 (2) To be eligible for payments under this section for
27 supporting the attendance of district pupils under the

1 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
2 388.524, or under the career and technical preparation act, 2000 PA
3 258, MCL 388.1901 to 388.1913, a district shall do all of the
4 following:

5 (a) Provide information to all high school pupils on
6 postsecondary enrollment options, including enrollment eligibility,
7 the institutions and types of courses that are eligible for
8 participation, the decision-making process for granting academic
9 credit, and an explanation of eligible charges that will be paid by
10 the district.

11 (b) Enter into a written agreement with a postsecondary
12 institution before the enrollment of district pupils.

13 (c) Agree to pay all eligible charges pursuant to section 21b.

14 (d) Award high school credit for the postsecondary course if
15 the pupil successfully completes the course.

16 (3) To be eligible for payments under this section for pupils
17 enrolled in a concurrent enrollment program, a district shall do
18 all of the following:

19 (a) Provide information to all high school pupils on
20 postsecondary enrollment options, including enrollment eligibility,
21 the institutions and types of courses that are eligible for
22 participation, the decision-making process for granting academic
23 credit, and an explanation of eligible charges that will be paid by
24 the district.

25 (b) Enter into a written agreement with a postsecondary
26 institution establishing the concurrent enrollment program before
27 the enrollment of district pupils in a postsecondary course through

1 the postsecondary institution.

2 (c) Ensure that the course is taught by either a high school
3 teacher or postsecondary faculty pursuant to standards established
4 by the postsecondary institution with which the district has
5 entered into a written agreement to operate the concurrent
6 enrollment program.

7 (d) Ensure that the written agreement provides that the
8 postsecondary institution agrees not to charge the pupil for any
9 cost of the program.

10 (e) Ensure that the course is taught in the local district or
11 intermediate district.

12 (f) Ensure that the pupil is awarded both high school and
13 college credit at ~~any~~ **A** community college or state public
14 university in this state upon successful completion of the course
15 as outlined in the agreement with the postsecondary institution.

16 (4) Funds shall be awarded to eligible districts under this
17 section in the following manner:

18 (a) A payment of \$10.00 per credit, for up to 3 credits, for a
19 credit-bearing course in which a pupil enrolls during the ~~2015-2016~~
20 **2016-2017** school year as described under either subsection (2) or
21 (3).

22 (b) An additional payment of \$30.00 per-pupil per course
23 identified in subdivision (a), if the pupil successfully completes,
24 and is awarded both high school and postsecondary credit for, the
25 course during the ~~2015-2016~~ **2016-2017** school year.

26 (5) A district requesting payment under this section shall
27 submit an application to the department in the form and manner

1 prescribed by the department. Notwithstanding section 17b, payments
2 under this section shall be made on a schedule determined by the
3 department.

4 Sec. 65. (1) From the general fund money appropriated under
5 section 11, there is allocated an amount not to exceed \$340,000.00
6 for ~~2015-2016-2016-2017~~ for a pre-college engineering K-12
7 educational program that is focused on the development of a diverse
8 future Michigan workforce, that serves multiple communities within
9 southeast Michigan, that enrolls pupils from multiple districts,
10 and that received funds appropriated for this purpose in the
11 appropriations act that provided the Michigan strategic fund budget
12 for 2014-2015.

13 (2) To be eligible for funding under this section, a program
14 must have the ability to expose pupils to, and motivate and prepare
15 pupils for, science, technology, engineering, and mathematics
16 careers and postsecondary education with special attention given to
17 groups of pupils who are at-risk and underrepresented in technical
18 professions and careers.

19 Sec. 67. (1) From the general fund amount appropriated in
20 section 11, there is allocated an amount not to exceed
21 ~~\$3,600,000.00 for 2015-2016~~ **\$3,050,000.00 FOR 2016-2017** for college
22 and career preparation activities. The programs funded under this
23 section are intended to inform students of college and career
24 options and to provide a wide array of tools and resources intended
25 to increase the number of pupils who are adequately prepared with
26 the information needed to make informed decisions on college and
27 career. The funds appropriated under this section are intended to

1 be used to increase the number of Michigan residents with high-
2 quality degrees or credentials. Funds appropriated under this
3 section shall not be used to supplant funding for counselors
4 already funded by districts.

5 (2) From the amount allocated in subsection (1), an amount not
6 to exceed \$3,000,000.00 shall be used for the college access
7 program. The talent investment agency of the department of talent
8 and economic development shall administer these funds in
9 collaboration with the Michigan college access network. These funds
10 may be used for any of the following purposes:

11 (a) Michigan college access network operations, programming,
12 and services to local college access networks.

13 (b) Local college access networks, which are community-based
14 college access/success partnerships committed to increasing the
15 college participation and completion rates within geographically
16 defined communities through a coordinated strategy.

17 (c) The Michigan college advising program, a program intended
18 to place trained, recently graduated college advisors in high
19 schools that serve significant numbers of low-income and first-
20 generation college-going pupils. State funds used for this purpose
21 may not exceed 33% of the total funds available under this
22 subsection.

23 (d) Subgrants of up to \$5,000.00 to districts with
24 comprehensive high schools that establish a college access team and
25 implement specific strategies to create a college-going culture in
26 a high school in a form and manner approved by the Michigan college
27 access network and the Michigan talent investment agency.

1 (e) The Michigan college access portal, an online one-stop
2 portal to help pupils and families plan and apply for college.

3 (f) Public awareness and outreach campaigns to encourage low-
4 income and first-generation college-going pupils to take necessary
5 steps toward college and to assist pupils and families in
6 completing a timely and accurate free application for federal
7 student aid.

8 (g) Subgrants to postsecondary institutions to recruit, hire,
9 and train college student mentors and college advisors to assist
10 high school pupils in navigating the postsecondary planning and
11 enrollment process.

12 (3) From the amount allocated in subsection (1), an amount not
13 to exceed ~~\$600,000.00~~ **\$50,000.00** shall be used for the purposes of
14 ~~this subsection. The talent investment agency of the department of~~
15 ~~talent and economic development shall administer these funds in~~
16 ~~collaboration with the Michigan college access network and the~~
17 ~~Michigan Virtual University to provide all of the following:~~

18 ~~—— (a) A pilot **AN** outreach program to provide information to~~
19 ~~pupils, parents, and educators on dual enrollment and other~~
20 ~~opportunities available to high school pupils to earn postsecondary~~
21 ~~credits, industry-recognized technical certifications, and~~
22 ~~participation in registered apprenticeships at no cost.~~

23 ~~—— (b) An online career planning tool that meets all of the~~
24 ~~following:~~

25 ~~—— (i) Helps pupils create educational development plans before~~
26 ~~starting high school.~~

27 ~~—— (ii) Provides information to pupils allowing them to make more~~

1 ~~informed choices about career and education options.~~

2 ~~—— (iii) Is available to pupils at no cost.~~

3 (4) For the purposes of this section, "college" means any
4 postsecondary educational opportunity that leads to a career,
5 including, but not limited to, a postsecondary degree, industry-
6 recognized technical certification, or registered apprenticeship.

7 Sec. 74. (1) From the amount appropriated in section 11, there
8 is allocated an amount not to exceed ~~\$3,315,700.00 for 2015-2016~~
9 **\$3,320,600.00 FOR 2016-2017** for the purposes of this section.

10 (2) From the allocation in subsection (1), there is allocated
11 for each fiscal year the amount necessary for payments to state
12 supported colleges or universities and intermediate districts
13 providing school bus driver safety instruction pursuant to section
14 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
15 payments shall be in an amount determined by the department not to
16 exceed the actual cost of instruction and driver compensation for
17 each public or nonpublic school bus driver attending a course of
18 instruction. For the purpose of computing compensation, the hourly
19 rate allowed each school bus driver shall not exceed the hourly
20 rate received for driving a school bus. Reimbursement compensating
21 the driver during the course of instruction shall be made by the
22 department to the college or university or intermediate district
23 providing the course of instruction.

24 (3) From the allocation in subsection (1), there is allocated
25 for ~~2015-2016-2016-2017~~ the amount necessary to pay the reasonable
26 costs of nonspecial education auxiliary services transportation
27 provided pursuant to section 1323 of the revised school code, MCL

1 380.1323. Districts funded under this subsection shall not receive
2 funding under any other section of this article for nonspecial
3 education auxiliary services transportation.

4 (4) From the funds allocated in subsection (1), there is
5 allocated an amount not to exceed ~~\$1,690,700.00 for 2015-2016~~
6 **\$1,695,600.00 FOR 2016-2017** for reimbursement to districts and
7 intermediate districts for costs associated with the inspection of
8 school buses and pupil transportation vehicles by the department of
9 state police as required under section 715a of the Michigan vehicle
10 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
11 transportation act, 1990 PA 187, MCL 257.1839. The department of
12 state police shall prepare a statement of costs attributable to
13 each district for which bus inspections are provided and submit it
14 to the department and to an intermediate district serving as
15 fiduciary in a time and manner determined jointly by the department
16 and the department of state police. Upon review and approval of the
17 statement of cost, the department shall forward to the designated
18 intermediate district serving as fiduciary the amount of the
19 reimbursement on behalf of each district and intermediate district
20 for costs detailed on the statement within 45 days after receipt of
21 the statement. The designated intermediate district shall make
22 payment in the amount specified on the statement to the department
23 of state police within 45 days after receipt of the statement. The
24 total reimbursement of costs under this subsection shall not exceed
25 the amount allocated under this subsection. Notwithstanding section
26 17b, payments to eligible entities under this subsection shall be
27 paid on a schedule prescribed by the department.

1 Sec. 81. (1) From the appropriation in section 11, there is
2 allocated for ~~2015-2016-2016-2017~~ to the intermediate districts the
3 sum necessary, but not to exceed ~~\$67,108,000.00~~ **\$68,182,000.00** to
4 provide state aid to intermediate districts under this section.

5 (2) From the allocation in subsection (1), there is allocated
6 for ~~2015-2016-2016-2017~~ an amount not to exceed \$67,108,000.00 for
7 allocations to each intermediate district in an amount equal to
8 ~~103.1%~~ **101.6%** of the amount allocated to the intermediate district
9 under this subsection for ~~2014-2015.~~ **2015-2016**. Funding provided
10 under this section shall be used to comply with requirements of
11 this article and the revised school code that are applicable to
12 intermediate districts, and for which funding is not provided
13 elsewhere in this article, and to provide technical assistance to
14 districts as authorized by the intermediate school board.

15 (3) Intermediate districts receiving funds under subsection
16 (2) shall collaborate with the department to develop expanded
17 professional development opportunities for teachers to update and
18 expand their knowledge and skills needed to support the Michigan
19 merit curriculum.

20 (4) From the allocation in subsection (1), there is allocated
21 to an intermediate district, formed by the consolidation or
22 annexation of 2 or more intermediate districts or the attachment of
23 a total intermediate district to another intermediate school
24 district or the annexation of all of the constituent K-12 districts
25 of a previously existing intermediate school district which has
26 disorganized, an additional allotment of \$3,500.00 each fiscal year
27 for each intermediate district included in the new intermediate

1 district for 3 years following consolidation, annexation, or
2 attachment.

3 (5) In order to receive funding under subsection (2), an
4 intermediate district shall do all of the following:

5 (a) Demonstrate to the satisfaction of the department that the
6 intermediate district employs at least 1 person who is trained in
7 pupil accounting and auditing procedures, rules, and regulations.

8 (b) Demonstrate to the satisfaction of the department that the
9 intermediate district employs at least 1 person who is trained in
10 rules, regulations, and district reporting procedures for the
11 individual-level student data that serves as the basis for the
12 calculation of the district and high school graduation and dropout
13 rates.

14 (c) Comply with sections 1278a and 1278b of the revised school
15 code, MCL 380.1278a and 380.1278b.

16 (d) Furnish data and other information required by state and
17 federal law to the center and the department in the form and manner
18 specified by the center or the department, as applicable.

19 (e) Comply with section 1230g of the revised school code, MCL
20 380.1230g.

21 (f) Comply with section 761 of the revised school code, MCL
22 380.761.

23 Sec. 94. (1) From the general fund appropriation in section
24 11, there is allocated to the department for ~~2015-2016~~**2016-2017** an
25 amount not to exceed \$250,000.00 for efforts to increase the number
26 of pupils who participate and succeed in advanced placement and
27 international baccalaureate programs.

1 (2) From the funds allocated under this section, the
2 department shall award funds to cover all or part of the costs of
3 advanced placement test fees or international baccalaureate test
4 fees **AND INTERNATIONAL BACCALAUREATE REGISTRATION FEES** for low-
5 income pupils who take an advanced placement or an international
6 baccalaureate test. Payments shall not exceed \$20.00 per test
7 completed **OR \$150.00 PER INTERNATIONAL BACCALAUREATE REGISTRATION**
8 **FEES PER PUPIL REGISTERED.**

9 (3) The department shall only award funds under this section
10 if the department determines that all of the following criteria are
11 met:

12 (a) Each pupil for whom payment is made meets eligibility
13 requirements of the federal advanced placement test fee program
14 under section 1701 of the no child left behind act of 2001, Public
15 Law 107-110, **OR UNDER A CORRESPONDING PROVISION OF THE EVERY**
16 **STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95.**

17 (b) The tests are administered by the college board, the
18 international baccalaureate organization, or another test provider
19 approved by the department.

20 (c) The pupil for whom payment is made pays at least \$5.00
21 toward the cost of each test for which payment is made.

22 (4) The department shall establish procedures for awarding
23 funds under this section.

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

26 Sec. 94a. (1) There is created within the state budget office
27 in the department of technology, management, and budget the center

1 for educational performance and information. The center shall do
2 all of the following:

3 (a) Coordinate the collection of all data required by state
4 and federal law from districts, intermediate districts, and
5 postsecondary institutions.

6 (b) Create, maintain, and enhance this state's P-20
7 longitudinal data system and ensure that it meets the requirements
8 of subsection (4).

9 (c) Collect data in the most efficient manner possible in
10 order to reduce the administrative burden on reporting entities,
11 including, but not limited to, electronic transcript services.

12 (d) Create, maintain, and enhance this state's web-based
13 educational portal to provide information to school leaders,
14 teachers, researchers, and the public in compliance with all
15 federal and state privacy laws. Data shall include, but are not
16 limited to, all of the following:

17 (i) Data sets that link teachers to student information,
18 allowing districts to assess individual teacher impact on student
19 performance and consider student growth factors in teacher and
20 principal evaluation systems.

21 (ii) Data access or, if practical, data sets, provided for
22 regional data warehouses that, in combination with local data, can
23 improve teaching and learning in the classroom.

24 (iii) Research-ready data sets for researchers to perform
25 research that advances this state's educational performance.

26 (e) Provide data in a useful manner to allow state and local
27 policymakers to make informed policy decisions.

1 (f) Provide public reports to the citizens of this state to
2 allow them to assess allocation of resources and the return on
3 their investment in the education system of this state.

4 (g) Other functions as assigned by the state budget director.

5 (2) Each state department, officer, or agency that collects
6 information from districts, intermediate districts, or
7 postsecondary institutions as required under state or federal law
8 shall make arrangements with the center to ensure that the state
9 department, officer, or agency is in compliance with subsection
10 (1). This subsection does not apply to information collected by the
11 department of treasury under the uniform budgeting and accounting
12 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
13 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
14 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
15 388.1939; or section 1351a of the revised school code, MCL
16 380.1351a.

17 (3) The center may enter into any interlocal agreements
18 necessary to fulfill its functions.

19 (4) The center shall ensure that the P-20 longitudinal data
20 system required under subsection (1)(b) meets all of the following:

21 (a) Includes data at the individual student level from
22 preschool through postsecondary education and into the workforce.

23 (b) Supports interoperability by using standard data
24 structures, data formats, and data definitions to ensure linkage
25 and connectivity in a manner that facilitates the exchange of data
26 among agencies and institutions within the state and between
27 states.

1 (c) Enables the matching of individual teacher and student
2 records so that an individual student may be matched with those
3 teachers providing instruction to that student.

4 (d) Enables the matching of individual teachers with
5 information about their certification and the institutions that
6 prepared and recommended those teachers for state certification.

7 (e) Enables data to be easily generated for continuous
8 improvement and decision-making, including timely reporting to
9 parents, teachers, and school leaders on student achievement.

10 (f) Ensures the reasonable quality, validity, and reliability
11 of data contained in the system.

12 (g) Provides this state with the ability to meet federal and
13 state reporting requirements.

14 (h) For data elements related to preschool through grade 12
15 and postsecondary, meets all of the following:

16 (i) Contains a unique statewide student identifier that does
17 not permit a student to be individually identified by users of the
18 system, except as allowed by federal and state law.

19 (ii) Contains student-level enrollment, demographic, and
20 program participation information.

21 (iii) Contains student-level information about the points at
22 which students exit, transfer in, transfer out, drop out, or
23 complete education programs.

24 (iv) Has the capacity to communicate with higher education
25 data systems.

26 (i) For data elements related to preschool through grade 12
27 only, meets all of the following:

1 (i) Contains yearly test records of individual students for
2 assessments approved by DED-OESE for accountability purposes under
3 section 1111(b) of the elementary and secondary education act of
4 1965, 20 USC 6311, including information on individual students not
5 tested, by grade and subject.

6 (ii) Contains student-level transcript information, including
7 information on courses completed and grades earned.

8 (iii) Contains student-level college readiness test scores.

9 (j) For data elements related to postsecondary education only:

10 (i) Contains data that provide information regarding the
11 extent to which individual students transition successfully from
12 secondary school to postsecondary education, including, but not
13 limited to, all of the following:

14 (A) Enrollment in remedial coursework.

15 (B) Completion of 1 year's worth of college credit applicable
16 to a degree within 2 years of enrollment.

17 (ii) Contains data that provide other information determined
18 necessary to address alignment and adequate preparation for success
19 in postsecondary education.

20 (5) From the general fund appropriation in section 11, there
21 is allocated an amount not to exceed ~~\$11,967,000.00 for 2015-2016~~
22 **\$12,173,200.00 FOR 2016-2017** to the department of technology,
23 management, and budget to support the operations of the center. In
24 addition, from the federal funds appropriated in section 11 there
25 is allocated for ~~2015-2016-2016-2017~~ the amount necessary,
26 estimated at \$193,500.00, to support the operations of the center
27 and to establish a P-20 longitudinal data system necessary for

1 state and federal reporting purposes. The center shall cooperate
2 with the department to ensure that this state is in compliance with
3 federal law and is maximizing opportunities for increased federal
4 funding to improve education in this state.

5 (6) From the funds allocated in subsection (5), the center may
6 use an amount determined by the center for competitive grants for
7 ~~2015-2016-2016-2017~~ to support collaborative efforts on the P-20
8 longitudinal data system. All of the following apply to grants
9 awarded under this subsection:

10 (a) The center shall award competitive grants to eligible
11 intermediate districts or a consortium of intermediate districts
12 based on criteria established by the center.

13 (b) Activities funded under the grant shall support the P-20
14 longitudinal data system portal and may include portal hosting,
15 hardware and software acquisition, maintenance, enhancements, user
16 support and related materials, and professional learning tools and
17 activities aimed at improving the utility of the P-20 longitudinal
18 data system.

19 (c) An applicant that received a grant under this subsection
20 for the immediately preceding fiscal year shall receive priority
21 for funding under this section. However, after 3 fiscal years of
22 continuous funding, an applicant is required to compete openly with
23 new applicants.

24 (7) Funds allocated under this section that are not expended
25 in the fiscal year in which they were allocated may be carried
26 forward to a subsequent fiscal year and are appropriated for the
27 purposes for which the funds were originally allocated.

1 (8) The center may bill departments as necessary in order to
2 fulfill reporting requirements of state and federal law. The center
3 may also enter into agreements to supply custom data, analysis, and
4 reporting to other principal executive departments, state agencies,
5 local units of government, and other individuals and organizations.
6 The center may receive and expend funds in addition to those
7 authorized in subsection (5) to cover the costs associated with
8 salaries, benefits, supplies, materials, and equipment necessary to
9 provide such data, analysis, and reporting services.

10 (9) As used in this section:

11 (a) "DED-OESE" means the United States Department of Education
12 Office of Elementary and Secondary Education.

13 (b) "State education agency" means the department.

14 **SEC. 95B. (1) FROM THE GENERAL FUND MONEY APPROPRIATED UNDER**
15 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR**
16 **THE LICENSING OF A STATE STUDENT GROWTH TOOL BASED ON THE STATE**
17 **ASSESSMENT REQUIRED UNDER SECTION 104.**

18 **(2) NOT LATER THAN DECEMBER 1, 2016, THE DEPARTMENT OF**
19 **TECHNOLOGY, MANAGEMENT, AND BUDGET SHALL AWARD A CONTRACT TO A**
20 **VENDOR TO PROVIDE THE STATE STUDENT GROWTH TOOL. TO BE ELIGIBLE FOR**
21 **THIS CONTRACT, A VENDOR MUST MEET ALL OF THE FOLLOWING:**

22 **(A) IS A REPUTABLE VENDOR WITH PAST EXPERIENCE ANALYZING**
23 **STATEWIDE STUDENT GROWTH DATA.**

24 **(B) PROVIDES A STUDENT GROWTH TOOL THAT IS BASED ON A VALUE-**
25 **ADDED MODEL THAT MEASURES GAINS IN STUDENT ACHIEVEMENT BY**
26 **CONDUCTING A STATISTICAL ANALYSIS OF STUDENT ACHIEVEMENT DATA AND**
27 **THAT PROVIDES ACADEMIC GROWTH DATA OVER TIME BY SUBJECT, BY GRADE**

1 LEVEL, AND BY SCHOOL.

2 (C) USES A MIXED MODEL STATISTICAL ANALYSIS THAT DOES ALL OF
3 THE FOLLOWING:

4 (i) HAS THE ABILITY TO USE ALL ACHIEVEMENT TEST DATA FOR EVERY
5 PUPIL, INCLUDING FOR PUPILS WITH MISSING TEST SCORES.

6 (ii) MAKES NO ADJUSTMENTS IN THE EXPECTATIONS FOR STUDENT
7 GROWTH FOR PUPILS BASED ON RACE, POVERTY, OR GENDER.

8 (iii) PROVIDES LINEAR UNBIASED PREDICTIONS OF SCHOOL EFFECTS
9 AND MINIMIZES THE IMPACT OF RANDOM ERRORS.

10 (D) HAS THE ABILITY TO WORK WITH ASSESSMENT DATA FROM A
11 VARIETY OF SOURCES, INCLUDING DATA THAT ARE NOT VERTICALLY SCALED
12 AND ASSESSMENTS THAT CHANGE OVER TIME.

13 (E) HAS THE CAPACITY TO RECEIVE AND REPORT RESULTS
14 ELECTRONICALLY AND PROVIDE SUPPORT FOR DISTRICTS USING THE SYSTEM.

15 (F) PROVIDES, AT A MINIMUM, A STUDENT GROWTH SCORE FOR
16 INDIVIDUAL TEACHERS WHO TEACH SUBJECTS TESTED ON STATEWIDE
17 ASSESSMENTS AND A STUDENT GROWTH SCORE FOR ALL SCHOOLS.

18 (G) PROVIDES A STUDENT GROWTH TOOL THAT COMPLIES WITH SECTION
19 1249 OF THE REVISED SCHOOL CODE, MCL 380.1249, AND THAT DISTRICTS
20 MAY USE FOR THE STUDENT GROWTH PORTION OF AN EDUCATOR'S ANNUAL
21 PERFORMANCE EVALUATION AS REQUIRED UNDER SECTION 1249 OF THE
22 REVISED SCHOOL CODE, MCL 380.1249.

23 Sec. 98. (1) From the general fund money appropriated in
24 section 11, there is allocated an amount not to exceed
25 \$7,387,500.00 for ~~2015-2016~~-2016-2017 for the purposes described in
26 this section.

27 (2) The Michigan Virtual University shall operate the Michigan

1 Virtual Learning Research Institute. The Michigan Virtual Learning
2 Research Institute shall do all of the following:

3 (a) Support and accelerate innovation in education through the
4 following activities:

5 (i) Test, evaluate, and recommend as appropriate new
6 technology-based instructional tools and resources.

7 (ii) Research, design, and recommend ~~digital-VIRTUAL~~ education
8 delivery models for use by pupils and teachers that include age-
9 appropriate multimedia instructional content.

10 (iii) Research, develop, and recommend annually to the
11 department criteria by which cyber schools and ~~online-VIRTUAL~~
12 course providers should be monitored and evaluated to ensure a
13 quality education for their pupils.

14 (iv) Based on pupil completion and performance data reported
15 to the department or the center for educational performance and
16 information from cyber schools and other ~~online-VIRTUAL~~ course
17 providers operating in this state, analyze the effectiveness of
18 ~~online-VIRTUAL~~ learning delivery models in preparing pupils to be
19 college- and career-ready and publish a report that highlights
20 enrollment totals, completion rates, and the overall impact on
21 pupils. The report shall be submitted to the house and senate
22 appropriations subcommittees on state school aid, the state budget
23 director, the house and senate fiscal agencies, and the department
24 not later than March 31, ~~2016-2017~~.

25 (v) Before August 31, ~~2016-2017~~, provide an extensive
26 professional development program to at least 500 educational
27 personnel, including teachers, school administrators, and school

1 board members, that focuses on the effective integration of ~~digital~~
2 **VIRTUAL** learning into curricula and instruction. Not later than
3 December 1, ~~2016,~~**2017**, the Michigan Virtual Learning Research
4 Institute shall submit a report to the house and senate
5 appropriations subcommittees on state school aid, the state budget
6 director, the house and senate fiscal agencies, and the department
7 on the number and percentage of teachers, school administrators,
8 and school board members who have received professional development
9 services from the Michigan Virtual University. The report shall
10 also identify barriers and other opportunities to encourage the
11 adoption of ~~digital~~**VIRTUAL** learning in the public education
12 system.

13 (vi) Identify and share best practices for planning,
14 implementing, and evaluating ~~online~~**VIRTUAL** and blended education
15 delivery models with intermediate districts, districts, and public
16 school academies to accelerate the adoption of innovative education
17 delivery models statewide.

18 (b) Provide leadership for this state's system of ~~digital~~
19 **VIRTUAL** learning education by doing the following activities:

20 (i) Develop and report policy recommendations to the governor
21 and the legislature that accelerate the expansion of effective
22 ~~online~~**VIRTUAL** learning in this state's schools.

23 (ii) Provide a clearinghouse for research reports, academic
24 studies, evaluations, and other information related to ~~online~~
25 **VIRTUAL** learning.

26 (iii) Promote and distribute the most current instructional
27 design standards and guidelines for ~~online~~**VIRTUAL** teaching.

1 (iv) In collaboration with the department and interested
2 colleges and universities in this state, support implementation and
3 improvements related to effective ~~digital~~**VIRTUAL** learning
4 instruction.

5 (v) Pursue public/private partnerships that include districts
6 to study and implement competency-based technology-rich ~~online~~
7 **VIRTUAL** learning models.

8 (vi) Create a statewide network of school-based mentors
9 serving as liaisons between pupils, ~~online~~**VIRTUAL** instructors,
10 parents, and school staff and provide mentors with research-based
11 training and technical assistance designed to help more pupils be
12 successful ~~online~~**VIRTUAL** learners.

13 (vii) Convene focus groups and conduct annual surveys of
14 teachers, administrators, pupils, parents, and others to identify
15 barriers and opportunities related to ~~online~~**VIRTUAL** learning.

16 (viii) Produce an annual consumer awareness report for schools
17 and parents about effective ~~online~~**VIRTUAL** education providers and
18 education delivery models, performance data, cost structures, and
19 research trends.

20 (ix) Research and establish an Internet-based platform that
21 educators can use to create student-centric learning tools and
22 resources and facilitate a user network that assists educators in
23 using the platform. As part of this initiative, the Michigan
24 Virtual University shall work collaboratively with districts and
25 intermediate districts to establish a plan to make available ~~online~~
26 **VIRTUAL** resources that align to Michigan's K-12 curriculum
27 standards for use by students, educators, and parents.

1 (x) Create and maintain a public statewide catalog of ~~online~~
2 **VIRTUAL** learning courses being offered by all public schools and
3 community colleges in this state. The Michigan Virtual Learning
4 Research Institute shall identify and develop a list of nationally
5 recognized best practices for ~~online~~**VIRTUAL** learning and use this
6 list to support reviews of ~~online~~**VIRTUAL** course vendors, courses,
7 and instructional practices. The Michigan Virtual Learning Research
8 Institute shall also provide a mechanism for intermediate districts
9 to use the identified best practices to review content offered by
10 constituent districts. The Michigan Virtual Learning Research
11 Institute shall review the ~~online~~**VIRTUAL** course offerings of the
12 Michigan Virtual University, and make the results from these
13 reviews available to the public as part of the statewide catalog.
14 The Michigan Virtual Learning Research Institute shall ensure that
15 the statewide catalog is made available to the public on the
16 Michigan Virtual University website and shall allow the ability to
17 link it to each district's website as provided for in section 21f.
18 The statewide catalog shall also contain all of the following:

19 (A) The number of enrollments in each ~~online~~**VIRTUAL** course in
20 the immediately preceding school year.

21 (B) The number of enrollments that earned 60% or more of the
22 total course points for each ~~online~~**VIRTUAL** course in the
23 immediately preceding school year.

24 (C) The completion rate for each ~~online~~**VIRTUAL** course.

25 (xi) Develop prototype and pilot registration, payment
26 services, and transcript functionality to the statewide catalog and
27 train key stakeholders on how to use new features.

1 (xiii) Collaborate with key stakeholders to examine district
2 level accountability and teacher effectiveness issues related to
3 ~~online-VIRTUAL~~ learning under section 21f and make findings and
4 recommendations publicly available.

5 (3) To further enhance its expertise and leadership in ~~digital~~
6 **VIRTUAL** learning, the Michigan Virtual University shall continue to
7 operate the Michigan Virtual School as a statewide laboratory and
8 quality model of instruction by implementing ~~online-VIRTUAL~~ and
9 blended learning solutions for Michigan schools in accordance with
10 the following parameters:

11 (a) The Michigan Virtual School must maintain its
12 accreditation status from recognized national and international
13 accrediting entities.

14 (b) The Michigan Virtual University shall use no more than
15 \$1,000,000.00 of the amount allocated under this section to
16 subsidize the cost paid by districts for ~~online-VIRTUAL~~ courses.

17 (c) In providing educators responsible for the teaching of
18 ~~online-VIRTUAL~~ courses as provided for in this section, the
19 Michigan Virtual School shall follow the requirements to request
20 and assess, and the department of state police shall provide, a
21 criminal history check and criminal records check under sections
22 1230 and 1230a of the revised school code, MCL 380.1230 and
23 380.1230a, in the same manner as if the Michigan Virtual School
24 were a school district under those sections.

25 (4) If the course offerings are included in the statewide
26 catalog of ~~online-VIRTUAL~~ courses under subsection (2)(b)(ix), the
27 Michigan Virtual School operated by the Michigan Virtual University

1 may offer ~~online~~-**VIRTUAL** course offerings, including, but not
2 limited to, all of the following:

3 (a) Information technology courses.

4 (b) College level equivalent courses, as defined in section
5 1471 of the revised school code, MCL 380.1471.

6 (c) Courses and dual enrollment opportunities.

7 (d) Programs and services for at-risk pupils.

8 (e) General education development test preparation courses for
9 adjudicated youth.

10 (f) Special interest courses.

11 (g) Professional development programs for teachers, school
12 administrators, other school employees, and school board members.

13 (5) If a home-schooled or nonpublic school student is a
14 resident of a district that subscribes to services provided by the
15 Michigan Virtual School, the student may use the services provided
16 by the Michigan Virtual School to the district without charge to
17 the student beyond what is charged to a district pupil using the
18 same services.

19 (6) Not later than December 1 of each fiscal year, the
20 Michigan Virtual University shall provide a report to the house and
21 senate appropriations subcommittees on state school aid, the state
22 budget director, the house and senate fiscal agencies, and the
23 department that includes at least all of the following information
24 related to the Michigan Virtual School for the preceding state
25 fiscal year:

26 (a) A list of the districts served by the Michigan Virtual
27 School.

1 (b) A list of ~~online-VIRTUAL~~ course titles available to
2 districts.

3 (c) The total number of ~~online-VIRTUAL~~ course enrollments and
4 information on registrations and completions by course.

5 (d) The overall course completion rate percentage.

6 (7) The governor may appoint an advisory group for the
7 Michigan Virtual Learning Research Institute established under
8 subsection (2). The members of the advisory group shall serve at
9 the pleasure of the governor and shall serve without compensation.
10 The purpose of the advisory group is to make recommendations to the
11 governor, the legislature, and the president and board of the
12 Michigan Virtual University that will accelerate innovation in this
13 state's education system in a manner that will prepare elementary
14 and secondary students to be career and college ready and that will
15 promote the goal of increasing the percentage of citizens of this
16 state with high-quality degrees and credentials to at least 60% by
17 2025.

18 (8) Not later than November 1, ~~2015,~~ **2016**, the Michigan
19 Virtual University shall submit to the house and senate
20 appropriations subcommittees on state school aid, the state budget
21 director, and the house and senate fiscal agencies a detailed
22 budget for the ~~2015-2016~~ **2016-2017** fiscal year that includes a
23 breakdown on its projected costs to deliver ~~online-VIRTUAL~~
24 educational services to districts and a summary of the anticipated
25 fees to be paid by districts for those services. Not later than
26 March 1 each year, the Michigan Virtual University shall submit to
27 the house and senate appropriations subcommittees on state school

1 aid, the state budget director, and the house and senate fiscal
 2 agencies a breakdown on its actual costs to deliver ~~online~~**VIRTUAL**
 3 educational services to districts and a summary of the actual fees
 4 paid by districts for those services based on audited financial
 5 statements for the immediately preceding fiscal year.

6 (9) As used in this section:

7 (a) "Blended learning" means a hybrid instructional delivery
 8 model where pupils are provided content, instruction, and
 9 assessment, in part at a supervised educational facility away from
 10 home where the pupil and a teacher with a valid Michigan teaching
 11 certificate are in the same physical location and in part through
 12 Internet-connected learning environments with some degree of pupil
 13 control over time, location, and pace of instruction.

14 (b) "Cyber school" means a full-time instructional program of
 15 ~~online~~**VIRTUAL** courses for pupils that may or may not require
 16 attendance at a physical school location.

17 ~~—— (c) "Digital learning" means instruction delivered via a web-~~
 18 ~~based educational delivery system that uses various information~~
 19 ~~technologies to provide a structured learning environment,~~
 20 ~~including online and blended learning instructional methods.~~

21 (C) ~~(d)~~ "Online"**VIRTUAL** course" means a course of study that
 22 is capable of generating a credit or a grade ~~,~~**AND** that is provided
 23 in an interactive ~~Internet-connected~~ learning environment ~~,~~**IN**
 24 **WHICH THE MAJORITY OF THE CURRICULUM IS DELIVERED USING THE**
 25 **INTERNET AND** in which pupils are separated from their ~~teachers~~
 26 **INSTRUCTOR OR TEACHER OF RECORD** by time or location, or both. ~~,~~**and**
 27 ~~in which a teacher who holds a valid Michigan teaching certificate~~

1 ~~is responsible for providing instruction, determining appropriate~~
2 ~~instructional methods for each pupil, diagnosing learning needs,~~
3 ~~assessing pupil learning, prescribing intervention strategies,~~
4 ~~reporting outcomes, and evaluating the effects of instruction and~~
5 ~~support strategies.~~

6 Sec. 99h. (1) From the appropriation in section 11, there is
7 allocated an amount not to exceed \$2,000,000.00 for ~~2015-2016-2016-~~
8 **2017** for competitive grants to districts that provide pupils in
9 grades 7 to 12 with expanded opportunities to improve mathematics,
10 science, and technology skills by participating in events hosted by
11 a science and technology development program known as FIRST (for
12 inspiration and recognition of science and technology) robotics.
13 **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO INCREASE THE**
14 **NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN SCIENCE AND**
15 **MATHEMATICS ON THE STATE ASSESSMENTS AND TO INCREASE THE NUMBER OF**
16 **PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL**
17 **GRADUATION.**

18 (2) A district applying for a FIRST tech challenge or FIRST
19 robotics competition program grant shall submit an application in a
20 form and manner determined by the department. To be eligible for a
21 grant, a district shall demonstrate in its application that the
22 district has established a partnership for the purposes of the
23 FIRST program with at least 1 sponsor, business entity, higher
24 education institution, or technical school, shall submit a spending
25 plan, and shall pay at least 25% of the cost of the FIRST robotics
26 program.

27 (3) The department shall distribute the grant funding under

1 this section for the following purposes:

2 (a) Grants to districts to pay for stipends of \$1,500.00 for 1
3 coach per team, distributed as follows:

4 (i) Not more than 500 stipends for coaches of high school
5 teams, including existing teams.

6 (ii) Not more than 100 stipends for coaches of middle school
7 or junior high teams, including existing teams.

8 (iii) If the requests for stipends exceed the numbers of
9 stipends allowed under subparagraphs (i) and (ii), and if there is
10 funding remaining unspent under subdivisions (b) and (c), the
11 department shall use that remaining unspent funding for grants to
12 districts to pay for additional stipends in a manner that expands
13 the geographical distribution of teams.

14 (b) Grants to districts for event registrations, materials,
15 travel costs, and other expenses associated with the preparation
16 for and attendance at FIRST tech challenge and FIRST robotics
17 competitions. Each grant recipient shall provide a local match from
18 other private or local funds for the funds received under this
19 subdivision equal to at least 50% of the costs of participating in
20 an event. The department shall set maximum grant amounts under this
21 subdivision in a manner that maximizes the number of teams that
22 will be able to receive funding.

23 (c) Grants to districts for awards to teams that advance to
24 the state and world championship competitions. The department shall
25 determine an equal amount per team for those teams that advance to
26 the state championship and a second equal award amount to those
27 teams that advance to the world championship.

1 (4) The funds allocated under this section are a work project
2 appropriation, and any unexpended funds for ~~2015-2016-2016-2017~~ are
3 carried forward into ~~2016-2017-~~**2017-2018**. The purpose of the work
4 project is to continue to implement the projects described under
5 subsection (1). The estimated completion date of the work project
6 is September 30, ~~2018-~~**2019**.

7 Sec. 99s. (1) From the funds appropriated under section 11,
8 there is allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
9 \$3,250,000.00 from the state school aid fund appropriation and an
10 amount not to exceed \$775,000.00 from the general fund
11 appropriation for Michigan science, technology, engineering, and
12 mathematics (MiSTEM) programs. In addition, from the federal funds
13 appropriated in section 11, there is allocated for ~~2015-2016-2016-~~
14 **2017** an amount estimated at \$5,249,300.00 from DED-OESE, title II,
15 mathematics and science partnership grants. **PROGRAMS FUNDED UNDER**
16 **THIS SECTION ARE INTENDED TO INCREASE THE NUMBER OF PUPILS**
17 **DEMONSTRATING PROFICIENCY IN SCIENCE AND MATHEMATICS ON THE STATE**
18 **ASSESSMENTS AND TO INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE-**
19 **AND CAREER-READY UPON HIGH SCHOOL GRADUATION.**

20 (2) From the general fund allocation in subsection (1), there
21 is allocated an amount not to exceed \$50,000.00 to the department
22 for administrative and travel costs related to the MiSTEM advisory
23 council. All of the following apply to the MiSTEM advisory council
24 funded under this subsection:

25 (a) The MiSTEM advisory council is created. The MiSTEM
26 advisory council shall provide to the governor, legislature,
27 department of talent and economic development, and department

1 recommendations designed to improve and promote innovation in STEM
2 education and **TO** prepare students for careers in science,
3 technology, engineering, and mathematics.

4 (b) The MiSTEM advisory council created under subdivision (a)
5 shall consist of the following members:

6 (i) The governor shall appoint 11 voting members who are
7 representative of business sectors that are important to Michigan's
8 economy and rely on a STEM-educated workforce, nonprofit
9 organizations and associations that promote STEM education, K-12
10 and postsecondary education entities involved in STEM-related
11 career education, or other sectors as considered appropriate by the
12 governor. Each of these members shall serve at the pleasure of the
13 governor and for a term determined by the governor.

14 (ii) The senate majority leader shall appoint 2 members of the
15 senate to serve as nonvoting, ex-officio members of the MiSTEM
16 advisory council, including 1 majority party member and 1 minority
17 party member.

18 (iii) The speaker of the house of representatives shall
19 appoint 2 members of the house of representatives to serve as
20 nonvoting, ex-officio members of the MiSTEM advisory council,
21 including 1 majority party member and 1 minority party member.

22 (c) Each member of the MiSTEM advisory council shall serve
23 without compensation.

24 (d) ~~The~~ **NOT LATER THAN MARCH 1, 2016, THE** MiSTEM advisory
25 council shall recommend **TO THE GOVERNOR, THE LEGISLATURE, AND THE**
26 **DEPARTMENT** a statewide strategy for delivering STEM education-
27 related opportunities to pupils and objective criteria for

1 determining preferred STEM programs. The MiSTEM advisory council
2 also shall make funding recommendations to the governor,
3 legislature, and department for funding programs under this section
4 for ~~2016-2017-2017-2018~~ not later than March 1, ~~2016, 2017,~~
5 including, but not limited to, recommendations concerning funding
6 for the STEM programs funded under this section for ~~2015-2016,~~
7 **2016-2017**, and shall continue to make funding recommendations
8 annually thereafter.

9 (e) The MiSTEM advisory council shall work with directors of
10 mathematics and science centers funded under subsection (3) to
11 connect educators with businesses, workforce developers, economic
12 developers, community colleges, and universities.

13 ~~—— (3) From the state school aid fund allocation under subsection~~
14 ~~(1), there is allocated for 2015-2016 an amount not to exceed~~
15 ~~\$2,750,000.00 to support the activities and programs of mathematics~~
16 ~~and science centers. In addition, from the federal funds allocated~~
17 ~~under subsection (1), there is allocated for 2015-2016 an amount~~
18 ~~estimated at \$5,249,300.00 from DED OESE, title II, mathematics and~~
19 ~~science partnership grants, for the purposes of this subsection.~~
20 ~~All of the following apply to the programs and funding under this~~
21 ~~subsection:~~

22 ~~—— (a) Within a service area designated locally, approved by the~~
23 ~~department, and consistent with the comprehensive master plan for~~
24 ~~mathematics and science centers developed by the department and~~
25 ~~approved by the state board, an established mathematics and science~~
26 ~~center shall provide 2 or more of the following 6 basic services,~~
27 ~~as described in the master plan, to constituent districts and~~

1 ~~communities: leadership, pupil services, curriculum support,~~
2 ~~community involvement, professional development, and resource~~
3 ~~clearinghouse services.~~

4 ~~—— (b) The department shall not award a state grant under this~~
5 ~~subsection to more than 1 mathematics and science center located in~~
6 ~~a designated region as prescribed in the 2007 master plan unless~~
7 ~~each of the grants serves a distinct target population or provides~~
8 ~~a service that does not duplicate another program in the designated~~
9 ~~region.~~

10 ~~—— (c) As part of the technical assistance process, the~~
11 ~~department shall provide minimum standard guidelines that may be~~
12 ~~used by the mathematics and science center for providing fair~~
13 ~~access for qualified pupils and professional staff as prescribed in~~
14 ~~this subsection.~~

15 ~~—— (d) Allocations under this subsection to support the~~
16 ~~activities and programs of mathematics and science centers shall be~~
17 ~~continuing support grants to all 33 established mathematics and~~
18 ~~science centers. For 2015-2016, each established mathematics and~~
19 ~~science center that was funded for 2014-2015 under former section~~
20 ~~99 shall receive state funding in an amount equal to 100% of the~~
21 ~~amount it was allocated under former section 99 for 2014-2015. If a~~
22 ~~center declines state funding or a center closes, the remaining~~
23 ~~money available under this subsection shall be distributed to the~~
24 ~~remaining centers, as determined by the department.~~

25 ~~—— (e) From the funds allocated under this subsection, the~~
26 ~~department shall distribute for 2015-2016 an amount not to exceed~~
27 ~~\$750,000.00 in a form and manner determined by the department to~~

~~1 those centers able to provide curriculum and professional
2 development support to assist districts in implementing the
3 Michigan merit curriculum components for mathematics and science.
4 Funding under this subdivision is in addition to funding allocated
5 under subdivision (d).~~

~~6 ——— (f) In order to receive state or federal funds under this
7 subsection, a grant recipient shall allow access for the department
8 or the department's designee to audit all records related to the
9 program for which it receives those funds. The grant recipient
10 shall reimburse the state for all disallowances found in the audit.~~

~~11 ——— (g) Not later than September 30, 2018, the department shall
12 reevaluate and update the comprehensive master plan described in
13 subdivision (a).~~

~~14 ——— (h) The department shall give preference in awarding the
15 federal grants allocated under this subsection to eligible existing
16 mathematics and science centers.~~

~~17 ——— (i) In order to receive state funds under this subsection, a
18 grant recipient shall provide at least a 10% local match from local
19 public or private resources for the funds received under this
20 subsection.~~

~~21 ——— (j) Not later than July 1 of each year, a mathematics and
22 science center that receives funds under this subsection shall
23 report to the department in a form and manner prescribed by the
24 department on the following performance measures:~~

~~25 ——— (i) Statistical change in pre and post assessment scores for
26 students who enrolled in mathematics and science activities
27 provided to districts by the mathematics and science center.~~

1 ~~(ii) Statistical change in pre and post assessment scores for~~
2 ~~teachers who enrolled in professional development activities~~
3 ~~provided by the mathematics and science center.~~

4 (3) FROM THE STATE SCHOOL AID FUND ALLOCATION UNDER SUBSECTION
5 (1), THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED
6 \$2,750,000.00 TO INTERMEDIATE DISTRICTS TO CREATE A MISTEM CENTER
7 IN EACH PROSPERITY REGION, TO PARTICIPATE WITH CHANGE THE EQUATION
8 STEMWORKS, AND TO PROVIDE GRANTS TO DISTRICTS. IN ADDITION, FROM
9 THE FEDERAL FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS
10 ALLOCATED FOR 2016-2017 AN AMOUNT ESTIMATED AT \$5,249,300.00 FROM
11 DED-OESE, TITLE II, MATHEMATICS AND SCIENCE PARTNERSHIP GRANTS, FOR
12 THE PURPOSES OF THIS SUBSECTION. ALL OF THE FOLLOWING APPLY TO THE
13 PROGRAMS AND FUNDING UNDER THIS SUBSECTION:

14 (A) BY APRIL 1 OF EACH FISCAL YEAR, THE INTERMEDIATE DISTRICTS
15 WITHIN A PROSPERITY REGION SHALL DETERMINE WHICH INTERMEDIATE
16 DISTRICT WILL SERVE AS THE PROSPERITY REGION'S FISCAL AGENT FOR THE
17 NEXT FISCAL YEAR AND SHALL NOTIFY THE DEPARTMENT.

18 (B) THE DEPARTMENT SHALL DISTRIBUTE FUNDING ALLOCATED UNDER
19 THIS SUBSECTION TO INTERMEDIATE DISTRICTS THAT ARE THE FISCAL
20 AGENTS FOR A PROSPERITY REGION IN AN EQUAL AMOUNT PER MEMBERSHIP
21 PUPIL IN EACH OF THE CONSTITUENT DISTRICTS OF EACH INTERMEDIATE
22 DISTRICT IN THE PROSPERITY REGION.

23 (C) A MISTEM CENTER SHALL ASSIST IN ADMINISTERING AND
24 FACILITATING MISTEM EXPERIENTIAL LEARNING GRANTS AND PROFESSIONAL
25 DEVELOPMENT.

26 (D) A MISTEM CENTER SHALL CREATE AND COORDINATE LOCAL AND
27 REGIONAL MISTEM COUNCILS THAT CONNECT EDUCATORS WITH BUSINESSES,

1 WORKFORCE DEVELOPERS, ECONOMIC DEVELOPERS, COMMUNITY COLLEGES, AND,
2 WHERE AVAILABLE, UNIVERSITIES.

3 (E) A MISTEM CENTER SHALL COORDINATE WITH THE DEPARTMENT AND
4 THE MISTEM ADVISORY COUNCIL TO ESTABLISH STEM PROGRAMMING QUALITY
5 RATINGS FOR MICHIGAN-BASED AND NATIONAL STEM PROGRAMS USING CHANGE
6 THE EQUATION STEMWORKS OR SIMILAR RATING SYSTEMS TO IDENTIFY STEM
7 PROGRAMS ELIGIBLE FOR DISTRICT GRANTS UNDER SUBDIVISION (F).

8 (F) EACH MISTEM CENTER SHALL DISTRIBUTE AT LEAST 50% OF THE
9 FUNDING IT RECEIVES UNDER THIS SUBSECTION TO GRANTS TO DISTRICTS
10 FOR PROGRAMS IDENTIFIED UNDER SUBDIVISION (E).

11 (G) ~~(k)~~As used in this subsection:

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

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

15 (4) From the general fund money allocated under subsection
16 (1), there is allocated for ~~2015-2016-2016-2017~~ an amount not to
17 exceed \$100,000.00 to the Michigan STEM partnership, to be used to
18 administer the grant process under this subsection. From the
19 general fund money allocated in subsection (1), there is allocated
20 for ~~2015-2016-2016-2017~~ an amount not to exceed \$375,000.00 to the
21 Michigan STEM partnership to be used for a competitive grant
22 process to award competitive grants to organizations conducting
23 student-focused, project-based programs and competitions, either in
24 the classroom or extracurricular, in science, technology,
25 engineering, and mathematics subjects such as, but not limited to,
26 robotics, coding, and design-build-test projects, from pre-
27 kindergarten through college level. All of the following apply to

1 the grant funding under this subsection:

2 (a) Funding under this subsection is in addition to funding
3 allocated under subsection (3) and shall be used for connecting
4 mathematics and science centers for science, technology,
5 engineering, and mathematics purposes and to support the goals of
6 the Michigan STEM partnership.

7 (b) A program receiving funds under section 99h may not
8 receive funds under this subsection.

9 (c) In order to receive state funds under this subsection, a
10 grant recipient shall provide at least a 10% local match from local
11 public or private resources for the funds received under this
12 subsection.

13 (5) From the funds allocated under subsection (1), there is
14 allocated an amount not to exceed \$250,000.00 for ~~2015-2016-2016-~~
15 ~~2017~~ only for grants to districts to support professional
16 development for teachers in a department-approved training program
17 for science, technology, engineering, and mathematics (STEM)
18 instruction. All of the following apply to the grant funding under
19 this subsection:

20 (a) Any district may apply for funding under this subsection
21 for 2015-2016 by a date determined by the department. In awarding
22 grants, the department shall give priority, in a form and manner
23 determined by the department, to applicant districts with teachers
24 who have not previously received training in programs funded under
25 this subsection or former section 99b.

26 (b) For a training program to be approved by the department
27 for the purposes of this subsection, the program shall meet all of

1 the following criteria:

2 (i) Utilize an integrative STEM approach to content
3 organization and delivery. The integrative STEM approach shall
4 include content derived from science, technology, engineering, and
5 mathematics.

6 (ii) Offer evidence that the program outcomes address
7 mathematics, science, and technological literacy standards in an
8 exploratory middle school or high school offering.

9 (iii) Offer evidence that the program positively influences
10 student career choices along STEM career paths and increases
11 student engagement through peer-reviewed research.

12 (iv) Present evidence of the periodic updating of the
13 curriculum.

14 (v) Utilize outcome measures for teacher professional
15 development.

16 (vi) Provide peer-reviewed evidence that the program is
17 effective with disadvantaged students and those with language
18 barriers.

19 (c) The department shall award grants to districts in an
20 amount determined by the department, but not to exceed \$3,200.00
21 per participant.

22 (d) A district receiving funds under this subsection shall use
23 the funds only for department-approved training programs under this
24 subsection.

25 (6) From the allocations under subsection (1), there is
26 allocated an amount not to exceed \$250,000.00 for ~~2015-2016-2016-~~
27 **2017** only for competitive grants to districts that provide pupils

1 in grades K to 12 with expanded opportunities in science education
2 and skills by participating in events and competitions hosted by
3 Science Olympiad. All of the following apply to the grant funding
4 under this subsection:

5 (a) A district applying for a grant under this subsection
6 shall submit an application in the form and manner determined by
7 the department not later than November 15, 2015. The department
8 shall select districts for grants and make notification not later
9 than December 15, 2015. To be eligible for a grant, a district
10 shall pay at least 25% of the cost of participating in the Science
11 Olympiad program.

12 (b) The department shall distribute the grant funding
13 allocated under this subsection for the following purposes:

14 (i) Grants to districts of up to \$800.00 for new elementary
15 teams.

16 (ii) Grants to districts of up to \$400.00 for established
17 elementary teams.

18 (iii) Grants to districts of up to \$1,600.00 for new secondary
19 teams.

20 (iv) Grants to districts of up to \$800.00 for established
21 secondary teams.

22 (7) From the general fund allocation under subsection (1),
23 there is allocated an amount not to exceed \$250,000.00 for ~~2015-~~
24 ~~2016-2016-2017~~ only for a grant to the Van Andel Education
25 Institute for the purposes of advancing and promoting science
26 education and increasing the number of students who choose to
27 pursue careers in science or science-related fields. Funds

1 allocated under this subsection shall be used to provide
2 professional development for science teachers in using student-
3 driven, inquiry-based instruction.

4 SEC. 99T. (1) FROM THE GENERAL FUND APPROPRIATION UNDER
5 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
6 \$2,000,000.00 FOR 2016-2017 TO PURCHASE STATEWIDE ACCESS TO AN
7 ONLINE ALGEBRA TOOL THAT MEETS ALL OF THE FOLLOWING:

8 (A) PROVIDES STUDENTS STATEWIDE WITH COMPLETE ACCESS TO VIDEOS
9 ALIGNED WITH STATE STANDARDS INCLUDING STUDY GUIDES AND WORKBOOKS
10 THAT ARE ALIGNED WITH THE VIDEOS.

11 (B) PROVIDES STUDENTS STATEWIDE WITH ACCESS TO A PERSONALIZED
12 ONLINE ALGEBRA LEARNING TOOL INCLUDING ADAPTIVE DIAGNOSTICS.

13 (C) PROVIDES STUDENTS STATEWIDE WITH DYNAMIC ALGEBRA PRACTICE
14 ASSESSMENTS THAT EMULATE THE STATE ASSESSMENT WITH IMMEDIATE
15 FEEDBACK AND HELP SOLVING PROBLEMS.

16 (D) PROVIDES STUDENTS STATEWIDE WITH ONLINE ACCESS TO ALGEBRA
17 HELP 24 HOURS A DAY AND 7 DAYS A WEEK FROM STUDY EXPERTS, TEACHERS,
18 AND PEERS ON A MODERATED SOCIAL NETWORKING PLATFORM.

19 (E) PROVIDES AN ONLINE ALGEBRA PROFESSIONAL DEVELOPMENT
20 NETWORK FOR TEACHERS.

21 (F) IS ALREADY PROVIDED UNDER A STATEWIDE CONTRACT IN AT LEAST
22 1 OTHER STATE.

23 (2) THE DEPARTMENT SHALL CHOOSE THE ONLINE ALGEBRA TOOL BY
24 OCTOBER 1, 2016.

25 Sec. 101. (1) To be eligible to receive state aid under this
26 article, not later than the fifth Wednesday after the pupil
27 membership count day and not later than the fifth Wednesday after

1 the supplemental count day, each district superintendent shall
2 submit to the center and the intermediate superintendent, in the
3 form and manner prescribed by the center, the number of pupils
4 enrolled and in regular daily attendance in the district as of the
5 pupil membership count day and as of the supplemental count day, as
6 applicable, for the current school year. In addition, a district
7 maintaining school during the entire year, as provided under
8 section 1561 of the revised school code, MCL 380.1561, shall submit
9 to the center and the intermediate superintendent, in the form and
10 manner prescribed by the center, the number of pupils enrolled and
11 in regular daily attendance in the district for the current school
12 year pursuant to rules promulgated by the superintendent. Not later
13 than the sixth Wednesday after the pupil membership count day and
14 not later than the sixth Wednesday after the supplemental count
15 day, the district shall certify the data in a form and manner
16 prescribed by the center and file the certified data with the
17 intermediate superintendent. If a district fails to submit and
18 certify the attendance data, as required under this subsection, the
19 center shall notify the department and state aid due to be
20 distributed under this article shall be withheld from the
21 defaulting district immediately, beginning with the next payment
22 after the failure and continuing with each payment until the
23 district complies with this subsection. If a district does not
24 comply with this subsection by the end of the fiscal year, the
25 district forfeits the amount withheld. A person who willfully
26 falsifies a figure or statement in the certified and sworn copy of
27 enrollment shall be punished in the manner prescribed by section

1 161.

2 (2) To be eligible to receive state aid under this article,
3 not later than the twenty-fourth Wednesday after the pupil
4 membership count day and not later than the twenty-fourth Wednesday
5 after the supplemental count day, an intermediate district shall
6 submit to the center, in a form and manner prescribed by the
7 center, the audited enrollment and attendance data for the pupils
8 of its constituent districts and of the intermediate district. If
9 an intermediate district fails to submit the audited data as
10 required under this subsection, state aid due to be distributed
11 under this article shall be withheld from the defaulting
12 intermediate district immediately, beginning with the next payment
13 after the failure and continuing with each payment until the
14 intermediate district complies with this subsection. If an
15 intermediate district does not comply with this subsection by the
16 end of the fiscal year, the intermediate district forfeits the
17 amount withheld.

18 (3) Except as otherwise provided in subsections (11) and (12),
19 all of the following apply to the provision of pupil instruction:

20 (a) Except as otherwise provided in this section, each
21 district shall provide at least 1,098 hours and, beginning in 2010-
22 2011, the required minimum number of days of pupil instruction.
23 Beginning in 2014-2015, the required minimum number of days of
24 pupil instruction is 175. However, all of the following apply to
25 these requirements:

26 (i) If a collective bargaining agreement that provides a
27 complete school calendar was in effect for employees of a district

1 as of July 1, 2013, and if that school calendar is not in
2 compliance with this subsection, then this subsection does not
3 apply to that district until after the expiration of that
4 collective bargaining agreement. If a district entered into a
5 collective bargaining agreement on or after July 1, 2013 and if
6 that collective bargaining agreement did not provide for at least
7 175 days of pupil instruction beginning in 2014-2015, then the
8 department shall withhold from the district's total state school
9 aid an amount equal to 5% of the funding the district receives in
10 2014-2015 under sections 22a and 22b.

11 (ii) A district may apply for a waiver under subsection (9)
12 from the requirements of this subdivision.

13 (b) Beginning in 2016-2017, the required minimum number of
14 days of pupil instruction is 180. If a collective bargaining
15 agreement that provides a complete school calendar was in effect
16 for employees of a district as of the effective date of the
17 amendatory act that added this subdivision, and if that school
18 calendar is not in compliance with this subdivision, then this
19 subdivision does not apply to that district until after the
20 expiration of that collective bargaining agreement. A district may
21 apply for a waiver under subsection (9) from the requirements of
22 this subdivision.

23 (c) Except as otherwise provided in this article, a district
24 failing to comply with the required minimum hours and days of pupil
25 instruction under this subsection shall forfeit from its total
26 state aid allocation an amount determined by applying a ratio of
27 the number of hours or days the district was in noncompliance in

1 relation to the required minimum number of hours and days under
2 this subsection. Not later than August 1, the board of each
3 district shall **EITHER** certify to the department **THAT THE DISTRICT**
4 **WAS IN FULL COMPLIANCE WITH THIS SECTION REGARDING** the number of
5 hours and days of pupil instruction in the previous school year, **OR**
6 **REPORT TO THE DEPARTMENT, IN A FORM AND MANNER PRESCRIBED BY THE**
7 **CENTER, EACH INSTANCE OF NONCOMPLIANCE.** If the district did not
8 provide at least the required minimum number of hours and days of
9 pupil instruction under this subsection, the deduction of state aid
10 shall be made in the following fiscal year from the first payment
11 of state school aid. A district is not subject to forfeiture of
12 funds under this subsection for a fiscal year in which a forfeiture
13 was already imposed under subsection (6).

14 (d) Hours or days lost because of strikes or teachers'
15 conferences shall not be counted as hours or days of pupil
16 instruction.

17 (e) If a collective bargaining agreement that provides a
18 complete school calendar is in effect for employees of a district
19 as of October 19, 2009, and if that school calendar is not in
20 compliance with this subsection, then this subsection does not
21 apply to that district until after the expiration of that
22 collective bargaining agreement.

23 (f) Except as otherwise provided in subdivisions (g) and (h),
24 a district not having at least 75% of the district's membership in
25 attendance on any day of pupil instruction shall receive state aid
26 in that proportion of 1/180 that the actual percent of attendance
27 bears to the specified percentage.

1 (g) If a district adds 1 or more days of pupil instruction to
2 the end of its instructional calendar for a school year to comply
3 with subdivision (a) because the district otherwise would fail to
4 provide the required minimum number of days of pupil instruction
5 even after the operation of subsection (4) due to conditions not
6 within the control of school authorities, then subdivision (f) does
7 not apply for any day of pupil instruction that is added to the end
8 of the instructional calendar. Instead, for any of those days, if
9 the district does not have at least 60% of the district's
10 membership in attendance on that day, the district shall receive
11 state aid in that proportion of 1/180 that the actual percentage of
12 attendance bears to the specified percentage. For any day of pupil
13 instruction added to the instructional calendar as described in
14 this subdivision, the district shall report to the department the
15 percentage of the district's membership that is in attendance, in
16 the form and manner prescribed by the department.

17 (h) At the request of a district that operates a department-
18 approved alternative education program and that does not provide
19 instruction for pupils in all of grades K to 12, the superintendent
20 shall grant a waiver from the requirements of subdivision (f). The
21 waiver shall indicate that an eligible district is subject to the
22 proration provisions of subdivision (f) only if the district does
23 not have at least 50% of the district's membership in attendance on
24 any day of pupil instruction. In order to be eligible for this
25 waiver, a district must maintain records to substantiate its
26 compliance with the following requirements:

27 (i) The district offers the minimum hours of pupil instruction

1 as required under this section.

2 (ii) For each enrolled pupil, the district uses appropriate
3 academic assessments to develop an individual education plan that
4 leads to a high school diploma.

5 (iii) The district tests each pupil to determine academic
6 progress at regular intervals and records the results of those
7 tests in that pupil's individual education plan.

8 (i) All of the following apply to a waiver granted under
9 subdivision (h):

10 (i) If the waiver is for a blended model of delivery, a waiver
11 that is granted for the 2011-2012 fiscal year or a subsequent
12 fiscal year remains in effect unless it is revoked by the
13 superintendent.

14 (ii) If the waiver is for a 100% online model of delivery and
15 the educational program for which the waiver is granted makes
16 educational services available to pupils for a minimum of at least
17 1,098 hours during a school year and ensures that each pupil
18 participates in the educational program for at least 1,098 hours
19 during a school year, a waiver that is granted for the 2011-2012
20 fiscal year or a subsequent fiscal year remains in effect unless it
21 is revoked by the superintendent.

22 (iii) A waiver that is not a waiver described in subparagraph
23 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
24 to remain in effect.

25 (j) The superintendent shall promulgate rules for the
26 implementation of this subsection.

27 (4) Except as otherwise provided in this subsection, the first

1 6 days or the equivalent number of hours for which pupil
2 instruction is not provided because of conditions not within the
3 control of school authorities, such as severe storms, fires,
4 epidemics, utility power unavailability, water or sewer failure, or
5 health conditions as defined by the city, county, or state health
6 authorities, shall be counted as hours and days of pupil
7 instruction. With the approval of the superintendent of public
8 instruction, the department shall count as hours and days of pupil
9 instruction for a fiscal year not more than 3 additional days or
10 the equivalent number of additional hours for which pupil
11 instruction is not provided in a district due to unusual and
12 extenuating occurrences resulting from conditions not within the
13 control of school authorities such as those conditions described in
14 this subsection. Subsequent such hours or days shall not be counted
15 as hours or days of pupil instruction.

16 (5) A district shall not forfeit part of its state aid
17 appropriation because it adopts or has in existence an alternative
18 scheduling program for pupils in kindergarten if the program
19 provides at least the number of hours required under subsection (3)
20 for a full-time equated membership for a pupil in kindergarten as
21 provided under section 6(4).

22 (6) In addition to any other penalty or forfeiture under this
23 section, if at any time the department determines that 1 or more of
24 the following have occurred in a district, the district shall
25 forfeit in the current fiscal year beginning in the next payment to
26 be calculated by the department a proportion of the funds due to
27 the district under this article that is equal to the proportion

1 below the required minimum number of hours and days of pupil
2 instruction under subsection (3), as specified in the following:

3 (a) The district fails to operate its schools for at least the
4 required minimum number of hours and days of pupil instruction
5 under subsection (3) in a school year, including hours and days
6 counted under subsection (4).

7 (b) The board of the district takes formal action not to
8 operate its schools for at least the required minimum number of
9 hours and days of pupil instruction under subsection (3) in a
10 school year, including hours and days counted under subsection (4).

11 (7) In providing the minimum number of hours and days of pupil
12 instruction required under subsection (3), a district shall use the
13 following guidelines, and a district shall maintain records to
14 substantiate its compliance with the following guidelines:

15 (a) Except as otherwise provided in this subsection, a pupil
16 must be scheduled for at least the required minimum number of hours
17 of instruction, excluding study halls, or at least the sum of 90
18 hours plus the required minimum number of hours of instruction,
19 including up to 2 study halls.

20 (b) The time a pupil is assigned to any tutorial activity in a
21 block schedule may be considered instructional time, unless that
22 time is determined in an audit to be a study hall period.

23 (c) Except as otherwise provided in this subdivision, a pupil
24 in grades 9 to 12 for whom a reduced schedule is determined to be
25 in the individual pupil's best educational interest must be
26 scheduled for a number of hours equal to at least 80% of the
27 required minimum number of hours of pupil instruction to be

1 considered a full-time equivalent pupil. A pupil in grades 9 to 12
2 who is scheduled in a 4-block schedule may receive a reduced
3 schedule under this subsection if the pupil is scheduled for a
4 number of hours equal to at least 75% of the required minimum
5 number of hours of pupil instruction to be considered a full-time
6 equivalent pupil.

7 (d) If a pupil in grades 9 to 12 who is enrolled in a
8 cooperative education program or a special education pupil cannot
9 receive the required minimum number of hours of pupil instruction
10 solely because of travel time between instructional sites during
11 the school day, that travel time, up to a maximum of 3 hours per
12 school week, shall be considered to be pupil instruction time for
13 the purpose of determining whether the pupil is receiving the
14 required minimum number of hours of pupil instruction. However, if
15 a district demonstrates to the satisfaction of the department that
16 the travel time limitation under this subdivision would create
17 undue costs or hardship to the district, the department may
18 consider more travel time to be pupil instruction time for this
19 purpose.

20 (e) In grades 7 through 12, instructional time that is part of
21 a junior reserve officer training corps (JROTC) program shall be
22 considered to be pupil instruction time regardless of whether the
23 instructor is a certificated teacher if all of the following are
24 met:

25 (i) The instructor has met all of the requirements established
26 by the United States Department of Defense and the applicable
27 branch of the armed services for serving as an instructor in the

1 junior reserve officer training corps program.

2 (ii) The board of the district or intermediate district
3 employing or assigning the instructor complies with the
4 requirements of sections 1230 and 1230a of the revised school code,
5 MCL 380.1230 and 380.1230a, with respect to the instructor to the
6 same extent as if employing the instructor as a regular classroom
7 teacher.

8 (8) Except as otherwise provided in subsections (11) and (12),
9 the department shall apply the guidelines under subsection (7) in
10 calculating the full-time equivalency of pupils.

11 (9) Upon application by the district for a particular fiscal
12 year, the superintendent shall waive for a district the minimum
13 number of hours and days of pupil instruction requirement of
14 subsection (3) for a department-approved alternative education
15 program or another innovative program approved by the department,
16 including a 4-day school week. If a district applies for and
17 receives a waiver under this subsection and complies with the terms
18 of the waiver, the district is not subject to forfeiture under this
19 section for the specific program covered by the waiver. If the
20 district does not comply with the terms of the waiver, the amount
21 of the forfeiture shall be calculated based upon a comparison of
22 the number of hours and days of pupil instruction actually provided
23 to the minimum number of hours and days of pupil instruction
24 required under subsection (3). Pupils enrolled in a department-
25 approved alternative education program under this subsection shall
26 be reported to the center in a form and manner determined by the
27 center. All of the following apply to a waiver granted under this

1 subsection:

2 (a) If the waiver is for a blended model of delivery, a waiver
3 that is granted for the 2011-2012 fiscal year or a subsequent
4 fiscal year remains in effect unless it is revoked by the
5 superintendent.

6 (b) If the waiver is for a 100% online model of delivery and
7 the educational program for which the waiver is granted makes
8 educational services available to pupils for a minimum of at least
9 1,098 hours during a school year and ensures that each pupil is on
10 track for course completion at proficiency level, a waiver that is
11 granted for the 2011-2012 fiscal year or a subsequent fiscal year
12 remains in effect unless it is revoked by the superintendent.

13 (c) A waiver that is not a waiver described in subdivision (a)
14 or (b) is valid for 1 fiscal year and must be renewed annually to
15 remain in effect.

16 (10) Until 2014-2015, a district may count up to 38 hours of
17 qualifying professional development for teachers as hours of pupil
18 instruction. However, if a collective bargaining agreement that
19 provides for the counting of up to 38 hours of qualifying
20 professional development for teachers as pupil instruction is in
21 effect for employees of a district as of July 1, 2013, then until
22 the school year that begins after the expiration of that collective
23 bargaining agreement a district may count up to the contractually
24 specified number of hours of qualifying professional development
25 for teachers as hours of pupil instruction. Professional
26 development provided online is allowable and encouraged, as long as
27 the instruction has been approved by the district. The department

1 shall issue a list of approved online professional development
2 providers, which shall include the Michigan Virtual School. As used
3 in this subsection, "qualifying professional development" means
4 professional development that is focused on 1 or more of the
5 following:

6 (a) Achieving or improving adequate yearly progress as defined
7 under the no child left behind act of 2001, Public Law 107-110.

8 (b) Achieving accreditation or improving a school's
9 accreditation status under section 1280 of the revised school code,
10 MCL 380.1280.

11 (c) Achieving highly qualified teacher status as defined under
12 the no child left behind act of 2001, Public Law 107-110.

13 (d) Integrating technology into classroom instruction.

14 (e) Maintaining teacher certification.

15 (11) Subsections (3) and (8) do not apply to a school of
16 excellence that is a cyber school, as defined in section 551 of the
17 revised school code, MCL 380.551, and is in compliance with section
18 553a of the revised school code, MCL 380.553a.

19 (12) Subsections (3) and (8) do not apply to eligible pupils
20 enrolled in a dropout recovery program that meets the requirements
21 of section 23a. As used in this subsection, "eligible pupil" means
22 that term as defined in section 23a.

23 (13) Beginning in 2013, at least every 2 years the
24 superintendent shall review the waiver standards set forth in the
25 pupil accounting and auditing manuals to ensure that the waiver
26 standards and waiver process continue to be appropriate and
27 responsive to changing trends in online learning. The

1 superintendent shall solicit and consider input from stakeholders
2 as part of this review.

3 Sec. 102d. (1) From the funds appropriated in section 11,
4 there is allocated an amount not to exceed ~~\$1,500,000.00~~
5 **\$1,600,000.00** for ~~2015-2016-2016-2017~~ for reimbursements to
6 districts **AND INTERMEDIATE DISTRICTS** for the licensing of school
7 data analytical tools as described under this section. The
8 reimbursement is for districts **AND INTERMEDIATE DISTRICTS** that
9 choose to use a school data analytical tool to assist the district
10 **AND INTERMEDIATE DISTRICT** and that enter into a licensing agreement
11 for a school data analytical tool with 1 of the vendors approved by
12 the department of technology, management, and budget under
13 subsection (2). **FUNDS ALLOCATED UNDER THIS SECTION ARE INTENDED TO**
14 **PROVIDE DISTRICTS AND INTERMEDIATE DISTRICTS WITH FINANCIAL**
15 **FORECASTING AND TRANSPARENCY REPORTING TOOLS TO HELP IMPROVE THE**
16 **FINANCIAL HEALTH OF DISTRICTS AND INTERMEDIATE DISTRICTS AND TO**
17 **IMPROVE COMMUNICATION WITH THE PUBLIC, RESULTING IN INCREASED FUND**
18 **BALANCES FOR DISTRICTS AND INTERMEDIATE DISTRICTS.**

19 (2) Not later than October 15, ~~2015, 2016~~, the department of
20 technology, management, and budget shall review vendors for school
21 data analytical tools and provide districts **AND INTERMEDIATE**
22 **DISTRICTS** with a list of at least 2 and up to 4 approved vendors
23 that districts **AND INTERMEDIATE DISTRICTS** may use to be eligible
24 for a reimbursement paid under this section. For a vendor to be
25 approved under this section, the department of technology,
26 management, and budget must determine that the school data
27 analytical tool supplied by the vendor meets at least all of the

1 following:

2 (a) Analyzes financial data.

3 (b) Analyzes academic data.

4 (c) Provides early warning indicators of financial stress.

5 (d) Has the capability to provide peer district **OR**

6 **INTERMEDIATE DISTRICTS** comparisons of both financial and academic
7 data.

8 (e) Has the capability to provide financial projections for at
9 least 3 subsequent fiscal years.

10 (3) ~~Funds FROM THE FUNDS~~ allocated under ~~this section~~
11 **SUBSECTION (1), AN AMOUNT NOT TO EXCEED \$1,500,000.00** shall be paid
12 to districts as a reimbursement for already having a licensing
13 agreement or for entering into a licensing agreement not later than
14 December 1, ~~2015-2016~~ with a vendor approved under subsection (2)
15 to implement a school data analytical tool. Reimbursement under
16 this section shall be made on an equal per-pupil basis.

17 (4) **FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), AN AMOUNT**
18 **NOT TO EXCEED \$100,000.00 SHALL BE PAID TO INTERMEDIATE DISTRICTS**
19 **AS A REIMBURSEMENT FOR ALREADY HAVING A LICENSING AGREEMENT OR FOR**
20 **ENTERING INTO A LICENSING AGREEMENT NOT LATER THAN DECEMBER 1, 2016**
21 **WITH A VENDOR APPROVED UNDER SUBSECTION (2) TO IMPLEMENT A SCHOOL**
22 **DATA ANALYTICAL TOOL. REIMBURSEMENT UNDER THIS SECTION SHALL BE**
23 **MADE ON AN EQUAL PER-PUPIL BASIS FOR THE COMBINED TOTAL NUMBER OF**
24 **PUPILS IN MEMBERSHIP IN EACH INTERMEDIATE DISTRICT AND ITS**
25 **CONSTITUENT DISTRICTS.**

26 (5) ~~(4)~~ Notwithstanding section 17b, payments under this
27 section shall be made on a schedule determined by the department.

1 Sec. 104. (1) ~~In order to receive state aid under this~~
2 ~~article, a district shall comply with sections 1249, 1278a, 1278b,~~
3 ~~1279, 1279g, and 1280b of the revised school code, MCL 380.1249,~~
4 ~~380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970~~
5 ~~PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from~~
6 **FROM** the state school aid fund money appropriated in section 11,
7 there is allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
8 ~~\$43,994,400.00~~ **\$22,000,000.00** for payments on behalf of districts
9 for costs associated with complying with those provisions of law
10 **AND FOR THE USE OF COMPUTER ADAPTIVE TESTS.** In addition, from the
11 federal funds appropriated in section 11, there is allocated for
12 ~~2015-2016-2016-2017~~ an amount estimated at \$6,250,000.00, funded
13 from DED-OESE, title VI, state assessment funds, and from DED-
14 OSERS, section 504 of part B of the individuals with disabilities
15 education act, Public Law 94-142, plus any carryover federal funds
16 from previous year appropriations, for the purposes of complying
17 with the federal no child left behind act of 2001, Public Law 107-
18 110, **OR THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95.**

19 (2) ~~The results of each test administered as part of the~~
20 Michigan student test of educational progress (M-STEP), including
21 tests administered to high school students, ~~shall include an item~~
22 ~~analysis that lists all items that are counted for individual pupil~~
23 ~~scores and the percentage of pupils choosing each possible~~
24 ~~response.~~ **SHALL BE REPLACED WITH A COMPUTER ADAPTIVE TEST. THE**
25 **DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET, USING A**
26 **COMPETITIVE BIDDING PROCESS, SHALL AWARD A CONTRACT FOR A COMPUTER**
27 **ADAPTIVE TEST.**

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

5 (4) Notwithstanding section 17b, payments on behalf of
6 districts, intermediate districts, and other eligible entities
7 under this section shall be paid on a schedule determined by the
8 department.

9 ~~(5) From the allocation in subsection (1), there is allocated~~
10 ~~an amount not to exceed \$8,500,000.00 for the following purposes:~~

11 ~~(a) Converting existing student assessments to online~~
12 ~~assessments.~~

13 ~~(b) Providing paper and pencil test versions to districts not~~
14 ~~prepared to implement online assessments.~~

15 ~~(c) Expanding writing assessments to additional grade levels.~~

16 ~~(d) Providing an increased number of constructed response test~~
17 ~~questions so that pupils can demonstrate higher order skills such~~
18 ~~as problem solving and communicating reasoning.~~

19 ~~(6) From the allocation in subsection (1), there is allocated~~
20 ~~an amount not to exceed \$3,200,000.00 for the development or~~
21 ~~selection of an online reporting tool to provide student level~~
22 ~~assessment data in a secure environment to educators, parents, and~~
23 ~~pupils immediately after assessments are scored. The department and~~
24 ~~the center shall ensure that any data collected by the online~~
25 ~~reporting tool do not provide individually identifiable student~~
26 ~~data to the federal government.~~

27 ~~(7) From the allocation in subsection (1), there is allocated~~

1 ~~an amount not to exceed \$5,600,000.00 for the purpose of~~
 2 ~~implementing a summative assessment system pursuant to section~~
 3 ~~104e.~~

4 ~~—— (8) As used in this section:~~

5 ~~—— (a) "DED" means the United States Department of Education.~~

6 ~~—— (b) "DED OESE" means the DED Office of Elementary and~~
 7 ~~Secondary Education.~~

8 ~~—— (c) "DED OSERS" means the DED Office of Special Education and~~
 9 ~~Rehabilitative Services.~~

10 Sec. 107. (1) From the appropriation in section 11, there is
 11 allocated an amount not to exceed \$25,000,000.00 for ~~2015-2016~~
 12 **2016-2017** for adult education programs authorized under this
 13 section. Except as otherwise provided under subsections ~~(16)~~ **(14)**
 14 and ~~(18)~~, **(15)**, funds allocated under this section are restricted
 15 for adult education programs as authorized under this section only.
 16 A recipient of funds under this section shall not use those funds
 17 for any other purpose.

18 (2) To be eligible for funding under this section, an eligible
 19 adult education provider shall employ certificated teachers and
 20 qualified administrative staff and shall offer continuing education
 21 opportunities for teachers to allow them to maintain certification.

22 (3) To be eligible to be a participant funded under this
 23 section, an individual shall be enrolled in an adult basic
 24 education program, **AN ADULT SECONDARY EDUCATION PROGRAM**, an adult
 25 English as a second language program, a ~~general educational~~
 26 ~~development (G.E.D.)~~ **HIGH SCHOOL EQUIVALENCY** test preparation
 27 program, a job- or employment-related program, or a high school

1 completion program, that meets the requirements of this section,
2 and for which instruction is provided, and shall meet either of the
3 following, as applicable:

4 (a) If the individual has obtained a high school diploma or a
5 general educational development (G.E.D.) certificate, the
6 individual meets 1 of the following:

7 (i) Is less than 20 years of age on September 1 of the school
8 year, is not attending an institution of higher education, and is
9 enrolled in a job- or employment-related program through a referral
10 by an employer or by a Michigan workforce agency.

11 (ii) Is enrolled in an English as a second language program.

12 (iii) Is enrolled in a high school completion program.

13 (iv) Is at least 20 years of age on September 1 of the school
14 year, is enrolled in an adult basic education program, and is
15 determined by a department-approved assessment, in a form and
16 manner prescribed by the department, to be below grade 9 level in
17 reading or mathematics, or both.

18 (b) If the individual has not obtained a high school diploma
19 or G.E.D. certificate, the individual meets 1 of the following:

20 (i) Is at least 20 years of age on September 1 of the school
21 year.

22 (ii) Is at least 16 years of age on September 1 of the school
23 year, has been permanently expelled from school under section
24 1311(2) or 1311a of the revised school code, MCL 380.1311 and
25 380.1311a, and has no appropriate alternative education program
26 available through his or her district of residence.

27 (4) By April 1 of each fiscal year, the intermediate districts

1 within a prosperity region or subregion shall determine which
2 intermediate district will serve as the prosperity region's or
3 subregion's fiscal agent for the next fiscal year and shall notify
4 the department in a form and manner determined by the department.
5 The department shall approve or disapprove of the prosperity
6 region's or subregion's selected fiscal agent. From the funds
7 allocated under subsection (1), an amount as determined under this
8 subsection shall be allocated to each intermediate district serving
9 as a fiscal agent for adult education programs in each of the
10 prosperity regions or subregions identified by the department. An
11 intermediate district shall not use more than 5% of the funds
12 allocated under this subsection for administration costs for
13 serving as the fiscal agent. Beginning in 2014-2015, 67% of the
14 allocation provided to each intermediate district serving as a
15 fiscal agent shall be based on the proportion of total funding
16 formerly received by the adult education providers in that
17 prosperity region or subregion in 2013-2014, and 33% shall be
18 allocated based on the factors in subdivisions (a), (b), and (c).
19 For 2016-2017, 33% of the allocation provided to each intermediate
20 district serving as a fiscal agent shall be based upon the
21 proportion of total funding formerly received by the adult
22 education providers in that prosperity region in 2013-2014 and 67%
23 of the allocation shall be based upon the factors in subdivisions
24 (a), (b), and (c). Beginning in 2017-2018, 100% of the allocation
25 provided to each intermediate district serving as a fiscal agent
26 shall be based on the factors in subdivisions (a), (b), and (c).
27 The funding factors for this section are as follows:

1 (a) Sixty percent of this portion of the funding shall be
2 distributed based upon the proportion of the state population of
3 individuals between the ages of 18 and 24 that are not high school
4 graduates that resides in each of the prosperity regions or
5 subregions, as reported by the most recent 5-year estimates from
6 the American community survey (ACS) from the United States Census
7 Bureau.

8 (b) Thirty-five percent of this portion of the funding shall
9 be distributed based upon the proportion of the state population of
10 individuals age 25 or older who are not high school graduates that
11 resides in each of the prosperity regions or subregions, as
12 reported by the most recent 5-year estimates from the American
13 community survey (ACS) from the United States Census Bureau.

14 (c) Five percent of this portion of the funding shall be
15 distributed based upon the proportion of the state population of
16 individuals age 18 or older who lack basic English language
17 proficiency that resides in each of the prosperity regions or
18 subregions, as reported by the most recent 5-year estimates from
19 the American community survey (ACS) from the United States Census
20 Bureau.

21 (5) To be an eligible fiscal agent, an intermediate district
22 must agree to do the following in a form and manner determined by
23 the department:

24 (a) Distribute funds to adult education programs in a
25 prosperity region or subregion as described in this section.

26 (b) 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 develop
2 a regional strategy that aligns adult education programs and
3 services into an efficient and effective delivery system for adult
4 education learners, with special consideration for providing
5 contextualized learning and career pathways **AND ADDRESSING BARRIERS**
6 **TO EDUCATION AND EMPLOYMENT.**

7 (c) Collaborate with the talent district career council, which
8 is an advisory council of the workforce development boards located
9 in the prosperity region or subregion, or its successor, to create
10 a local process and criteria that will identify eligible adult
11 education providers to receive funds allocated under this section
12 based on location, demand for services, past performance, quality
13 indicators as identified by the department, and cost to provide
14 instructional services. The fiscal agent shall determine all local
15 processes, criteria, and provider determinations. However, the
16 local processes, criteria, and provider services must be approved
17 by the department before funds may be distributed to the fiscal
18 agent.

19 (d) Provide oversight to its adult education providers
20 throughout the program year to ensure compliance with the
21 requirements of this section.

22 (e) Report adult education program and participant data and
23 information as prescribed by the department.

24 ~~—— (6) The amount allocated under this section per full-time~~
25 ~~equated participant shall not exceed \$2,850.00 for a 450-hour~~
26 ~~program. The amount shall be proportionately reduced for a program~~
27 ~~offering less than 450 hours of instruction.~~

1 (6) ~~(7)~~—An adult basic education program, **AN ADULT SECONDARY**
2 **EDUCATION PROGRAM**, or an adult English as a second language program
3 operated on a year-round or school year basis may be funded under
4 this section, subject to all of the following:

5 (a) The program enrolls adults who are determined by a
6 department-approved assessment, in a form and manner prescribed by
7 the department, to be below ~~ninth~~ **TWELFTH** grade level in reading or
8 mathematics, or both, or to lack basic English proficiency.

9 (b) The program tests individuals for eligibility under
10 subdivision (a) before enrollment and upon completion of the
11 program in compliance with the state-approved assessment policy.

12 (c) A participant in an adult basic education program is
13 eligible for reimbursement until 1 of the following occurs:

14 (i) The participant's reading and mathematics proficiency are
15 assessed at or above the ninth grade level.

16 (ii) The participant fails to show progress on 2 successive
17 assessments after having completed at least 450 hours of
18 instruction.

19 **(D) A PARTICIPANT IN AN ADULT SECONDARY EDUCATION PROGRAM IS**
20 **ELIGIBLE FOR REIMBURSEMENT UNTIL 1 OF THE FOLLOWING OCCURS:**

21 **(i) THE PARTICIPANT'S READING AND MATHEMATICS PROFICIENCY ARE**
22 **ASSESSED ABOVE THE TWELFTH GRADE LEVEL.**

23 **(ii) THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE**
24 **ASSESSMENTS AFTER HAVING AT LEAST 450 HOURS OF INSTRUCTION.**

25 **(E) ~~(d)~~**—A funding recipient enrolling a participant in an
26 English as a second language program is eligible for funding
27 according to subsection ~~(11)~~ **(9)** until the participant meets 1 of

1 the following:

2 (i) The participant is assessed as having attained basic
3 English proficiency as determined by a department-approved
4 assessment.

5 (ii) The participant fails to show progress on 2 successive
6 department-approved assessments after having completed at least 450
7 hours of instruction. The department shall provide information to a
8 funding recipient regarding appropriate assessment instruments for
9 this program.

10 (7) ~~(8) A general educational development (G.E.D.)~~ **HIGH SCHOOL**
11 **EQUIVALENCY** test preparation program operated on a year-round or
12 school year basis may be funded under this section, subject to all
13 of the following:

14 (a) The program enrolls adults who do not have a high school
15 diploma **OR A HIGH SCHOOL EQUIVALENCY CERTIFICATE.**

16 (b) The program shall administer a pre-test approved by the
17 department before enrolling an individual to determine the
18 individual's literacy levels, shall administer a ~~G.E.D.~~ **HIGH SCHOOL**
19 **EQUIVALENCY** practice test to determine the individual's potential
20 for success on the ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY** test, and shall
21 administer a post-test upon completion of the program in compliance
22 with the state-approved assessment policy.

23 (c) A funding recipient shall receive funding according to
24 subsection (11) for a participant, and a participant may be
25 enrolled in the program until 1 of the following occurs:

26 (i) The participant obtains the ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY**
27 **CERTIFICATE.**

1 (ii) The participant fails to show progress on 2 successive
2 department-approved assessments used to determine readiness to take
3 the ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY** test after having completed at
4 least 450 hours of instruction.

5 (8) ~~(9)~~—A high school completion program operated on a year-
6 round or school year basis may be funded under this section,
7 subject to all of the following:

8 (a) The program enrolls adults who do not have a high school
9 diploma.

10 (b) The program tests participants described in subdivision
11 (a) before enrollment and upon completion of the program in
12 compliance with the state-approved assessment policy.

13 (c) A funding recipient shall receive funding according to
14 subsection ~~(11)~~ (9) for a participant in a course offered under
15 this subsection until 1 of the following occurs:

16 (i) The participant passes the course and earns a high school
17 diploma.

18 (ii) The participant fails to earn credit in 2 successive
19 semesters or terms in which the participant is enrolled after
20 having completed at least 900 hours of instruction.

21 ~~—— (10) A job or employment related adult education program~~
22 ~~operated on a year round or school year basis may be funded under~~
23 ~~this section, subject to all of the following:~~

24 ~~—— (a) The program enrolls adults referred by their employer who~~
25 ~~are less than 20 years of age, have a high school diploma, are~~
26 ~~determined to be in need of remedial mathematics or communication~~
27 ~~arts skills, and are not attending an institution of higher~~

1 education.

2 ~~—— (b) The program tests participants described in subdivision~~
 3 ~~(a) before enrollment and upon completion of the program in~~
 4 ~~compliance with the department approved assessment policy.~~

5 ~~—— (c) An individual may be enrolled in this program and the~~
 6 ~~grant recipient shall receive funding according to subsection (11)~~
 7 ~~until 1 of the following occurs:~~

8 ~~—— (i) The individual achieves the requisite skills as determined~~
 9 ~~by department approved assessment instruments.~~

10 ~~—— (ii) The individual fails to show progress on 2 successive~~
 11 ~~assessments after having completed at least 450 hours of~~
 12 ~~instruction.~~

13 (9) ~~(11)~~ A funding recipient shall receive payments under this
 14 section in accordance with **ALL OF** the following:

15 (a) ~~Eighty percent for enrollment of eligible~~
 16 ~~participants.~~ **STATEWIDE ALLOCATION CRITERIA, INCLUDING 3-YEAR**
 17 **AVERAGE ENROLLMENTS, CENSUS DATA, AND LOCAL NEEDS.**

18 (b) ~~Twenty percent for participant~~ **PARTICIPANT** completion of
 19 the adult basic education objectives by achieving an educational
 20 gain as determined by the national reporting system levels; for
 21 achieving basic English proficiency, as determined by the
 22 department; for obtaining a G.E.D. **HIGH SCHOOL EQUIVALENCY**
 23 **CERTIFICATE** or passage of 1 or more individual G.E.D. **HIGH SCHOOL**
 24 **EQUIVALENCY** tests; for attainment of a high school diploma or
 25 passage of a course required for a participant to attain a high
 26 school diploma; for enrollment in a postsecondary institution, or
 27 for entry into or retention of employment, as applicable.

1 (C) PARTICIPANT COMPLETION OF CORE INDICATORS AS IDENTIFIED IN
2 THE INNOVATION AND OPPORTUNITY ACT.

3 (D) ALLOWABLE EXPENDITURES.

4 (10) ~~(12)~~—A person who is not eligible to be a participant
5 funded under this section may receive adult education services upon
6 the payment of tuition. In addition, a person who is not eligible
7 to be served in a program under this section due to the program
8 limitations specified in subsection ~~(7), (8), (9), or (10)~~ (6),
9 (7), OR (8) may continue to receive adult education services in
10 that program upon the payment of tuition. The tuition level shall
11 be determined by the local or intermediate district conducting the
12 program.

13 (11) ~~(13)~~—An individual who is an inmate in a state
14 correctional facility shall not be counted as a participant under
15 this section.

16 (12) ~~(14)~~—A funding recipient shall not commingle money
17 received under this section or from another source for adult
18 education purposes with any other funds and shall establish a
19 separate ledger account for funds received under this section. This
20 subsection does not prohibit a district from using general funds of
21 the district to support an adult education or community education
22 program.

23 (13) ~~(15)~~—A funding recipient receiving funds under this
24 section may establish a sliding scale of tuition rates based upon a
25 participant's family income. A funding recipient may charge a
26 participant tuition to receive adult education services under this
27 section from that sliding scale of tuition rates on a uniform

1 basis. The amount of tuition charged per participant shall not
2 exceed the actual operating cost per participant minus any funds
3 received under this section per participant. A funding recipient
4 may not charge a participant tuition under this section if the
5 participant's income is at or below 200% of the federal poverty
6 guidelines published by the United States Department of Health and
7 Human Services.

8 (14) ~~(16)~~—In order to receive funds under this section, a
9 funding recipient shall furnish to the department, in a form and
10 manner determined by the department, all information needed to
11 administer this program and meet federal reporting requirements;
12 shall allow the department or the department's designee to review
13 all records related to the program for which it receives funds; and
14 shall reimburse the state for all disallowances found in the
15 review, as determined by the department. In addition, a funding
16 recipient shall agree to pay to a career and technical education
17 program under section 61a the amount of funding received under this
18 section in the proportion of career and technical education
19 coursework used to satisfy adult basic education programming, as
20 billed to the funding recipient by programs operating under section
21 61a.

22 ~~—— (17) All intermediate district participant audits of adult~~
23 ~~education programs shall be performed pursuant to the adult~~
24 ~~education participant auditing and accounting manuals published by~~
25 ~~the department.~~

26 (15) ~~(18)~~—From the amount appropriated in subsection (1), an
27 amount not to exceed \$500,000.00 shall be allocated for ~~2015–2016~~

1 2016-2017 to not more than 1 pilot program that is located in a
2 prosperity region with 2 or more subregions and that connects adult
3 education participants directly with employers by linking adult
4 education, career and technical skills, and workforce development.
5 To be eligible for funding under this subsection, a pilot program
6 shall provide a collaboration linking adult education programs
7 within the county, the area career/technical center, and local
8 employers, and shall meet the additional criteria in subsections
9 ~~(19) and (20)~~. **(16) AND (17)**. Funding under this subsection for
10 ~~2015-2016-2016-2017~~ is for the ~~first~~ **SECOND** of 3 years of funding.

11 **(16)** ~~(19)~~—A pilot program funded under subsection ~~(18)~~ **(15)**
12 shall require adult education staff to work with Michigan Works! to
13 identify a cohort of participants who are most prepared to
14 successfully enter the workforce. Participants identified under
15 this subsection shall be dually enrolled in adult education
16 programming and at least 1 technical course at the area
17 career/technical center.

18 **(17)** ~~(20)~~—A pilot program funded under subsection ~~(18)~~ **(15)**
19 shall have on staff an adult education navigator who will serve as
20 a caseworker for each participant identified under subsection ~~(19)~~.
21 **(16)**. The navigator shall work with adult education staff and
22 potential employers to design an educational program best suited to
23 the personal and employment needs of the participant, and shall
24 work with human service agencies or other entities to address any
25 barrier in the way of participant access.

26 **(18)** ~~(21)~~—Not later than December 1, ~~2016,~~ **2017**, the pilot
27 program funded under subsection ~~(18)~~ **(15)** shall provide to the

1 senate and house appropriations subcommittees on school aid and to
2 the senate and house fiscal agencies a report detailing number of
3 participants, graduation rates, and a measure of transitioning to
4 employment.

5 (19) ~~(22)~~The department shall develop an application process
6 for a pilot program to be funded under subsection ~~(18)~~(15) and
7 shall award funding not later than ~~November 1, 2015.~~**OCTOBER 1,**
8 **2016.** Funding allocated under subsection ~~(18)~~(15) may be paid on a
9 schedule other than that specified under section 17b.

10 (20) ~~(23)~~As used in this section:

11 (a) "Career pathway" means a combination of rigorous and high-
12 quality education, training, and other services that comply with
13 all of the following:

14 (i) Aligns with the skill needs of industries in the economy
15 of this state or in the regional economy involved.

16 (ii) Prepares an individual to be successful in any of a full
17 range of secondary or postsecondary education options, including
18 apprenticeships registered under the act of August 16, 1937
19 (commonly known as the "national apprenticeship act"), 29 USC 50 et
20 seq.

21 (iii) Includes counseling to support an individual in
22 achieving the individual's education and career goals.

23 (iv) Includes, as appropriate, education offered concurrently
24 with and in the same context as workforce preparation activities
25 and training for a specific occupation or occupational cluster.

26 (v) Organizes education, training, and other services to meet
27 the particular needs of an individual in a manner that accelerates

1 the educational and career advancement of the individual to the
2 extent practicable.

3 (vi) Enables an individual to attain a secondary school
4 diploma or its recognized equivalent, and at least 1 recognized
5 postsecondary credential.

6 (vii) Helps an individual enter or advance within a specific
7 occupation or occupational cluster.

8 (b) "Department" means the department of talent and economic
9 development.

10 (c) "Eligible adult education provider" means a district,
11 intermediate district, a consortium of districts, a consortium of
12 intermediate districts, or a consortium of districts and
13 intermediate districts that is identified as part of the local
14 process described in subsection (5) (c) and approved by the
15 department.

16 ~~—— (d) "Participant" means the sum of the number of full-time~~
17 ~~equated individuals enrolled in and attending a department approved~~
18 ~~adult education program under this section, using quarterly~~
19 ~~participant count days on the schedule described in section~~
20 ~~6(7)(b).~~

21 (D) "HIGH SCHOOL EQUIVALENCY TEST" MEANS THE G.E.D. TEST
22 DEVELOPED BY THE GED TESTING SERVICE, THE TEST ASSESSING SECONDARY
23 COMPLETION (TASC) DEVELOPED BY CTB/MCGRAW-HILL, THE HISET TEST
24 DEVELOPED BY THE EDUCATION TESTING SERVICE (ETS), OR ANOTHER
25 COMPARABLE TEST APPROVED BY THE DEPARTMENT OF TALENT AND ECONOMIC
26 DEVELOPMENT.

27 Sec. 147. (1) The allocation for ~~2015-2016-2016-2017~~ for the

1 public school employees' retirement system pursuant to the public
2 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
3 to 38.1408, shall be made using the individual projected benefit
4 entry age normal cost method of valuation and risk assumptions
5 adopted by the public school employees retirement board and the
6 department of technology, management, and budget.

7 (2) The annual level percentage of payroll contribution rates
8 for the ~~2015-2016~~**2016-2017** fiscal year, as determined by the
9 retirement system, are estimated as follows:

10 (a) For public school employees who first worked for a public
11 school reporting unit before July 1, 2010 and who are enrolled in
12 the health premium subsidy, the annual level percentage of payroll
13 contribution rate is estimated at ~~36.31%~~**36.64%**, with ~~25.78%~~
14 **24.94%** paid directly by the employer.

15 (b) For public school employees who first worked for a public
16 school reporting unit on or after July 1, 2010 and who are enrolled
17 in the health premium subsidy, the annual level percentage of
18 payroll contribution rate is estimated at ~~35.09%~~**36.01%**, with
19 ~~24.56%~~**24.31%** paid directly by the employer.

20 (c) For public school employees who first worked for a public
21 school reporting unit on or after July 1, 2010 and who participate
22 in the personal healthcare fund, the annual level percentage of
23 payroll contribution rate is estimated at ~~34.66%~~**35.79%**, with
24 ~~24.13%~~**24.09%** paid directly by the employer.

25 (d) For public school employees who first worked for a public
26 school reporting unit on or after September 4, 2012, who elect
27 defined contribution, and who participate in the personal

1 healthcare fund, the annual level percentage of payroll
2 contribution rate is estimated at ~~31.49%~~, **32.66%**, with 20.96% paid
3 directly by the employer.

4 (e) For public school employees who first worked for a public
5 school reporting unit before July 1, 2010, who elect defined
6 contribution, and who are enrolled in the health premium subsidy,
7 the annual level percentage of payroll contribution rate is
8 estimated at ~~31.92%~~, **32.88%**, with ~~21.39%~~ **21.18%** paid directly by
9 the employer.

10 (f) 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 participate in the personal healthcare fund,
13 the annual level percentage of payroll contribution rate is
14 estimated at ~~31.49%~~, **32.66%**, with 20.96% paid directly by the
15 employer.

16 (g) For public school employees who first worked for a public
17 school reporting unit before July 1, 2010 and who participate in
18 the personal healthcare fund, the annual level percentage of
19 payroll contribution rate is estimated at ~~35.88%~~, **36.42%**, with
20 ~~25.35%~~ **24.72%** paid directly by the employer.

21 (3) In addition to the employer payments described in
22 subsection (2), the employer shall pay the applicable contributions
23 to the Tier 2 plan, as determined by the public school employees
24 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

25 (4) The contribution rates in subsection (2) reflect an
26 amortization period of ~~23~~ **22** years for ~~2015-2016~~. **2016-2017**. The
27 public school employees' retirement system board shall notify each

1 district and intermediate district by February 28 of each fiscal
2 year of the estimated contribution rate for the next fiscal year.

3 Sec. 147a. From the appropriation in section 11, there is
4 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
5 \$100,000,000.00 for payments to participating districts. A district
6 that receives money under this section shall use that money solely
7 for the purpose of offsetting a portion of the retirement
8 contributions owed by the district for the fiscal year in which it
9 is received. The amount allocated to each participating district
10 under this section shall be based on each participating district's
11 percentage of the total statewide payroll for all participating
12 districts for the immediately preceding fiscal year. As used in
13 this section, "participating district" means a district that is a
14 reporting unit of the Michigan public school employees' retirement
15 system under the public school employees retirement act of 1979,
16 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to
17 the Michigan public school employees' retirement system for the
18 applicable fiscal year.

19 Sec. 147c. (1) From the appropriation in section 11, there is
20 allocated for ~~2015-2016-2016-2017~~ an amount not to exceed
21 ~~\$892,900,000.00~~ **\$982,200,000.00** from the state school aid fund for
22 payments to districts and intermediate districts that are
23 participating entities of the Michigan public school employees'
24 retirement system. In addition, from the general fund money
25 appropriated in section 11, there is allocated for ~~2015-2016-2016-~~
26 **2017** an amount not to exceed \$600,000.00 for payments to district
27 libraries that are participating entities of the Michigan public

1 school employees' retirement system.

2 (2) For ~~2015-2016~~, **2016-2017**, the amounts allocated under
3 subsection (1) are estimated to provide an average MPSERS rate cap
4 per pupil amount of ~~\$601.00~~ **\$660.00** and are estimated to provide a
5 rate cap per pupil for districts ranging between ~~\$4.00~~ **\$5.00** and
6 ~~\$2,300.00~~ **\$3,100.00**.

7 (3) Payments made under this section ~~for 2015-2016~~ shall be
8 equal to the difference between the unfunded actuarial accrued
9 liability contribution rate as calculated pursuant to section 41 of
10 the public school employees retirement act of 1979, 1980 PA 300,
11 MCL 38.1341, as calculated without taking into account the maximum
12 employer rate of 20.96% included in section 41 of the public school
13 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
14 maximum employer rate of 20.96% included in section 41 of the
15 public school employees retirement act of 1979, 1980 PA 300, MCL
16 38.1341.

17 (4) The amount allocated to each participating entity under
18 this section shall be based on each participating entity's
19 proportion of the total covered payroll for the immediately
20 preceding fiscal year for the same type of participating entities.
21 A participating entity that receives funds under this section shall
22 use the funds solely for the purpose of retirement contributions as
23 specified in subsection (5).

24 (5) Each participating entity receiving funds under this
25 section shall forward an amount equal to the amount allocated under
26 subsection (4) to the retirement system in a form, manner, and time
27 frame determined by the retirement system.

1 (6) Funds allocated under this section should be considered
2 when comparing a district's growth in total state aid funding from
3 1 fiscal year to the next.

4 (7) Not later than December 20, ~~2015~~, ~~2016~~, the department
5 shall publish and post on its website an estimated MPERS rate cap
6 per pupil for each district.

7 (8) As used in this section:

8 (a) "MPERS rate cap per pupil" means an amount equal to the
9 quotient of the district's payment under this section divided by
10 the district's pupils in membership.

11 (b) "Participating entity" means a district, intermediate
12 district, or district library that is a reporting unit of the
13 Michigan public school employees' retirement system under the
14 public school employees retirement act of 1979, 1980 PA 300, MCL
15 38.1301 to 38.1437, and that reports employees to the Michigan
16 public school employees' retirement system for the applicable
17 fiscal year.

18 (c) "Retirement board" means the board that administers the
19 retirement system under the public school employees retirement act
20 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

21 (d) "Retirement system" means the Michigan public school
22 employees' retirement system under the public school employees
23 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

24 Sec. 152a. (1) As required by the court in the consolidated
25 cases known as Adair v State of Michigan, Michigan supreme court
26 docket nos. 137424 and 137453, from the state school aid fund money
27 appropriated in section 11 there is allocated for ~~2015-2016-2016-~~

1 2017 an amount not to exceed \$38,000,500.00 to be used solely for
2 the purpose of paying necessary costs related to the state-mandated
3 collection, maintenance, and reporting of data to this state.

4 (2) From the allocation in subsection (1), the department
5 shall make payments to districts and intermediate districts in an
6 equal amount per-pupil based on the total number of pupils in
7 membership in each district and intermediate district. The
8 department shall not make any adjustment to these payments after
9 the final installment payment under section 17b is made.

10 **SEC. 152B. (1) FROM THE SCHOOL AID FUNDS APPROPRIATED IN**
11 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
12 **\$1,000,000.00 FOR 2016-2017 TO REIMBURSE NONPUBLIC SCHOOLS FOR THE**
13 **COSTS IDENTIFIED IN THE NONPUBLIC MANDATE REPORT PUBLISHED BY THE**
14 **DEPARTMENT ON NOVEMBER 25, 2014 TO ENSURE THE HEALTH AND SAFETY OF**
15 **ALL SCHOOLCHILDREN IN THE STATE.**

16 (2) THE DEPARTMENT SHALL DISTRIBUTE FUNDS ALLOCATED UNDER
17 SUBSECTION (1) TO NONPUBLIC SCHOOL APPLICANTS IN AN AMOUNT EQUAL TO
18 \$10.00 PER ENROLLED STUDENT IN A FORM AND MANNER DETERMINED BY THE
19 DEPARTMENT.

20 (3) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT
21 TO FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION,
22 THE DEPARTMENT SHALL PRORATE PAYMENTS ON AN EQUAL PER-STUDENT
23 BASIS.

24 ~~Sec. 166. (1) A district in which a school official, member of~~
25 ~~a board, or other person dispenses or otherwise distributes a~~
26 ~~family planning drug or device in a public school in violation of~~
27 ~~section 1507 of the revised school code, being section 380.1507 of~~

1 ~~the Michigan Compiled Laws, dispenses prescriptions for any family~~
2 ~~planning drug, or makes referrals for abortions shall forfeit 5% of~~
3 ~~its total state aid appropriation.~~ THE GOVERNING BOARD OF A
4 DISTRICT OR INTERMEDIATE DISTRICT SHALL ADOPT AND IMPLEMENT A
5 DISCIPLINARY POLICY AS DESCRIBED IN SUBSECTIONS (2) AND (3) TO
6 PROVIDE PENALTIES FOR VIOLATIONS OF SECTION 1507 OF THE REVISED
7 SCHOOL CODE, MCL 380.1507, AND PENALTIES FOR A SCHOOL OFFICIAL,
8 MEMBER OF A GOVERNING BOARD, EMPLOYEE OF THE DISTRICT OR
9 INTERMEDIATE DISTRICT, OR OTHER PERSON WHO REFERS A PUPIL FOR AN
10 ABORTION OR ASSISTS A PUPIL IN OBTAINING AN ABORTION. A DISTRICT OR
11 INTERMEDIATE DISTRICT THAT FAILS TO ADOPT A POLICY REQUIRED UNDER
12 THIS SECTION WITHIN 3 YEARS AFTER THE EFFECTIVE DATE OF THE 2016
13 AMENDMENTS TO THIS SECTION SHALL FORFEIT FROM ITS TOTAL STATE
14 SCHOOL AID AN AMOUNT EQUAL TO \$100,000.00.

15 (2) A DISCIPLINARY POLICY REQUIRED UNDER SUBSECTION (1) SHALL
16 PROVIDE FOR A FINANCIAL PENALTY TO BE APPLIED AGAINST AN INDIVIDUAL
17 EMPLOYED BY THE DISTRICT OR INTERMEDIATE DISTRICT WHO VIOLATES THE
18 POLICY UNDER SUBSECTION (1) THAT IS EQUIVALENT TO NOT LESS THAN 3%
19 OF THAT INDIVIDUAL'S ANNUAL COMPENSATION. FOR EMPLOYEES COVERED BY
20 A COLLECTIVE BARGAINING AGREEMENT, THE DISTRICT OR INTERMEDIATE
21 DISTRICT AND THE COLLECTIVE BARGAINING UNIT SHALL NEGOTIATE THE
22 SPECIFIC NATURE OF THE PENALTY OR PENALTIES, WHICH MAY INCLUDE
23 SALARY REDUCTION, FORFEITURE OF COMPENSATED LEAVE TIME, A FINE, OR
24 OTHER MEANS AS DETERMINED BY COLLECTIVE BARGAINING AGREEMENT.

25 (3) A DISCIPLINARY POLICY REQUIRED UNDER SUBSECTION (1) SHALL
26 PROVIDE PENALTIES FOR AN INDIVIDUAL EMPLOYED BY A CONTRACTOR THAT
27 PROVIDES SERVICES TO THE DISTRICT OR INTERMEDIATE DISTRICT, OR AN

House Bill No. 5291 as amended April 26, 2016

1 INDIVIDUAL WHO VOLUNTEERS TO PROVIDE ASSISTANCE OR SERVICES TO THE
 2 DISTRICT OR INTERMEDIATE DISTRICT INDIVIDUALLY OR ON BEHALF OF A
 3 CONTRACTOR OR OTHER ORGANIZATION PROVIDING SERVICES TO THE DISTRICT
 4 OR INTERMEDIATE DISTRICT. PENALTIES UNDER THIS SUBSECTION MAY
 5 INCLUDE PROHIBITING AN INDIVIDUAL, CONTRACTOR, OR ORGANIZATION FROM
 6 PROVIDING FUTURE SERVICES TO THE DISTRICT OR INTERMEDIATE DISTRICT
 7 PERMANENTLY OR FOR A DESIGNATED LENGTH OF TIME.

8 (4) A DISTRICT OR INTERMEDIATE DISTRICT THAT APPLIES A
 9 FINANCIAL PENALTY AGAINST OR COLLECTS A FINE FROM AN INDIVIDUAL AS
 10 PROVIDED UNDER SUBSECTION (2) SHALL REFUND TO THE STATE SCHOOL AID
 11 FUND AN AMOUNT OF MONEY EQUAL TO THE AMOUNT OF THE PENALTY OR FINE.

12 [SEC. 167A. A DISTRICT SHALL IMPLEMENT A PLAN TO REDUCE PUPIL
 13 EXPULSIONS AND SUSPENSIONS THAT EXCEED 10 DAYS. IT IS THE INTENT OF THE
 14 LEGISLATURE THAT, BEGINNING IN 2017-2018, A DISTRICT THAT HAS NOT
 15 IMPLEMENTED A PLAN TO REDUCE PUPIL EXPULSIONS AND SUSPENSIONS THAT EXCEED
 16 10 DAYS WILL BE SUBJECT TO FORFEITURE OF A PORTION OF ITS TOTAL STATE
 17 SCHOOL AID.

18
 19]

20 Sec. 201. (1) Subject to the conditions set forth in this
 21 article, the amounts listed in this section are appropriated for
 22 community colleges for the fiscal year ending September 30, ~~2016,~~
 23 ~~2017,~~ from the funds indicated in this section. The following is a
 24 summary of the appropriations in this section:

25 (a) The gross appropriation is ~~\$387,825,600.00.~~
 26 ~~\$402,116,300.00.~~ After deducting total interdepartmental grants and
 27 intradepartmental transfers in the amount of \$0.00, the adjusted

1 gross appropriation is ~~\$387,825,600.00~~ **\$402,116,300.00**.

2 (b) The sources of the adjusted gross appropriation described
3 in subdivision (a) are as follows:

4 (i) Total federal revenues, \$0.00.

5 (ii) Total local revenues, \$0.00.

6 (iii) Total private revenues, \$0.00.

7 (iv) Total other state restricted revenues,

8 ~~\$256,714,800.00~~ **\$260,414,800.00**.

9 (v) State general fund/general purpose money,

10 ~~\$131,110,800.00~~ **\$141,701,500.00**.

11 (2) Subject to subsection (3), the amount appropriated for
12 community college operations is ~~\$311,492,000.00~~ **\$322,082,700.00**,
13 allocated as follows:

14 (a) The appropriation for Alpena Community College is
15 ~~\$5,464,400.00~~, ~~\$5,390,700.00~~ for operations and ~~\$73,700.00~~ for
16 ~~performance funding~~. **\$5,657,600.00**, **\$5,464,400.00 FOR OPERATIONS AND**
17 **\$193,200.00 FOR PERFORMANCE FUNDING**.

18 (b) The appropriation for Bay de Noc Community College is
19 ~~\$5,490,200.00~~, ~~\$5,419,500.00~~ for operations and ~~\$70,700.00~~ for
20 ~~performance funding~~. **\$5,660,300.00**, **\$5,490,200.00 FOR OPERATIONS AND**
21 **\$170,100.00 FOR PERFORMANCE FUNDING**.

22 (c) The appropriation for Delta College is ~~\$14,704,000.00~~,
23 ~~\$14,498,900.00~~ for operations and ~~\$205,100.00~~ for performance
24 ~~funding~~. **\$15,194,300.00**, **\$14,704,000.00 FOR OPERATIONS AND**
25 **\$490,300.00 FOR PERFORMANCE FUNDING**.

26 (d) The appropriation for Glen Oaks Community College is
27 ~~\$2,551,100.00~~, ~~\$2,516,100.00~~ for operations and ~~\$35,000.00~~ for

1 ~~performance funding.~~ \$2,637,400.00, \$2,551,100.00 FOR OPERATIONS AND
2 \$86,300.00 FOR PERFORMANCE FUNDING.

3 (e) The appropriation for Gogebic Community College is
4 ~~\$4,509,900.00, \$4,451,400.00 for operations and \$58,500.00 for~~
5 ~~performance funding.~~ \$4,673,300.00, \$4,509,900.00 FOR OPERATIONS AND
6 \$163,400.00 FOR PERFORMANCE FUNDING.

7 (f) The appropriation for Grand Rapids Community College is
8 ~~\$18,187,300.00, \$17,947,500.00 for operations and \$239,800.00 for~~
9 ~~performance funding.~~ \$18,820,900.00, \$18,187,300.00 FOR OPERATIONS
10 AND \$633,600.00 FOR PERFORMANCE FUNDING.

11 (g) The appropriation for Henry Ford College is
12 ~~\$21,893,300.00, \$21,623,800.00 for operations and \$269,500.00 for~~
13 ~~performance funding.~~ \$22,573,800.00, \$21,893,300.00 FOR OPERATIONS
14 AND \$680,500.00 FOR PERFORMANCE FUNDING.

15 (h) The appropriation for Jackson College is ~~\$12,245,300.00,~~
16 ~~\$12,087,300.00 for operations and \$158,000.00 for performance~~
17 ~~funding.~~ \$12,611,800.00, \$12,245,300.00 FOR OPERATIONS AND
18 \$366,500.00 FOR PERFORMANCE FUNDING.

19 (i) The appropriation for Kalamazoo Valley Community College
20 is ~~\$12,689,400.00, \$12,503,100.00 for operations and \$186,300.00~~
21 ~~for performance funding.~~ \$13,133,500.00, \$12,689,400.00 FOR
22 OPERATIONS AND \$444,100.00 FOR PERFORMANCE FUNDING.

23 (j) The appropriation for Kellogg Community College is
24 ~~\$9,950,100.00, \$9,813,500.00 for operations and \$136,600.00 for~~
25 ~~performance funding.~~ \$10,280,800.00, \$9,950,100.00 FOR OPERATIONS
26 AND \$330,700.00 FOR PERFORMANCE FUNDING.

27 (k) The appropriation for Kirtland Community College is

1 ~~\$3,221,500.00, \$3,167,700.00 for operations and \$53,800.00 for~~
2 ~~performance funding.~~ **\$3,338,100.00, \$3,221,500.00 FOR OPERATIONS AND**
3 **\$116,600.00 FOR PERFORMANCE FUNDING.**

4 (l) The appropriation for Lake Michigan College is
5 ~~\$5,417,700.00, \$5,342,900.00 for operations and \$74,800.00 for~~
6 ~~performance funding.~~ **\$5,598,300.00, \$5,417,700.00 FOR OPERATIONS AND**
7 **\$180,600.00 FOR PERFORMANCE FUNDING.**

8 (m) The appropriation for Lansing Community College is
9 ~~\$31,288,200.00, \$30,877,600.00 for operations and \$410,600.00 for~~
10 ~~performance funding.~~ **\$32,225,000.00, \$31,288,200.00 FOR OPERATIONS**
11 **AND \$936,800.00 FOR PERFORMANCE FUNDING.**

12 (n) The appropriation for Macomb Community College is
13 ~~\$33,239,500.00, \$32,816,600.00 for operations and \$422,900.00 for~~
14 ~~performance funding.~~ **\$34,304,300.00, \$33,239,500.00 FOR OPERATIONS**
15 **AND \$1,064,800.00 FOR PERFORMANCE FUNDING.**

16 (o) The appropriation for Mid Michigan Community College is
17 ~~\$4,757,700.00, \$4,682,000.00 for operations and \$75,700.00 for~~
18 ~~performance funding.~~ **\$4,941,500.00, \$4,757,700.00 FOR OPERATIONS AND**
19 **\$183,800.00 FOR PERFORMANCE FUNDING.**

20 (p) The appropriation for Monroe County Community College is
21 ~~\$4,565,600.00, \$4,492,900.00 for operations and \$72,700.00 for~~
22 ~~performance funding.~~ **\$4,736,700.00, \$4,565,600.00 FOR OPERATIONS AND**
23 **\$171,100.00 FOR PERFORMANCE FUNDING.**

24 (q) The appropriation for Montcalm Community College is
25 ~~\$3,280,600.00, \$3,226,700.00 for operations and \$53,900.00 for~~
26 ~~performance funding.~~ **\$3,431,000.00, \$3,280,600.00 FOR OPERATIONS AND**
27 **\$150,400.00 FOR PERFORMANCE FUNDING.**

1 (r) The appropriation for C.S. Mott Community College is
2 ~~\$15,901,700.00, \$15,686,100.00 for operations and \$215,600.00 for~~
3 ~~performance funding.~~ **\$16,416,400.00, \$15,901,700.00 FOR OPERATIONS**
4 **AND \$514,700.00 FOR PERFORMANCE FUNDING.**

5 (s) The appropriation for Muskegon Community College is
6 ~~\$9,020,700.00, \$8,901,000.00 for operations and \$119,700.00 for~~
7 ~~performance funding.~~ **\$9,333,300.00, \$9,020,700.00 FOR OPERATIONS AND**
8 **\$312,600.00 FOR PERFORMANCE FUNDING.**

9 (t) The appropriation for North Central Michigan College is
10 ~~\$3,224,800.00, \$3,172,400.00 for operations and \$52,400.00 for~~
11 ~~performance funding.~~ **\$3,382,600.00, \$3,224,800.00 FOR OPERATIONS AND**
12 **\$157,800.00 FOR PERFORMANCE FUNDING.**

13 (u) The appropriation for Northwestern Michigan College is
14 ~~\$9,200,500.00, \$9,078,800.00 for operations and \$121,700.00 for~~
15 ~~performance funding.~~ **\$9,483,300.00, \$9,200,500.00 FOR OPERATIONS AND**
16 **\$282,800.00 FOR PERFORMANCE FUNDING.**

17 (v) The appropriation for Oakland Community College is
18 ~~\$21,429,400.00, \$21,123,300.00 for operations and \$306,100.00 for~~
19 ~~performance funding.~~ **\$22,251,500.00, \$21,429,400.00 FOR OPERATIONS**
20 **AND \$822,100.00 FOR PERFORMANCE FUNDING.**

21 ~~— (w) The appropriation for St. Clair County Community College~~
22 ~~is \$7,158,000.00, \$7,061,600.00 for operations and \$96,400.00 for~~
23 ~~performance funding.~~

24 **(W) (x)**—The appropriation for Schoolcraft College is
25 ~~\$12,706,400.00, \$12,513,700.00 for operations and \$192,700.00 for~~
26 ~~performance funding.~~ **\$13,194,800.00, \$12,706,400.00 FOR OPERATIONS**
27 **AND \$488,400.00 FOR PERFORMANCE FUNDING.**

1 (X) ~~(y)~~ The appropriation for Southwestern Michigan College is
 2 ~~\$6,657,600.00, \$6,576,400.00 for operations and \$81,200.00 for~~
 3 ~~performance funding.~~ **\$6,837,800.00, \$6,657,600.00 FOR OPERATIONS AND**
 4 **\$180,200.00 FOR PERFORMANCE FUNDING.**

5 (Y) THE APPROPRIATION FOR ST. CLAIR COUNTY COMMUNITY COLLEGE
 6 IS **\$7,401, 800.00, \$7,158,000.00 FOR OPERATIONS AND \$243,800.00 FOR**
 7 **PERFORMANCE FUNDING.**

8 (z) The appropriation for Washtenaw Community College is
 9 ~~\$13,301,100.00, \$13,077,300.00 for operations and \$223,800.00 for~~
 10 ~~performance funding.~~ **\$13,861,700.00, \$13,301,100.00 FOR OPERATIONS**
 11 **AND \$560,600.00 FOR PERFORMANCE FUNDING.**

12 (aa) The appropriation for Wayne County Community College is
 13 ~~\$16,989,800.00, \$16,727,600.00 for operations and \$262,200.00 for~~
 14 ~~performance funding.~~ **\$17,578,100.00, \$16,989,800.00 FOR OPERATIONS**
 15 **AND \$588,300.00 FOR PERFORMANCE FUNDING.**

16 (bb) The appropriation for West Shore Community College is
 17 ~~\$2,446,200.00, \$2,414,900.00 for operations and \$31,300.00 for~~
 18 ~~performance funding.~~ **\$2,522,800.00, \$2,446,200.00 FOR OPERATIONS AND**
 19 **\$76,600.00 FOR PERFORMANCE FUNDING.**

20 (3) The amount appropriated in subsection (2) for community
 21 college operations is appropriated from the following:

22 (a) State school aid fund, ~~\$236,181,200.00.~~ **\$185,481,200.00.**

23 (b) State general fund/general purpose money,
 24 ~~\$75,310,800.00.~~ **\$136,601,500.00.**

25 (4) From the appropriations described in subsection (1),
 26 subject to section 207a, the amount appropriated for fiscal year
 27 ~~2015-2016-2016-2017~~ to offset certain fiscal year ~~2015-2016-2016-~~

1 2017 retirement contributions is \$1,733,600.00, appropriated from
2 the state school aid fund.

3 (5) From the appropriations described in subsection (1),
4 subject to section 207b, the amount appropriated for payments to
5 community colleges that are participating entities of the
6 retirement system is ~~\$69,500,000.00, \$17,200,000.00~~ **\$73,200,000.00**,
7 appropriated from the state school aid fund. ~~, and \$52,300,000.00~~
8 ~~appropriated from general fund/general purpose money.~~

9 (6) From the appropriations described in subsection (1),
10 subject to section 207c, the amount appropriated for renaissance
11 zone tax reimbursements is ~~\$5,100,000.00, \$1,600,000.00~~
12 ~~appropriated from the state school aid fund, and \$3,500,000.00~~
13 **\$5,100,000.00**, appropriated from general fund/general purpose
14 money.

15 Sec. 201a. It is the intent of the legislature to provide
16 appropriations for the fiscal year ending on September 30, ~~2017~~
17 ~~2018~~ for the items listed in section 201. The fiscal year ~~2016-2017~~
18 ~~2017-2018~~ appropriations are anticipated to be the same as those
19 for fiscal year ~~2015-2016, 2016-2017~~, except that the amounts will
20 be adjusted for changes in retirement costs, caseload and related
21 costs, federal fund match rates, economic factors, and available
22 revenue. These adjustments will be determined after the January
23 ~~2016-2017~~ consensus revenue estimating conference.

24 Sec. 202a. As used in this article:

25 **(A) "CENTER" MEANS THE CENTER FOR EDUCATIONAL PERFORMANCE AND**
26 **INFORMATION CREATED IN SECTION 94A.**

27 **(B) ~~(a)~~"Michigan renaissance zone act" means the Michigan**

1 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

2 (C) ~~(b)~~—"Participating college" means a community college that
3 is a reporting unit of the retirement system and that reports
4 employees to the retirement system for the state fiscal year.

5 (D) ~~(c)~~—"Retirement board" means the board that administers
6 the retirement system under the public school employees retirement
7 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

8 (E) ~~(d)~~—"Retirement system" means the Michigan public school
9 employees' retirement system under the public school employees
10 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

11 (F) ~~(e)~~—"Workforce development agency" means the workforce
12 development agency ~~of the Michigan strategic fund.~~ **WITHIN THE**
13 **DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT--TALENT INVESTMENT**
14 **AGENCY.**

15 Sec. 203. Unless otherwise specified, a community college that
16 receives appropriations in section 201, ~~and~~ the workforce
17 development agency, **AND THE CENTER** shall use the ~~internet~~ **INTERNET**
18 to fulfill the reporting requirements of this article. This
19 requirement may include transmission of reports via electronic mail
20 to the recipients identified for each reporting requirement or it
21 may include placement of reports on an ~~internet~~ **INTERNET** or
22 intranet site.

23 Sec. 206. The funds appropriated in section 201 are
24 appropriated for community colleges with fiscal years ending June
25 30, ~~2016~~ **2017** and shall be paid out of the state treasury and
26 distributed by the state treasurer to the respective community
27 colleges in 11 monthly installments on the sixteenth of each month,

1 or the next succeeding business day, beginning with October 16,
2 ~~2015-2016~~. Each community college shall accrue its July and August
3 ~~2016-2017~~ payments to its institutional fiscal year ending June 30,
4 ~~2016-2017~~. However, if the state budget director determines that a
5 community college failed to submit all verified Michigan community
6 colleges activities classification structure data for school year
7 ~~2014-2015-2015-2016~~ to the ~~workforce development agency~~ **CENTER** by
8 November 1, ~~2015,~~ **2016**, or failed to submit its longitudinal data
9 system data set for school year ~~2014-2015-2015-2016~~ to the center
10 ~~for educational performance and information~~ under section 219, the
11 state treasurer shall withhold the monthly installments from that
12 community college until those data are submitted. The state budget
13 director shall notify the chairs of the house and senate
14 appropriations subcommittees on community colleges at least 10 days
15 before withholding funds from any community college.

16 Sec. 207a. All of the following apply to the allocation of the
17 fiscal year ~~2015-2016-2016-2017~~ appropriations described in section
18 201(4):

19 (a) A community college that receives money under section
20 201(4) shall use that money solely for the purpose of offsetting a
21 portion of the retirement contributions owed by the college for
22 that fiscal year.

23 (b) The amount allocated to each participating community
24 college under section 201(4) shall be based on each college's
25 percentage of the total covered payroll for all community colleges
26 that are participating colleges in the immediately preceding fiscal
27 year.

1 Sec. 207b. All of the following apply to the allocation of the
2 fiscal year ~~2015-2016~~**2016-2017** appropriations described in section
3 201(5) for payments to community colleges that are participating
4 entities of the retirement system:

5 (a) The amount of a payment under section 201(5) shall be the
6 difference between the unfunded actuarial accrued liability
7 contribution rate as calculated under section 41 of the public
8 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,
9 and the maximum employer rate of 20.96% under section 41 of the
10 public school employees retirement act of 1979, 1980 PA 300, MCL
11 38.1341.

12 (b) The amount allocated to each community college under
13 section 201(5) shall be based on each community college's
14 percentage of the total covered payroll for all community colleges
15 that are participating colleges in the immediately preceding fiscal
16 year. A community college that receives funds under this
17 subdivision shall use the funds solely for the purpose of
18 retirement contributions under section 201(5).

19 (c) Each participating college that receives funds under
20 section 201(5) shall forward an amount equal to the amount
21 allocated under subdivision (b) to the retirement system in a form
22 and manner determined by the retirement system.

23 Sec. 207c. All of the following apply to the allocation of the
24 appropriations described in section 201(6) to community colleges
25 described in section 12(3) of the Michigan renaissance zone act,
26 1996 PA 376, MCL 125.2692:

27 (a) The amount allocated to each community college under

1 section 201(6) for fiscal year ~~2015-2016~~**2016-2017** shall be based
2 on that community college's proportion of total revenue lost by
3 community colleges as a result of the exemption of property taxes
4 levied in ~~2015-2016~~ under the Michigan renaissance zone act, 1996
5 PA 376, MCL 125.2681 to 125.2696.

6 (b) The appropriations described in section 201(6) shall be
7 made to each eligible community college within 60 days after the
8 department of treasury certifies to the state budget director that
9 it has received all necessary information to properly determine the
10 amounts payable to each eligible community college under section 12
11 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

12 Sec. 209. (1) Within 30 days after the board of a community
13 college adopts its annual operating budget for the following fiscal
14 year, or after the board adopts a subsequent revision to that
15 budget, the community college shall make all of the following
16 available through a link on its website homepage:

17 (a) The annual operating budget and subsequent budget
18 revisions.

19 (b) A link to the most recent "Activities Classification
20 Structure Data Book and Companion".

21 (c) General fund revenue and expenditure projections for
22 fiscal year ~~2015-2016~~**2016-2017** and fiscal year ~~2016-2017~~**2017-**
23 **2018**.

24 (d) A listing of all debt service obligations, detailed by
25 project, anticipated fiscal year ~~2015-2016~~**2016-2017** payment of
26 each project, and total outstanding debt.

27 ~~— (e) The estimated cost to the community college resulting from~~

1 ~~the patient protection and affordable care act, Public Law 111-148,~~
2 ~~as amended by the health care and education reconciliation act of~~
3 ~~2010, Public Law 111-152.~~

4 (E) ~~(F)~~ Links to all of the following for the community
5 college:

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

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

13 (iii) Audits and financial reports for the most recent fiscal
14 year for which they are available.

15 (iv) A copy of the board of trustees resolution regarding
16 compliance with best practices for the local strategic value
17 component described in section 230(2).

18 (2) For statewide consistency and public visibility, community
19 colleges must use the icon badge provided by the department of
20 technology, management, and budget consistent with the icon badge
21 developed by the department of education for K-12 school districts.
22 It must appear on the front of each community college's homepage.
23 The size of the icon may be reduced to 150 x 150 pixels.

24 ~~— (3) The state budget director shall determine whether a~~
25 ~~community college has complied with this section. The state budget~~
26 ~~director may withhold a community college's monthly installments~~
27 ~~described in section 206 until the community college complies with~~

1 ~~this section. The state budget director shall notify the chairs of~~
2 ~~the house and senate appropriations subcommittee on community~~
3 ~~colleges at least 10 days before withholding funds from any~~
4 ~~community college.~~

5 (3) ~~(4)~~ Each community college shall report the following
6 information to the senate and house appropriations subcommittees on
7 community colleges, the senate and house fiscal agencies, and the
8 state budget office by November 15 of each fiscal year and post
9 that information on its website as required under subsection (1):

10 (a) Budgeted fiscal year ~~2015-2016-2016-2017~~ general fund
11 revenue from tuition and fees.

12 (b) Budgeted fiscal year ~~2015-2016-2016-2017~~ general fund
13 revenue from state appropriations.

14 (c) Budgeted fiscal year ~~2015-2016-2016-2017~~ general fund
15 revenue from property taxes.

16 (d) Budgeted fiscal year ~~2015-2016-2016-2017~~ total general
17 fund revenue.

18 (e) Budgeted fiscal year ~~2015-2016-2016-2017~~ total general
19 fund expenditures.

20 (4) ~~(5)~~ By November 15 of each year, a community college shall
21 report the following information to the center ~~for educational~~
22 ~~performance and information~~ and post the information on its website
23 under the budget transparency icon badge:

24 (a) Opportunities for earning college credit through the
25 following programs:

26 (i) State approved career and technical education or a tech
27 prep articulated program of study.

1 (ii) Direct college credit or concurrent enrollment.

2 (iii) Dual enrollment.

3 (iv) An early college/middle college program.

4 (b) For each program described in subdivision (a) that the
5 community college offers, all of the following information:

6 (i) The number of high school students participating in the
7 program.

8 (ii) The number of school districts that participate in the
9 program with the community college.

10 (iii) Whether a college professor, qualified local school
11 district employee, or other individual teaches the course or
12 courses in the program.

13 (iv) The total cost to the community college to operate the
14 program.

15 (v) The cost per credit hour for the course or courses in the
16 program.

17 (vi) The location where the course or courses in the program
18 are held.

19 (vii) Instructional resources offered to the program
20 instructors.

21 (viii) Resources offered to the student in the program.

22 (ix) Transportation services provided to students in the
23 program.

24 Sec. 210b. ~~(1) It is the intent of the legislature that the~~
25 ~~Michigan Association of Collegiate Registrars and Admissions~~
26 ~~Officers implement any agreement or agreements among the community~~
27 ~~colleges and universities concerning the transferability of college~~

1 ~~courses resulting from the recommendations of the committee created~~
2 ~~under former section 210a.~~

3 ~~—— (2) It is the intent of the legislature that the Michigan~~
4 ~~Association of Collegiate Registrars and Admissions Officers, the~~
5 ~~Michigan Community College Association, and the Presidents Council,~~
6 ~~State Universities of Michigan shall together submit an~~
7 ~~implementation update report to the senate and house appropriations~~
8 ~~subcommittees on community colleges and higher education, the~~
9 ~~senate and house fiscal agencies, and the state budget director by~~
10 ~~March 1, 2016. IT IS THE INTENT OF THE LEGISLATURE THAT BY MARCH 1,~~
11 ~~2017, THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION AND THE MICHIGAN~~
12 ~~ASSOCIATION OF STATE UNIVERSITIES SUBMIT A STATUS REPORT TO THE~~
13 ~~SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY~~
14 ~~COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE~~
15 ~~BUDGET DIRECTOR ON THE PROGRESS IMPLEMENTING THE MICHIGAN TRANSFER~~
16 ~~AGREEMENT, AS WELL AS AN UPDATE ON PROGRESS MADE ON OUTSTANDING~~
17 ~~CONCERNS IDENTIFIED IN THE MARCH 1, 2016 IMPLEMENTATION UPDATE~~
18 ~~REPORT PREVIOUSLY REQUIRED BY THIS SECTION.~~

19 ~~Sec. 210c. (1) A study committee shall be created to develop a~~
20 ~~process to improve the transferability and applicability of~~
21 ~~associate of arts and associate of science degrees as a block of~~
22 ~~credits between community colleges and public universities on a~~
23 ~~statewide basis. Building on the Michigan transfer network~~
24 ~~sponsored by the Michigan Association of Collegiate Registrars and~~
25 ~~Admissions Officers and, where possible, existing local~~
26 ~~articulation agreements between individual institutions, the~~
27 ~~committee shall work to explore standards for program articulation~~

1 ~~between institutions so that an associate of arts or associate of~~
2 ~~science degree earned at a community college is considered the~~
3 ~~equivalent of the first 60 credits of a baccalaureate degree, and~~
4 ~~those credits can be seamlessly transferred and applied to the~~
5 ~~program of study at the receiving university.~~

6 ~~—— (2) It is the intent of the legislature that the study~~
7 ~~committee created under subsection (1) explore issues relevant to~~
8 ~~block transfer agreements, including, but not limited to, the~~
9 ~~satisfaction of all lower division general education requirements,~~
10 ~~the applicability of equivalent courses to the major program of~~
11 ~~study, junior level standing at the university for transfer~~
12 ~~students, and the completion of the baccalaureate degree with a~~
13 ~~limit of 60 post transfer credit hours. Because of the~~
14 ~~legislature's interest in promoting degree completion, the study~~
15 ~~committee should also consider incentives for students to complete~~
16 ~~both an associate degree and a baccalaureate degree.~~

17 ~~—— (3) The study committee created under subsection (1) shall~~
18 ~~consist of the following members:~~

19 ~~—— (a) Ten representatives from community colleges selected by~~
20 ~~the Michigan Community College Association.~~

21 ~~—— (b) Ten representatives from public universities selected by~~
22 ~~the Presidents Council, State Universities of Michigan.~~

23 ~~—— (c) Four members of the Michigan Association of Collegiate~~
24 ~~Registrars and Admissions Officers.~~

25 ~~—— (d) One member of the Michigan house of representatives~~
26 ~~selected by the speaker of the house.~~

27 ~~—— (e) One member of the Michigan house of representatives~~

1 ~~selected by the minority leader of the house.~~

2 ~~—— (f) One member of the Michigan senate selected by the senate~~
3 ~~majority leader.~~

4 ~~—— (g) One member of the Michigan senate selected by the senate~~
5 ~~minority leader.~~

6 ~~—— (4) The study committee created under subsection (1) shall~~
7 ~~submit a project status report and initial recommendations to the~~
8 ~~senate and house appropriations subcommittees on community colleges~~
9 ~~and higher education, the senate and house fiscal agencies, and the~~

10 ~~state budget director by March 1, 2016. IT IS THE INTENT OF THE~~
11 ~~LEGISLATURE THAT BY MARCH 1, 2017, THE MICHIGAN COMMUNITY COLLEGE~~
12 ~~ASSOCIATION AND THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES~~
13 ~~SUBMIT A STATUS REPORT TO THE SENATE AND HOUSE APPROPRIATIONS~~
14 ~~SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL~~
15 ~~AGENCIES, AND THE STATE BUDGET DIRECTOR REGARDING IMPROVEMENTS TO~~
16 ~~ARTICULATION AND CREDIT TRANSFER POLICIES AMONG AND BETWEEN ALL~~
17 ~~SECTORS OF POSTSECONDARY EDUCATION IN MICHIGAN. THE REPORT SHALL~~
18 ~~IDENTIFY AREAS OF PROGRESS SINCE THE MARCH 1, 2016 PROJECT STATUS~~
19 ~~REPORT PREVIOUSLY REQUIRED BY THIS SECTION, INCLUDING IDENTIFYING~~
20 ~~EFFECTIVE POLICIES AND PRACTICES DEVELOPED BY OTHER STATES;~~
21 ~~DEVELOPING SPECIFIC PATHWAYS, WHERE ADVISABLE, THAT MEET PROGRAM~~
22 ~~REQUIREMENTS FOR BOTH ASSOCIATE'S AND BACHELOR'S DEGREE PROGRAMS;~~
23 ~~CREATING AN ENHANCED ONLINE COMMUNICATION TOOL TO SHARE INFORMATION~~
24 ~~ABOUT POSTSECONDARY OPTIONS IN MICHIGAN, PARTICULARLY CLEARLY~~
25 ~~ARTICULATING TRANSFER PATHWAYS; AND ESTABLISHING CLEAR TIMELINES~~
26 ~~FOR FINALIZING TRANSFER PATHWAYS.~~

27 Sec. 217. (1) The ~~workforce development agency~~ **CENTER** shall do

1 all of the following:

2 (a) Establish, maintain, and coordinate the state community
3 college database commonly known as the "activities classification
4 structure" or "ACS" database.

5 (b) Collect data concerning community colleges and community
6 college programs in this state, including data required by law.

7 (c) Establish procedures to ensure the validity and
8 reliability of the data and the collection process.

9 (d) Develop model data collection policies, including, but not
10 limited to, policies that ensure the privacy of any individual
11 student data. Privacy policies shall ensure that student social
12 security numbers are not released to the public for any purpose.

13 (e) Provide data in a useful manner to allow state
14 policymakers and community college officials to make informed
15 policy decisions.

16 (f) Assist community colleges in complying with audits under
17 this section or federal law.

18 (2) There is created within the ~~workforce development agency~~
19 **CENTER** the activities classification structure advisory committee.
20 The committee shall provide advice to the director of the ~~workforce~~
21 ~~development agency~~ **CENTER** regarding the management of the state
22 community college database, including, but not limited to:

23 (a) Determining what data are necessary to collect and
24 maintain to enable state and community college officials to make
25 informed policy decisions.

26 (b) Defining the roles of all stakeholders in the data
27 collection system.

1 (c) Recommending timelines for the implementation and ongoing
2 collection of data.

3 (d) Establishing and maintaining data definitions, data
4 transmission protocols, and system specifications and procedures
5 for the efficient and accurate transmission and collection of data.

6 (e) Establishing and maintaining a process for ensuring the
7 accuracy of the data.

8 (f) Establishing and maintaining policies related to data
9 collection, including, but not limited to, privacy policies related
10 to individual student data.

11 (g) Ensuring that the data are made available to state
12 policymakers and citizens of this state in the most useful format
13 possible.

14 (h) Addressing other matters as determined by the director of
15 the ~~workforce development agency~~ **CENTER** or as required by law.

16 (3) The activities classification structure advisory committee
17 created in subsection (2) shall consist of the following members:

18 (a) One representative from the house fiscal agency, appointed
19 by the director of the house fiscal agency.

20 (b) One representative from the senate fiscal agency,
21 appointed by the director of the senate fiscal agency.

22 (c) One representative from the workforce development agency,
23 appointed by the director of the workforce development agency.

24 **(D) ONE REPRESENTATIVE FROM THE CENTER, APPOINTED BY THE**
25 **DIRECTOR OF THE CENTER.**

26 **(E) ~~(d)~~** One representative from the state budget office,
27 appointed by the state budget director.

1 (F) ~~(e)~~—One representative from the governor's policy office,
2 appointed by that office.

3 (G) ~~(f)~~—Four representatives of the Michigan Community College
4 Association, appointed by the president of the association. From
5 the groupings of community colleges given in table 17 of the
6 activities classification structure database described in
7 subsection (1), the association shall appoint 1 representative each
8 from group 1, group 2, and group 3, and 1 representative from
9 either group 3 or 4.

10 Sec. 219. By ~~June 30~~**OCTOBER 15** of each year, each community
11 college shall provide its longitudinal data system data set for the
12 preceding academic year to the center ~~for educational performance~~
13 ~~and information~~ for inclusion in the statewide P-20 education
14 longitudinal data system described in section 94a.

15 Sec. 220. (1) The auditor general or a certified public
16 accountant appointed by the auditor general may conduct performance
17 audits of community colleges as the auditor general considers
18 necessary.

19 (2) Within 60 days after an audit report is released by the
20 office of the auditor general, the principal executive officer of
21 the community college that was audited shall submit to the house
22 and senate appropriations committees, the house and senate fiscal
23 agencies, ~~the workforce development agency,~~ the auditor general,
24 and the state budget director a plan to comply with audit
25 recommendations. The plan shall contain projected dates and
26 resources required, if any, to achieve compliance with the audit
27 recommendations, or a documented explanation of the college's

1 noncompliance with the audit recommendations concerning the matters
2 on which the audited community college and office of the auditor
3 general disagree.

4 Sec. 222. Each community college shall have an annual audit of
5 all income and expenditures performed by an independent auditor and
6 shall furnish the independent auditor's management letter and an
7 annual audited accounting of all general and current funds income
8 and expenditures including audits of college foundations to the
9 members of the senate and house appropriations subcommittees on
10 community colleges, the senate and house fiscal agencies, the
11 auditor general, the workforce development agency, **THE CENTER**, and
12 the state budget director before November 15 of each year. If a
13 community college fails to furnish the audit materials, the monthly
14 state aid installments shall be withheld from that college until
15 the information is submitted. All reporting shall conform to the
16 requirements set forth in the "2001 Manual for Uniform Financial
17 Reporting, Michigan Public Community Colleges". A community college
18 shall make the information the community college is required to
19 provide under this section available to the public on its website.

20 ~~Sec. 223. Each community college shall report the following to~~
21 ~~the workforce development agency no later than November 1 of each~~
22 ~~year:~~

23 ~~—— (a) The number of North American Indian students enrolled each~~
24 ~~term for the previous fiscal year, using guidelines and procedures~~
25 ~~developed by the workforce development agency and the department of~~
26 ~~civil rights.~~

27 ~~—— (b) The number of North American Indian tuition waivers~~

1 ~~granted each term, and the monetary value of the waivers for the~~
2 ~~previous fiscal year.~~

3 (1) BY FEBRUARY 15 OF EACH YEAR, THE DEPARTMENT OF CIVIL
4 RIGHTS SHALL ANNUALLY SUBMIT TO THE STATE BUDGET DIRECTOR, THE
5 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY
6 COLLEGES, AND THE HOUSE AND SENATE FISCAL AGENCIES A REPORT ON
7 NORTH AMERICAN INDIAN TUITION WAIVERS FOR THE PRECEDING FISCAL YEAR
8 THAT INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING
9 INFORMATION:

10 (A) THE NUMBER OF WAIVER APPLICATIONS RECEIVED AND THE NUMBER
11 OF WAIVER APPLICATIONS APPROVED.

12 (B) FOR EACH COMMUNITY COLLEGE SUBMITTING INFORMATION UNDER
13 SUBSECTION (2), ALL OF THE FOLLOWING:

14 (i) THE NUMBER OF NORTH AMERICAN INDIAN STUDENTS ENROLLED EACH
15 TERM FOR THE PREVIOUS FISCAL YEAR.

16 (ii) THE NUMBER OF NORTH AMERICAN INDIAN WAIVERS GRANTED EACH
17 TERM AND THE MONETARY VALUE OF THE WAIVERS FOR THE PREVIOUS FISCAL
18 YEAR.

19 (iii) THE NUMBER OF STUDENTS ATTENDING UNDER A NORTH AMERICAN
20 INDIAN TUITION WAIVER WHO WITHDREW FROM THE COLLEGE DURING THE
21 PREVIOUS FISCAL YEAR.

22 (iv) THE NUMBER OF STUDENTS ATTENDING UNDER A NORTH AMERICAN
23 INDIAN TUITION WAIVER WHO SUCCESSFULLY COMPLETE A DEGREE OR
24 CERTIFICATE PROGRAM, SEPARATED BY DEGREE OR CERTIFICATE LEVEL, AND
25 THE GRADUATION RATE FOR STUDENTS ATTENDING UNDER A NORTH AMERICAN
26 INDIAN TUITION WAIVER WHO COMPLETE A DEGREE WITHIN 150% OF THE
27 NORMAL TIME TO COMPLETE, SEPARATED BY THE LEVEL OF THE DEGREE.

1 (2) A COMMUNITY COLLEGE THAT RECEIVES FUNDS UNDER SECTION 201
2 SHALL PROVIDE TO THE DEPARTMENT OF CIVIL RIGHTS ANY INFORMATION
3 NECESSARY FOR PREPARING THE REPORT DESCRIBED IN SUBSECTION (1),
4 USING GUIDELINES AND PROCEDURES DEVELOPED BY THE DEPARTMENT OF
5 CIVIL RIGHTS.

6 (3) THE DEPARTMENT OF CIVIL RIGHTS MAY CONSOLIDATE THE REPORT
7 REQUIRED UNDER THIS SECTION WITH THE REPORT REQUIRED UNDER SECTION
8 268, BUT A CONSOLIDATED REPORT MUST SEPARATELY IDENTIFY DATA FOR
9 UNIVERSITIES AND DATA FOR COMMUNITY COLLEGES.

10 Sec. 224. A community college shall use the P-20 longitudinal
11 data system to inform interested Michigan high schools and the
12 public of the aggregate academic status of its students for the
13 previous academic year, in a manner prescribed by the Michigan
14 ~~community college association~~ **COMMUNITY COLLEGE ASSOCIATION** and in
15 cooperation with the Michigan ~~association of secondary school~~
16 ~~principals.~~ **ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS**. Community
17 colleges shall cooperate with the center ~~for educational~~
18 ~~performance and information~~ to maintain a systematic approach for
19 accomplishing this work.

20 Sec. 225. Each community college shall report to the house and
21 senate fiscal agencies, the state budget director, and the
22 ~~workforce development agency~~ **CENTER** by August 31, ~~2015,~~ **2016**, the
23 tuition and mandatory fees paid by a full-time in-district student
24 and a full-time out-of-district student as established by the
25 college governing board for the ~~2015-2016~~ **2016-2017** academic year.
26 This report should also include the annual cost of attendance based
27 on a full-time course load of 30 credits. Each community college

1 shall also report any revisions to the reported ~~2015-2016~~ **2016-2017**
 2 academic year tuition and mandatory fees adopted by the college
 3 governing board to the house and senate fiscal agencies, the state
 4 budget director, and the ~~workforce development agency~~ **CENTER** within
 5 15 days of being adopted.

6 Sec. 226. Each community college shall report to the ~~workforce~~
 7 ~~development agency~~ **CENTER** the numbers and type of associate degrees
 8 and other certificates awarded during the previous fiscal year. The
 9 report shall be made not later than November 15 of each year.
 10 Community colleges shall work with the ~~workforce development agency~~
 11 ~~and the center for educational performance and information to~~
 12 develop a systematic approach for meeting this requirement.

13 Sec. 229a. Included in the fiscal year ~~2015-2016~~ **2016-2017**
 14 appropriations for the department of technology, management, and
 15 budget are appropriations totaling ~~\$29,479,600.00~~ **\$30,879,600.00** to
 16 provide funding for the state share of costs for previously
 17 constructed capital projects for community colleges. Those
 18 appropriations for state building authority rent represent
 19 additional state general fund support for community colleges, and
 20 the following is an estimate of the amount of that support to each
 21 community college:

- 22 (a) Alpena Community College, ~~\$652,700.00~~ **\$632,500.00.**
- 23 (b) Bay de Noc Community College, ~~\$685,900.00~~ **\$685,100.00.**
- 24 (c) Delta College, ~~\$3,510,900.00~~ **\$3,360,600.00.**
- 25 (d) Glen Oaks Community College, ~~\$123,100.00~~ **\$124,500.00.**
- 26 (e) Gogebic Community College, ~~\$67,600.00~~ **\$56,700.00.**
- 27 (f) Grand Rapids Community College,

1 ~~\$2,126,000.00~~ **\$2,083,500.00.**

2 (g) Henry Ford College, ~~\$1,028,500.00~~ **\$1,040,300.00.**

3 (h) Jackson College, ~~\$1,677,800.00~~ **\$2,273,800.00.**

4 (i) Kalamazoo Valley Community College,

5 ~~\$1,557,700.00~~ **\$2,030,900.00.**

6 (j) Kellogg Community College, ~~\$520,200.00~~ **\$526,200.00.**

7 (k) Kirtland Community College, ~~\$363,200.00~~ **\$367,300.00.**

8 (l) Lake Michigan College, ~~\$340,200.00~~ **\$344,100.00.**

9 (m) Lansing Community College, ~~\$1,282,200.00~~ **\$1,154,600.00.**

10 (n) Macomb Community College, ~~\$1,377,400.00~~ **\$1,715,700.00.**

11 (o) Mid Michigan Community College,

12 ~~\$1,712,600.00~~ **\$1,634,300.00.**

13 (p) Monroe County Community College,

14 ~~\$1,263,600.00~~ **\$1,278,100.00.**

15 (q) Montcalm Community College, ~~\$971,500.00~~ **\$982,600.00.**

16 (r) C.S. Mott Community College, ~~\$1,803,900.00~~ **\$1,497,600.00.**

17 (s) Muskegon Community College, ~~\$267,800.00~~ **\$623,500.00.**

18 (t) North Central Michigan College, ~~\$469,400.00~~ **\$417,900.00.**

19 (u) Northwestern Michigan College,

20 ~~\$1,305,600.00~~ **\$1,320,600.00.**

21 (v) Oakland Community College, ~~\$465,200.00~~ **\$470,500.00.**

22 ~~— (w) St. Clair County Community College, \$356,200.00.~~

23 **(W) (x)** Schoolcraft College, ~~\$1,546,700.00~~ **\$1,564,400.00.**

24 **(X) (y)** Southwestern Michigan College,

25 ~~\$286,900.00~~ **\$574,800.00.**

26 **(Y) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$360,200.00.**

27 (z) Washtenaw Community College, ~~\$1,676,800.00~~ **\$1,696,000.00.**

1 (aa) Wayne County Community College,
2 ~~\$1,462,700.00.~~ **\$1,479,400.00.**

3 (bb) West Shore Community College, ~~\$577,300.00.~~ **\$583,900.00.**

4 Sec. 230. (1) Money included in the appropriations for
5 community college operations under section 201(2) in fiscal year
6 ~~2015-2016-2016-2017~~ for performance funding is distributed based on
7 the following formula:

8 (a) Allocated proportionate to fiscal year ~~2014-2015-2015-2016~~
9 base appropriations, ~~50%.~~ **30%.**

10 (b) Based on ~~contact hour equated students, 10%.~~ **A WEIGHTED**
11 **STUDENT CONTACT HOUR FORMULA AS PROVIDED FOR IN THE 2016**
12 **RECOMMENDATIONS OF THE PERFORMANCE INDICATORS TASK FORCE, 30%.**

13 (c) Based on ~~administrative costs, 7.5%.~~ **THE PERFORMANCE**
14 **IMPROVEMENT AS PROVIDED FOR IN THE 2016 RECOMMENDATIONS OF THE**
15 **PERFORMANCE INDICATORS TASK FORCE, 10%.**

16 (d) Based on ~~a weighted degree formula as provided for in the~~
17 ~~2006 recommendations of the performance indicators task force,~~
18 ~~17.5%.~~ **THE PERFORMANCE COMPLETION NUMBER AS PROVIDED FOR IN THE 2016**
19 **RECOMMENDATIONS OF THE PERFORMANCE INDICATORS TASK FORCE, 10%.**

20 (e) Based on ~~the local strategic value component, as developed~~
21 ~~in cooperation with the Michigan Community College Association and~~
22 ~~described in subsection (2), 15%.~~ **THE PERFORMANCE COMPLETION RATE AS**
23 **PROVIDED FOR IN THE 2016 RECOMMENDATIONS OF THE PERFORMANCE**
24 **INDICATORS TASK FORCE, 10%.**

25 (F) **BASED ON ADMINISTRATIVE COSTS, 5%.**

26 (G) **BASED ON THE LOCAL STRATEGIC VALUE COMPONENT, AS DEVELOPED**
27 **IN COOPERATION WITH THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION AND**

1 DESCRIBED IN SUBSECTION (2), 5%.

2 (2) Money included in the appropriations for community college
3 operations under section 201(2) for local strategic value shall be
4 allocated to each community college that certifies to the state
5 budget director, through a board of trustees resolution on or
6 before October 15, ~~2015~~, **2016**, that the college has met 4 out of 5
7 best practices listed in each category described in subsection (3).
8 The resolution shall provide specifics as to how the community
9 college meets each best practice measure within each category. One-
10 third of funding available under the strategic value component
11 shall be allocated to each category described in subsection (3).
12 Amounts distributed under local strategic value shall be on a
13 proportionate basis to each college's fiscal year ~~2014-2015-2015-~~
14 **2016** operations funding. Payments to community colleges that
15 qualify for local strategic value funding shall be distributed with
16 the November installment payment described in section 206.

17 (3) For purposes of subsection (2), the following categories
18 of best practices reflect functional activities of community
19 colleges that have strategic value to the local communities and
20 regional economies:

21 (a) For Category A, economic development and business or
22 industry partnerships, the following:

23 (i) The community college has active partnerships with local
24 employers including hospitals and health care providers.

25 (ii) The community college provides customized on-site
26 training for area companies, employees, or both.

27 (iii) The community college supports entrepreneurship through

1 a small business assistance center or other training or consulting
2 activities targeted toward small businesses.

3 (iv) The community college supports technological advancement
4 through industry partnerships, incubation activities, or operation
5 of a Michigan technical education center or other advanced
6 technology center.

7 (v) The community college has active partnerships with local
8 or regional workforce and economic development agencies.

9 (b) For Category B, educational partnerships, the following:

10 (i) The community college has active partnerships with
11 regional high schools, intermediate school districts, and career-
12 tech centers to provide instruction through dual enrollment,
13 concurrent enrollment, direct credit, middle college, or academy
14 programs.

15 (ii) The community college hosts, sponsors, or participates in
16 enrichment programs for area K-12 students, such as college days,
17 summer or after-school programming, or ~~science~~**SCIENCE** Olympiad.

18 (iii) The community college provides, supports, or
19 participates in programming to promote successful transitions to
20 college for traditional age students, including grant programs such
21 as talent search, upward bound, or other activities to promote
22 college readiness in area high schools and community centers.

23 (iv) The community college provides, supports, or participates
24 in programming to promote successful transitions to college for new
25 or reentering adult students, such as adult basic education,
26 ~~general education development~~**HIGH SCHOOL EQUIVALENCY** certificate
27 preparation and testing, or recruiting, advising, or orientation

1 activities specific to adults.

2 (v) The community college has active partnerships with
3 regional 4-year colleges and universities to promote successful
4 transfer, such as articulation, 2+2, or reverse transfer agreements
5 or operation of a university center.

6 (c) For Category C, community services, the following:

7 (i) The community college provides continuing education
8 programming for leisure, wellness, personal enrichment, or
9 professional development.

10 (ii) The community college operates or sponsors opportunities
11 for community members to engage in activities that promote leisure,
12 wellness, cultural or personal enrichment such as community sports
13 teams, theater or musical ensembles, or artist guilds.

14 (iii) The community college operates public facilities to
15 promote cultural, educational, or personal enrichment for community
16 members, such as libraries, computer labs, performing arts centers,
17 museums, art galleries, or television or radio stations.

18 (iv) The community college operates public facilities to
19 promote leisure or wellness activities for community members,
20 including gymnasiums, athletic fields, tennis courts, fitness
21 centers, hiking or biking trails, or natural areas.

22 (v) The community college promotes, sponsors, or hosts
23 community service activities for students, staff, or community
24 members.

25 (4) Payments for performance funding under section 201(2)
26 shall be made to a community college only if that community college
27 actively participates in the Michigan ~~transfer network~~ **TRANSFER**

1 **NETWORK** sponsored by the Michigan Association of Collegiate
2 Registrars and Admissions Officers and submits timely updates,
3 including updated course equivalencies at least every 6 months, to
4 the Michigan transfer network. The state budget director shall
5 determine if a community college has not satisfied this
6 requirement. The state budget director may withhold payments for
7 performance funding until a community college is in compliance with
8 this section.

9 Sec. 236. (1) Subject to the conditions set forth in this
10 article, the amounts listed in this section are appropriated for
11 higher education for the fiscal year ending September 30, ~~2016,~~
12 **2017**, from the funds indicated in this section. The following is a
13 summary of the appropriations in this section:

14 (a) The gross appropriation is ~~\$1,534,724,400.00.~~
15 **\$1,586,283,300.00**. After deducting total interdepartmental grants
16 and intradepartmental transfers in the amount of \$0.00, the
17 adjusted gross appropriation is
18 ~~\$1,534,724,400.00.~~**\$1,586,283,300.00**.

19 (b) The sources of the adjusted gross appropriation described
20 in subdivision (a) are as follows:

21 (i) Total federal revenues, ~~\$97,026,400.00.~~**\$99,026,400.00**.

22 (ii) Total local revenues, \$0.00.

23 (iii) Total private revenues, \$0.00.

24 (iv) Total other state restricted revenues,
25 ~~\$205,279,500.00.~~**\$237,209,600.00**.

26 (v) State general fund/general purpose money,
27 ~~\$1,232,418,500.00.~~**\$1,250,047,300.00**.

1 (2) Amounts appropriated for public universities are as
2 follows:

3 (a) The appropriation for Central Michigan University is
4 ~~\$80,904,400.00, \$79,164,800.00 for operations and \$1,739,600.00 for~~
5 ~~performance funding.~~ **\$84,085,100.00, \$81,127,100.00 FOR OPERATIONS**
6 **AND \$2,958,000.00 FOR PERFORMANCE FUNDING.**

7 (b) The appropriation for Eastern Michigan University is
8 ~~\$72,835,300.00, \$71,782,500.00 for operations and \$1,052,800.00 for~~
9 ~~performance funding.~~ **\$74,538,400.00, \$71,782,500.00 FOR OPERATIONS**
10 **AND \$2,755,900.00 FOR PERFORMANCE FUNDING.**

11 (c) The appropriation for Ferris State University is
12 ~~\$50,227,800.00, \$49,119,100.00 for operations and \$1,108,700.00 for~~
13 ~~performance funding.~~ **\$52,389,400.00, \$50,369,800.00 FOR OPERATIONS**
14 **AND \$2,019,600.00 FOR PERFORMANCE FUNDING.**

15 (d) The appropriation for Grand Valley State University is
16 ~~\$65,035,200.00, \$63,156,500.00 for operations and \$1,878,700.00 for~~
17 ~~performance funding.~~ **\$68,346,200.00, \$65,275,700.00 FOR OPERATIONS**
18 **AND \$3,070,500.00 FOR PERFORMANCE FUNDING.**

19 (e) The appropriation for Lake Superior State University is
20 ~~\$13,183,600.00, \$12,997,500.00 for operations and \$186,100.00 for~~
21 ~~performance funding.~~ **\$13,598,800.00, \$13,207,400.00 FOR OPERATIONS**
22 **AND \$391,400.00 FOR PERFORMANCE FUNDING.**

23 (f) The appropriation for Michigan State University is
24 ~~\$328,782,000.00, \$264,437,900.00 for operations, \$3,841,000.00 for~~
25 ~~performance funding, \$32,508,300.00 for MSU AgBioResearch, and~~
26 ~~\$27,994,800.00 for MSU Extension.~~ **\$339,286,300.00, \$268,770,700.00**
27 **FOR OPERATIONS, \$8,599,900.00 FOR PERFORMANCE FUNDING,**

1 \$33,243,100.00 FOR MSU AGBIORESEARCH, AND \$28,672,600.00 FOR MSU
2 EXTENSION.

3 (g) The appropriation for Michigan Technological University is
4 ~~\$46,662,000.00, \$45,938,000.00 for operations and \$724,000.00 for~~
5 ~~performance funding.~~ \$48,246,000.00, \$46,754,700.00 FOR OPERATIONS
6 AND \$1,491,300.00 FOR PERFORMANCE FUNDING.

7 (h) The appropriation for Northern Michigan University is
8 ~~\$45,020,400.00, \$44,338,300.00 for operations and \$682,100.00 for~~
9 ~~performance funding.~~ \$46,574,100.00, \$45,107,700.00 FOR OPERATIONS
10 AND \$1,466,400.00 FOR PERFORMANCE FUNDING.

11 (i) The appropriation for Oakland University is
12 ~~\$49,600,300.00, \$48,371,900.00 for operations and \$1,228,400.00 for~~
13 ~~performance funding.~~ \$50,446,400.00, \$48,371,900.00 FOR OPERATIONS
14 AND \$2,074,500.00 FOR PERFORMANCE FUNDING.

15 (j) The appropriation for Saginaw Valley State University is
16 ~~\$28,117,700.00, \$27,621,600.00 for operations and \$496,100.00 for~~
17 ~~performance funding.~~ \$29,377,900.00, \$28,181,200.00 FOR OPERATIONS
18 AND \$1,196,700.00 FOR PERFORMANCE FUNDING.

19 (k) The appropriation for University of Michigan - Ann Arbor
20 is ~~\$299,430,600.00, \$295,178,500.00 for operations and~~
21 ~~\$4,252,100.00 for performance funding.~~ \$309,400,900.00,
22 \$299,975,000.00 FOR OPERATIONS AND \$9,425,900.00 FOR PERFORMANCE
23 FUNDING.

24 (l) The appropriation for University of Michigan - Dearborn is
25 ~~\$23,995,400.00, \$23,701,000.00 for operations and \$294,400.00 for~~
26 ~~performance funding.~~ \$25,010,500.00, \$24,033,100.00 FOR OPERATIONS
27 AND \$977,400.00 FOR PERFORMANCE FUNDING.

1 (m) The appropriation for University of Michigan - Flint is
2 ~~\$21,763,700.00, \$21,359,600.00 for operations and \$404,100.00 for~~
3 ~~performance funding.~~ **\$22,746,300.00, \$21,815,400.00 FOR OPERATIONS**
4 **AND \$930,900.00 FOR PERFORMANCE FUNDING.**

5 (n) The appropriation for Wayne State University is
6 ~~\$191,346,700.00, \$190,529,900.00 for operations and \$816,800.00 for~~
7 ~~performance funding.~~ **\$196,763,900.00, \$191,451,300.00 FOR OPERATIONS**
8 **AND \$5,312,600.00 FOR PERFORMANCE FUNDING.**

9 (o) The appropriation for Western Michigan University is
10 ~~\$104,155,600.00, \$102,761,100.00 for operations and \$1,394,500.00~~
11 ~~for performance funding.~~ **\$107,922,100.00, \$104,334,100.00 FOR**
12 **OPERATIONS AND \$3,588,000.00 FOR PERFORMANCE FUNDING.**

13 (3) The amount appropriated in subsection (2) for public
14 universities is appropriated from the following:

15 (a) State school aid fund, ~~\$200,019,500.00.~~ **\$231,219,500.00.**

16 (b) State general fund/general purpose money,
17 ~~\$1,221,041,200.00.~~ **\$1,237,512,800.00.**

18 (4) The amount appropriated for Michigan public school
19 employees' retirement system reimbursement is ~~\$5,160,000.00,~~
20 **\$5,890,000.00**, appropriated from the state school aid fund.

21 (5) The amount appropriated for state and regional programs is
22 \$315,000.00, appropriated from general fund/general purpose money
23 and allocated as follows:

24 (a) Higher education database modernization and conversion,
25 \$200,000.00.

26 (b) Midwestern Higher Education Compact, \$115,000.00.

27 (6) The amount appropriated for the Martin Luther King, Jr. -

1 Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated
2 from general fund/general purpose money and allocated as follows:

3 (a) Select student support services, \$1,956,100.00.

4 (b) Michigan college/university partnership program,
5 \$586,800.00.

6 (c) Morris Hood, Jr. educator development program,
7 \$148,600.00.

8 (7) Subject to subsection (8), the amount appropriated for
9 grants and financial aid is ~~\$105,497,200.00~~, ~~\$108,654,500.00~~,
10 allocated as follows:

11 (a) State competitive scholarships, \$18,361,700.00.

12 (b) Tuition grants, ~~\$34,035,500.00~~ **\$35,192,700.00**.

13 (c) Tuition incentive program, ~~\$48,500,000.00~~ **\$50,500,000.00**.

14 (d) Children of veterans and officer's survivor tuition grant
15 programs, \$1,400,000.00.

16 (e) Project GEAR-UP, \$3,200,000.00.

17 **(F) NORTH AMERICAN INDIAN TUITION WAIVERS, \$100.00.**

18 (8) The money appropriated in subsection (7) for grants and
19 financial aid is appropriated from the following:

20 (a) Federal revenues under the United States Department of
21 Education, Office of Elementary and Secondary Education, GEAR-UP
22 program, \$3,200,000.00.

23 (b) Federal revenues under the social security act, temporary
24 assistance for needy families, ~~\$93,826,400.00~~ **\$95,826,400.00**.

25 (c) Contributions to children of veterans tuition grant
26 program, \$100,000.00.

27 **(D) STATE SCHOOL AID FUND, \$100.00.**

1 **(E)** ~~(d)~~—State general fund/general purpose money,
2 ~~\$8,370,800.00.~~ **\$9,528,000.00.**

3 Sec. 236a. It is the intent of the legislature to provide
4 appropriations for the fiscal year ending on September 30, ~~2017~~
5 **2018** for the items listed in section 236. The fiscal year ~~2016–2017~~
6 **2017–2018** appropriations are anticipated to be the same as those
7 for fiscal year ~~2015–2016,~~ **2016–2017**, except that the amounts will
8 be adjusted for changes in caseload and related costs, federal fund
9 match rates, economic factors, and available revenue. These
10 adjustments will be determined after the January ~~2016–2017~~
11 consensus revenue estimating conference.

12 Sec. 236b. In addition to the funds appropriated in section
13 236, there is appropriated for grants and financial aid in fiscal
14 year ~~2015–2016–2016–2017~~ an amount not to exceed \$6,000,000.00 for
15 federal contingency funds. These funds are not available for
16 expenditure until they have been transferred under section 393(2)
17 of the management and budget act, 1984 PA 431, MCL 18.1393, for
18 another purpose under this article.

19 Sec. 236c. In addition to the funds appropriated for fiscal
20 year ~~2015–2016–2016–2017~~ in section 236, appropriations to the
21 department of technology, management, and budget in the act
22 providing general appropriations for fiscal year ~~2015–2016–2016–~~
23 **2017** for state building authority rent, totaling an estimated
24 ~~\$135,995,300.00,~~ **\$144,995,300.00**, provide funding for the state
25 share of costs for previously constructed capital projects for
26 state universities. These appropriations for state building
27 authority rent represent additional state general fund support

1 provided to public universities, and the following is an estimate
2 of the amount of that support to each university:

3 (a) Central Michigan University, ~~\$9,551,800.00~~-\$11,819,500.00.

4 (b) Eastern Michigan University, ~~\$4,860,900.00~~-\$4,868,000.00.

5 (c) Ferris State University, ~~\$6,251,200.00~~-\$6,260,300.00.

6 (d) Grand Valley State University,

7 ~~\$6,952,300.00~~-\$6,635,900.00.

8 (e) Lake Superior State University,

9 ~~\$1,720,300.00~~-\$1,722,800.00.

10 (f) Michigan State University, ~~\$16,549,200.00~~-\$18,827,000.00.

11 (g) Michigan Technological University,

12 ~~\$7,443,400.00~~-\$6,793,200.00.

13 (h) Northern Michigan University, ~~\$9,706,200.00~~-\$9,447,600.00.

14 (i) Oakland University, ~~\$12,993,400.00~~-\$12,685,900.00.

15 (j) Saginaw Valley State University,

16 ~~\$9,865,800.00~~-\$10,331,000.00.

17 (k) University of Michigan - Ann Arbor,

18 ~~\$9,607,800.00~~-\$11,875,600.00.

19 (l) University of Michigan - Dearborn,

20 ~~\$6,745,200.00~~-\$9,008,800.00.

21 (m) University of Michigan - Flint,

22 ~~\$3,104,000.00~~-\$4,357,600.00.

23 (n) Wayne State University, ~~\$15,703,000.00~~-\$15,399,400.00.

24 (o) Western Michigan University,

25 ~~\$14,940,800.00~~-\$14,962,700.00.

26 Sec. 237b. As used in this article, the term "workforce
27 development agency" means the workforce development agency ~~of the~~

1 Michigan ~~strategic fund~~. **WITHIN THE DEPARTMENT OF TALENT AND**
2 **ECONOMIC DEVELOPMENT--TALENT INVESTMENT AGENCY.**

3 Sec. 238. Unless otherwise specified, a public university
4 receiving appropriations in section 236 shall use the ~~internet~~
5 **INTERNET** to fulfill the reporting requirements of this article.
6 This requirement may include transmission of reports via electronic
7 mail to the recipients identified for each reporting requirement,
8 or it may include placement of reports on an ~~internet~~**INTERNET** or
9 intranet site.

10 Sec. 241. (1) Subject to sections 244 and 265a, the funds
11 appropriated in section 236 to public universities shall be paid
12 out of the state treasury and distributed by the state treasurer to
13 the respective institutions in 11 equal monthly installments on the
14 sixteenth of each month, or the next succeeding business day,
15 beginning with October 16, ~~2015--2016~~. Except for Wayne State
16 University, each institution shall accrue its July and August ~~2016~~
17 ~~2017~~ payments to its institutional fiscal year ending June 30,
18 ~~2016-2017~~.

19 (2) All public universities shall submit higher education
20 institutional data inventory (HEIDI) data and associated financial
21 and program information requested by and in a manner prescribed by
22 the state budget director. For public universities with fiscal
23 years ending June 30, ~~2015--2016~~, these data shall be submitted to
24 the state budget director by October 15, ~~2015--2016~~. Public
25 universities with a fiscal year ending September 30, ~~2015--2016~~
26 shall submit preliminary HEIDI data by November 15, ~~2015--2016~~ and
27 final data by December 15, ~~2015--2016~~. If a public university fails

1 to submit HEIDI data and associated financial aid program
2 information in accordance with this reporting schedule, the state
3 treasurer may withhold the monthly installments under subsection
4 (1) to the public university until those data are submitted.

5 Sec. 246. (1) All of the following apply to the allocation of
6 the ~~fiscal year 2015-2016~~ appropriations described in section
7 236(4) for payments to universities that are participating entities
8 of the Michigan public school employees' retirement system:

9 (a) The funds appropriated in section 236(4) for Michigan
10 public school employees' retirement system reimbursement shall be
11 allocated to each participating public university under this
12 section based on each participating public university's percentage
13 of the total combined payrolls of the universities' employees who
14 are members of the retirement system and who were hired before
15 January 1, 1996 and the universities' employees who would have been
16 members of the retirement system on or after January 1, 1996, but
17 for the enactment of 1995 PA 272 for all public universities that
18 are participating public universities for the immediately preceding
19 state fiscal year.

20 (b) The amount of a payment under section 236(4) shall be
21 equal to the difference between the unfunded actuarial accrued
22 liability contribution rate for university reporting units as
23 calculated under section 41 of the public school employees
24 retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated
25 without taking into account the maximum employer rate of 25.73%
26 included in section 41 of the public school employees retirement
27 act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer

1 rate for university reporting units of 25.73% under section 41 of
2 the public school employees retirement act of 1979, 1980 PA 300,
3 MCL 38.1341. Payments shall be made in a form and manner determined
4 by the office of retirement services.

5 (c) A public university that receives money under section
6 236(4) shall use that money solely for the purpose of retirement
7 contributions. Each participating university that receives funds
8 under section 236(4) shall forward an amount equal to the amount
9 received under section 236(4) to the Michigan public school
10 employees' retirement system in a form and manner determined by the
11 office of retirement services.

12 (2) As used in this section, "participating public university"
13 means a public university that is a reporting unit of the Michigan
14 public school employees' retirement system under the public school
15 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
16 38.1437, and that pays contributions to the Michigan public school
17 employees' retirement system for the state fiscal year.

18 Sec. 251. (1) Payments of the amounts included in section 236
19 for the state competitive scholarship program shall be distributed
20 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

21 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the
22 department of treasury shall determine an actual maximum state
23 competitive scholarship award per student, which shall be not less
24 than \$575.00, that ensures that the aggregate payments for the
25 state competitive scholarship program do not exceed the
26 appropriation contained in section 236 for the state competitive
27 scholarship program. If the department determines that insufficient

1 funds are available to establish a maximum award amount equal to at
2 least \$575.00, the department shall immediately report to the house
3 and senate appropriations subcommittees on higher education, the
4 house and senate fiscal agencies, and the state budget director
5 regarding the estimated amount of additional funds necessary to
6 establish a \$575.00 maximum award amount.

7 (3) The department of treasury shall implement a proportional
8 competitive scholarship maximum award level for recipients enrolled
9 less than full-time in a given semester or term.

10 (4) If a student who receives an award under this section has
11 his or her tuition and fees paid under the Michigan educational
12 trust program, pursuant to the Michigan education trust act, 1986
13 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the
14 funds awarded under this section may be used for educational
15 expenses other than tuition and fees.

16 (5) If the department of treasury increases the maximum award
17 per eligible student from that provided in the previous fiscal
18 year, it shall not have the effect of reducing the number of
19 eligible students receiving awards in relation to the total number
20 of eligible applicants. Any increase in the maximum grant shall be
21 proportional for all eligible students receiving awards.

22 (6) Veterans ~~administration~~ **ADMINISTRATION** benefits shall not
23 be considered in determining eligibility for the award of
24 scholarships under 1964 PA 208, MCL 390.971 to 390.981.

25 Sec. 252. (1) The amounts appropriated in section 236 for the
26 state tuition grant program shall be distributed pursuant to 1966
27 PA 313, MCL 390.991 to 390.997a.

1 (2) Tuition grant awards shall be made to all eligible
2 Michigan residents enrolled in undergraduate degree programs who
3 are qualified and who apply before July 1 of each year for the next
4 academic year.

5 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
6 subject to subsections (7) and (8), the department of treasury
7 shall determine an actual maximum tuition grant award per student,
8 which shall be no less than \$1,512.00, that ensures that the
9 aggregate payments for the tuition grant program do not exceed the
10 appropriation contained in section 236 for the state tuition grant
11 program. If the department determines that insufficient funds are
12 available to establish a maximum award amount equal to at least
13 \$1,512.00, the department shall immediately report to the house and
14 senate appropriations subcommittees on higher education, the house
15 and senate fiscal agencies, and the state budget director regarding
16 the estimated amount of additional funds necessary to establish a
17 \$1,512.00 maximum award amount. If the department determines that
18 sufficient funds are available to establish a maximum award amount
19 equal to at least \$1,512.00, the department shall immediately
20 report to the house and senate appropriations subcommittees on
21 higher education, the house and senate fiscal agencies, and the
22 state budget director regarding the maximum award amount
23 established and the projected amount of any projected year-end
24 appropriation balance based on that maximum award amount. By
25 February 18 of each fiscal year, the department shall analyze the
26 status of award commitments, shall make any necessary adjustments,
27 and shall confirm that those award commitments will not exceed the

1 appropriation contained in section 236 for the tuition grant
2 program. The determination and actions shall be reported to the
3 state budget director and the house and senate fiscal agencies no
4 later than the final day of February of each year. If award
5 adjustments are necessary, the students shall be notified of the
6 adjustment by March 4 of each year.

7 (4) Any unexpended and unencumbered funds remaining on
8 September 30, ~~2016-2017~~ from the amounts appropriated in section
9 236 for the tuition grant program for fiscal year ~~2015-2016-2016-~~
10 ~~2017~~ shall not lapse on September 30, ~~2016,~~~~2017,~~ but shall
11 continue to be available for expenditure for tuition grants
12 provided in the ~~2016-2017-2017-2018~~ fiscal year under a work
13 project account. The use of these unexpended fiscal year ~~2015-2016~~
14 ~~2016-2017~~ funds shall terminate at the end of the ~~2016-2017-2017-~~
15 ~~2018~~ fiscal year.

16 (5) The department of treasury shall continue a proportional
17 tuition grant maximum award level for recipients enrolled less than
18 full-time in a given semester or term.

19 (6) If the department of treasury increases the maximum award
20 per eligible student from that provided in the previous fiscal
21 year, it shall not have the effect of reducing the number of
22 eligible students receiving awards in relation to the total number
23 of eligible applicants. Any increase in the maximum grant shall be
24 proportional for all eligible students receiving awards for that
25 fiscal year.

26 (7) Except as provided in subsection (4), the department of
27 treasury shall not award more than ~~\$3,200,000.00~~~~\$3,500,000.00~~ in

1 tuition grants to eligible students enrolled in the same
2 independent nonprofit college or university in this state. Any
3 decrease in the maximum grant shall be proportional for all
4 eligible students enrolled in that college or university, as
5 determined by the department.

6 (8) The department of treasury shall not award tuition grants
7 to otherwise eligible students enrolled in an independent college
8 or university that does not report, in a form and manner directed
9 by and satisfactory to the department of treasury, by September 30
10 of each year, all of the following:

11 (a) The number of students in the most recently completed
12 academic year who in any academic year received a state tuition
13 grant at the reporting institution and successfully completed a
14 program or graduated.

15 (b) The number of students in the most recently completed
16 academic year who in any academic year received a state tuition
17 grant at the reporting institution and took a remedial education
18 class.

19 (c) The number of students in the most recently completed
20 academic year who in any academic year received a Pell grant at the
21 reporting institution and successfully completed a program or
22 graduated.

23 (9) By February 1, ~~2016~~, **2017**, each independent college and
24 university participating in the tuition grant program shall report
25 to the senate and house appropriations subcommittees on higher
26 education, the senate and house fiscal agencies, and the state
27 budget director on its efforts to develop and implement sexual

1 assault response training for the institution's title IX
2 coordinator, campus law enforcement personnel, campus public safety
3 personnel, and any other campus personnel charged with responding
4 to on-campus incidents, including information on sexual assault
5 response training materials and the status of implementing sexual
6 assault response training for institutional personnel.

7 Sec. 254. The sums appropriated in section 236 for the state
8 competitive scholarship, tuition incentive, and tuition grant
9 programs shall be paid out of the state treasury and shall be
10 distributed to the respective institutions under a quarterly
11 payment system as follows:

12 **(A) FOR THE STATE COMPETITIVE SCHOLARSHIP AND TUITION GRANT**
13 **PROGRAMS**, 50% shall be paid at the beginning of the state's first
14 fiscal quarter, 30% during the state's second fiscal quarter, 10%
15 during the state's third fiscal quarter, and 10% during the state's
16 fourth fiscal quarter.

17 **(B) FOR THE TUITION INCENTIVE PROGRAM, 55% SHALL BE PAID AT**
18 **THE BEGINNING OF THE STATE'S FIRST FISCAL QUARTER, 40% DURING THE**
19 **STATE'S SECOND FISCAL QUARTER, AND 5% DURING THE STATE'S THIRD**
20 **FISCAL QUARTER.**

21 Sec. 256. (1) The funds appropriated in section 236 for the
22 tuition incentive program shall be distributed as provided in this
23 section and pursuant to the administrative procedures for the
24 tuition incentive program of the department of treasury.

25 (2) As used in this section:

26 (a) "Phase I" means the first part of the tuition incentive
27 assistance program defined as the academic period of 80 semester or

1 120 term credits, or less, leading to an associate degree or
2 certificate.

3 (b) "Phase II" means the second part of the tuition incentive
4 assistance program which provides assistance in the third and
5 fourth year of 4-year degree programs.

6 (c) "Department" means the department of treasury.

7 (3) An individual shall meet the following basic criteria and
8 financial thresholds to be eligible for tuition incentive **PROGRAM**
9 benefits:

10 (a) To be eligible for phase I, an individual shall meet all
11 of the following criteria:

12 (i) Apply for certification to the department any time after
13 he or she begins the sixth grade but before August 31 of the school
14 year in which he or she graduates from high school or before
15 completing a ~~general-education-development~~ **HIGH SCHOOL EQUIVALENCY**
16 certificate.

17 (ii) Be less than 20 years of age at the time he or she
18 graduates from high school with a diploma or certificate of
19 completion or completes a ~~general-education-development~~ **HIGH SCHOOL**
20 **EQUIVALENCY** certificate.

21 (iii) Be a United States citizen and a resident of Michigan
22 according to institutional criteria.

23 (iv) Be at least a half-time student, earning less than 80
24 semester or 120 term credits at a participating educational
25 institution within 4 years of high school graduation or completion
26 of a ~~general-education-development~~ **HIGH SCHOOL EQUIVALENCY**
27 certificate.

1 (v) Request information on filing a FAFSA.

2 (vi) ~~Must meet~~ **MEET** the satisfactory academic progress policy
3 of the educational institution he or she attends.

4 (b) To be eligible for phase II, an individual shall meet
5 either of the following criteria in addition to the criteria in
6 subdivision (a):

7 (i) Complete at least 56 transferable semester or 84
8 transferable term credits.

9 (ii) Obtain an associate degree or certificate at a
10 participating institution.

11 (c) To be eligible for phase I or phase II, an individual must
12 not be incarcerated and must be financially eligible as determined
13 by the department. An individual is financially eligible for the
14 tuition incentive program if he or she was eligible for Medicaid
15 from the state of Michigan for 24 months within the 36 **CONSECUTIVE**
16 months before application. The department shall accept
17 certification of Medicaid eligibility only from the department of
18 health and human services for the purposes of verifying if a person
19 is Medicaid eligible for 24 months within the 36 **CONSECUTIVE** months
20 before application. Certification of eligibility may begin in the
21 sixth grade. As used in this subdivision, "incarcerated" does not
22 include detention of a juvenile in a state-operated or privately
23 operated juvenile detention facility.

24 (4) For phase I, the department shall provide payment on
25 behalf of a person eligible under subsection (3). The department
26 shall reject billings that are excessive or outside the guidelines
27 for the type of educational institution.

1 (5) For phase I, all of the following apply:

2 (a) Payments for associate degree or certificate programs
3 shall not be made for more than 80 semester or 120 term credits for
4 any individual student at any participating institution.

5 (b) For persons enrolled at a Michigan community college, the
6 department shall pay the current in-district tuition and mandatory
7 fees. For persons residing in an area that is not included in any
8 community college district, the out-of-district tuition rate may be
9 authorized.

10 (c) For persons enrolled at a Michigan public university, the
11 department shall pay lower division resident tuition and mandatory
12 fees for the current year.

13 (d) For persons enrolled at a Michigan independent, nonprofit
14 degree-granting college or university, or a Michigan federal
15 tribally controlled community college, or Focus: HOPE, the
16 department shall pay mandatory fees for the current year and a per-
17 credit payment that does not exceed the average community college
18 in-district per-credit tuition rate as reported on August 1, for
19 the immediately preceding academic year.

20 (6) A person participating in phase II may be eligible for
21 additional funds not to exceed \$500.00 per semester or \$400.00 per
22 term up to a maximum of \$2,000.00 subject to the following
23 conditions:

24 (a) Credits are earned in a 4-year program at a Michigan
25 degree-granting 4-year college or university.

26 (b) The tuition reimbursement is for coursework completed
27 within 30 months of completion of the phase I requirements.

1 (7) The department shall work closely with participating
2 institutions to develop an application and eligibility
3 determination process that will provide the highest level of
4 participation and ensure that all requirements of the program are
5 met.

6 (8) Applications for the tuition incentive program may be
7 approved at any time after the student begins the sixth grade. If a
8 determination of financial eligibility is made, that determination
9 is valid as long as the student meets all other program
10 requirements and conditions.

11 (9) Each institution shall ensure that all known available
12 restricted grants for tuition and fees are used prior to billing
13 the tuition incentive program for any portion of a student's
14 tuition and fees.

15 (10) The department shall ensure that the tuition incentive
16 program is well publicized and that eligible Medicaid clients are
17 provided information on the program. The department shall provide
18 the necessary funding and staff to fully operate the program.

19 Sec. 263. (1) Included in the appropriation in section 236 for
20 fiscal year ~~2015-2016~~**2016-2017** for MSU AgBioResearch is
21 \$2,982,900.00 and included in the appropriation in section 236 for
22 MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN
23 is intended to address critical regulatory, food safety, economic,
24 and environmental problems faced by this state's plant-based
25 agriculture, forestry, and processing industries. "GREEN" is an
26 acronym for "Generating Research and Extension to Meet
27 Environmental and Economic Needs".

1 (2) The department of agriculture and rural development and
2 Michigan State University, in consultation with agricultural
3 commodity groups and other interested parties, shall develop
4 Project GREEN and its program priorities.

5 Sec. 263a. (1) Not later than September 30 of each year,
6 Michigan State University shall submit a report on MSU
7 AgBioResearch and MSU Extension to the house and senate
8 appropriations subcommittees on agriculture and on higher
9 education, the house and senate standing committees on agriculture,
10 the house and senate fiscal agencies, and the state budget director
11 for the preceding academic fiscal year.

12 (2) The report required under subsection (1) shall include all
13 of the following:

14 (a) Total funds expended by MSU AgBioResearch and by MSU
15 Extension identified by state, local, private, federal, and
16 university fund sources.

17 (b) The metric goals that were used to evaluate the impacts of
18 programs operated by MSU Extension and MSU AgBioResearch. ~~It is the~~
19 ~~intent of the legislature that the~~ **THE** following metric goals will
20 be used to evaluate the impacts of those programs:

21 (i) Increasing the number of agriculture and food-related
22 firms collaborating with and using services of research and
23 extension faculty and staff by 3% per year.

24 (ii) Increasing the number of individuals utilizing MSU
25 Extension's educational services by 5% per year.

26 (iii) Increasing external funds generated in support of
27 research and extension, beyond state appropriations, by 10% over

1 the amounts generated in the past 3 state fiscal years.

2 (iv) Increasing the sector's total economic impact to at least
3 \$100,000,000,000.00.

4 (v) Increasing Michigan's agricultural exports to at least
5 \$3,500,000,000.00.

6 (vi) Increasing jobs in the food and agriculture sector by
7 10%.

8 (vii) Improving access by Michigan consumers to healthy foods
9 by 20%.

10 (c) A review of major programs within both MSU AgBioResearch
11 and MSU Extension with specific reference to accomplishments,
12 impacts, and the metrics described in subdivision (b), including a
13 specific accounting of Project GREEN expenditures and the impact
14 of those expenditures.

15 Sec. 264. Included in the appropriation in section 236 for
16 fiscal year ~~2015-2016~~-2016-2017 for Michigan State University is
17 \$80,000.00 for the Michigan Future Farmers of America Association.
18 This \$80,000.00 allocation shall not supplant any existing support
19 that Michigan State University provides to the Michigan Future
20 Farmers of America Association.

21 Sec. 265. (1) Payments under section 265a for performance
22 funding shall only be made to a public university that certifies to
23 the state budget director by August 31, ~~2015-2016~~ that its board
24 did not adopt an increase in tuition and fee rates for resident
25 undergraduate students after September 1, ~~2014-2015~~ for the ~~2014-~~
26 ~~2015-2015-2016~~ academic year and that its board will not adopt an
27 increase in tuition and fee rates for resident undergraduate

1 students for the ~~2015-2016~~**2016-2017** academic year that is greater
2 than ~~3.2%-4.8%~~ **OR \$500.00, WHICHEVER IS GREATER**. As used in this
3 subsection:

4 (a) "Fee" means any board-authorized fee that will be paid by
5 more than 1/2 of all resident undergraduate students at least once
6 during their enrollment at a public university, **AS DESCRIBED IN THE**
7 **HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) USER MANUAL**.
8 A university increasing a fee that applies to a specific subset of
9 students or courses shall provide sufficient information to prove
10 that the increase applied to that subset will not cause the
11 increase in the average amount of board-authorized total tuition
12 and fees paid by resident undergraduate students in the ~~2015-2016~~
13 **2016-2017** academic year to exceed the limit established in this
14 subsection.

15 (b) "Tuition and fee rate" means the average of full-time
16 rates ~~for all~~ **PAID BY A MAJORITY OF STUDENTS IN EACH** undergraduate
17 ~~classes,~~ **CLASS**, based on an **UNWEIGHTED** average of the rates
18 authorized by the university board and actually charged to
19 students, deducting any uniformly rebated or refunded amounts, for
20 the 2 semesters with the highest levels of full-time equated
21 resident undergraduate enrollment during the academic year, **AS**
22 **DESCRIBED IN THE HEIDI USER MANUAL**.

23 (c) For purposes of subdivision (a), for a public university
24 that compels resident undergraduate students to be covered by
25 health insurance as a condition to enroll at the university, "fee"
26 includes the annual amount a student is charged for coverage by the
27 university-affiliated group health insurance policy if he or she

1 does not provide proof that he or she is otherwise covered by
2 health insurance. This subdivision does not apply to limited
3 subsets of resident undergraduate students to be covered by health
4 insurance for specific reasons other than general enrollment at the
5 university.

6 (2) The state budget director shall implement uniform
7 reporting requirements to ensure that a public university receiving
8 a payment under section 265a for performance funding has satisfied
9 the tuition restraint requirements of this section. The state
10 budget director shall have the sole authority to determine if a
11 public university has met the requirements of this section.
12 Information reported by a public university to the state budget
13 director under this subsection shall also be reported to the house
14 and senate appropriations subcommittees on higher education and the
15 house and senate fiscal agencies.

16 Sec. 265a. (1) Appropriations to public universities in
17 section 236 for fiscal year ~~2015-2016~~ **2016-2017** for performance
18 funding shall be paid only to a public university that complies
19 with section 265 and certifies to the state budget director, the
20 house and senate appropriations subcommittees on higher education,
21 and the house and senate fiscal agencies by August 31, ~~2015-2016~~
22 that it complies with all of the following requirements:

23 (a) The university participates in reverse transfer agreements
24 described in section 286 with at least 3 Michigan community
25 colleges. ~~or has made a good faith effort to enter into reverse~~
26 ~~transfer agreements.~~

27 (b) The university does not and will not consider whether dual

1 enrollment credits earned by an incoming student were utilized
2 towards his or her high school graduation requirements when making
3 a determination as to whether those credits may be used by the
4 student toward completion of a university degree or certificate
5 program.

6 (c) The university **ACTIVELY** participates in **AND SUBMITS TIMELY**
7 **UPDATES TO** the Michigan Transfer Network created as part of the
8 Michigan Association of Collegiate Registrars and Admissions
9 Officers transfer agreement.

10 (2) Any performance funding amounts under section 236 that are
11 not paid to a public university because it did not comply with 1 or
12 more requirements under subsection (1) are unappropriated and
13 reappropriated for performance funding to those public universities
14 that meet the requirements under subsection (1), distributed in
15 proportion to their performance funding appropriation amounts under
16 section 236.

17 (3) The state budget director shall report to the house and
18 senate appropriations subcommittees on higher education and the
19 house and senate fiscal agencies by September 30, ~~2015~~, **2016**,
20 regarding any performance funding amounts that are not paid to a
21 public university because it did not comply with 1 or more
22 requirements under subsection (1) and any reappropriation of funds
23 under subsection (2).

24 (4) Performance funding amounts described in section 236 are
25 distributed based on the following formula:

26 **(A) PROPORTIONAL TO EACH UNIVERSITY'S SHARE OF TOTAL**
27 **OPERATIONS FUNDING APPROPRIATED IN FISCAL YEAR 2010-2011, 50.0%.**

1 (B) ~~(a)~~—Based on weighted undergraduate completions in
2 critical skills areas, ~~22.2%-11.1%~~.

3 (C) ~~(b)~~—Based on research and development expenditures, for
4 universities classified in Carnegie classifications as
5 doctoral/research universities, research universities (high
6 research activity), or research universities (very high research
7 activity) only, ~~11.1%-5.6%~~.

8 (D) ~~(e)~~—Based on 6-year graduation rate, total degree
9 completions, ~~and~~ institutional support as a percentage of core
10 expenditures, ~~and~~ the percentage of students receiving Pell grants,
11 **AND WHETHER THE UNIVERSITY RECEIVED A CARNEGIE COMMUNITY ENGAGEMENT**
12 **CLASSIFICATION IN 2010 OR 2015**, scored against national Carnegie
13 classification peers and weighted by total undergraduate fiscal
14 year equated students, ~~66.7%-33.3%~~.

15 (5) ~~For~~ **EXCEPT AS PROVIDED IN SUBSECTION (6), FOR** purposes of
16 determining the score of a university under subsection ~~(4)(e)~~,
17 **(4)(D)**, each university is assigned 1 of the following scores:

18 (a) A university classified as in the top 20%, a score of 3.

19 (b) A university classified as above national median, a score
20 of 2.

21 (c) A university classified as improving, a score of 2. ~~It is~~
22 ~~the intent of the legislature that, beginning in the 2016-2017~~
23 ~~state fiscal year, a university classified as improving is assigned~~
24 ~~a score of 1.~~

25 (d) A university that is not included in subdivision (a), (b),
26 or (c), a score of 0.

27 **(6) A UNIVERSITY THAT RECEIVED A CARNEGIE COMMUNITY ENGAGEMENT**

1 CLASSIFICATION IN 2010 OR 2015 IS ASSIGNED A SCORE OF 3.

2 (7) ~~(6) For purposes of~~ **AS USED IN** this section: 7

3 (A) "Carnegie classification" ~~shall mean~~ **MEANS** the basic
4 classification of the university according to the most recent
5 version, **BEFORE FEBRUARY 1, 2016**, of the Carnegie classification of
6 institutions of higher education, published by the Carnegie
7 Foundation for the Advancement of Teaching.

8 (B) **"CARNEGIE COMMUNITY ENGAGEMENT CLASSIFICATION" MEANS THE**
9 **COMMUNITY ENGAGEMENT CLASSIFICATION PUBLISHED BY THE CARNEGIE**
10 **FOUNDATION FOR THE ADVANCEMENT OF TEACHING.**

11 Sec. 267. All public universities shall submit the amount of
12 tuition and fees actually charged to a full-time resident
13 undergraduate student for academic year ~~2015-2016~~ **2016-2017** as part
14 of their higher education institutional data inventory (HEIDI) data
15 by August 31 of each year. A public university shall report any
16 revisions for any semester of the reported academic year ~~2015-2016~~
17 **2016-2017** tuition and fee charges to HEIDI within 15 days of being
18 adopted.

19 Sec. 268. (1) For the fiscal year ending September 30, ~~2016,~~
20 **2017**, it is the intent of the legislature that funds be allocated
21 for unfunded North American Indian tuition waiver costs incurred by
22 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,
23 from the general fund.

24 (2) **APPROPRIATIONS IN SECTION 236(7)(F) FOR NORTH AMERICAN**
25 **INDIAN TUITION WAIVERS SHALL BE PAID TO UNIVERSITIES UNDER SECTION**
26 **2A OF 1976 PA 174, MCL 390.1252A. ALLOCATIONS SHALL BE ADJUSTED FOR**
27 **AMOUNTS IN UNIVERSITY OPERATIONS APPROPRIATIONS. IF FUNDS ARE**

1 INSUFFICIENT TO SUPPORT THE ENTIRE COST OF WAIVERS, AMOUNTS SHALL
2 BE PRORATED.

3 (3) ~~(2)~~—By February 15 of each year, the department of civil
4 rights shall annually submit to the state budget director, the
5 house and senate appropriations subcommittees on higher education,
6 and the house and senate fiscal agencies a report on North American
7 Indian tuition waivers for the preceding fiscal year that includes,
8 but is not limited to, all of the following information: ~~for each~~
9 ~~postsecondary institution:~~

10 (a) The ~~total~~ number of waiver applications RECEIVED AND THE
11 NUMBER OF WAIVER APPLICATIONS APPROVED.

12 (B) FOR EACH UNIVERSITY SUBMITTING INFORMATION UNDER
13 SUBSECTION (4), ALL OF THE FOLLOWING:

14 (i) THE NUMBER OF GRADUATE AND UNDERGRADUATE NORTH AMERICAN
15 INDIAN STUDENTS ENROLLED EACH TERM FOR THE PREVIOUS FISCAL YEAR.

16 (ii) ~~(b)~~—The ~~total~~ number of NORTH AMERICAN INDIAN waivers
17 granted EACH TERM and the monetary value of ~~each waiver~~. THE WAIVERS
18 FOR THE PREVIOUS FISCAL YEAR.

19 (iii) ~~(c)~~—The number of GRADUATE AND UNDERGRADUATE students
20 ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER who ~~withdrew~~
21 WITHDREW from ~~classes~~. THE COLLEGE OR UNIVERSITY DURING THE PREVIOUS
22 FISCAL YEAR.

23 (iv) ~~(d)~~—The number of GRADUATE AND UNDERGRADUATE students
24 ATTENDING UNDER A NORTH AMERICAN INDIAN TUITION WAIVER who
25 successfully complete a degree or certificate program, SEPARATED BY
26 DEGREE OR CERTIFICATE LEVEL, and the ~~6-year~~ graduation rate FOR
27 GRADUATE AND UNDERGRADUATE STUDENTS ATTENDING UNDER A NORTH

1 AMERICAN INDIAN TUITION WAIVER WHO COMPLETE A DEGREE WITHIN 150% OF
2 THE NORMAL TIME TO COMPLETE, SEPARATED BY THE LEVEL OF THE DEGREE.

3 (4) ~~(3)~~—A public university that receives funds under section
4 236 shall provide to the department of civil rights any information
5 necessary for preparing the report detailed in subsection ~~(2)~~-(3),
6 USING GUIDELINES AND PROCEDURES DEVELOPED BY THE DEPARTMENT OF
7 CIVIL RIGHTS.

8 (5) THE DEPARTMENT OF CIVIL RIGHTS MAY CONSOLIDATE THE REPORT
9 REQUIRED UNDER THIS SECTION WITH THE REPORT REQUIRED UNDER SECTION
10 223, BUT A CONSOLIDATED REPORT MUST SEPARATELY IDENTIFY DATA FOR
11 UNIVERSITIES AND DATA FOR COMMUNITY COLLEGES.

12 Sec. 269. For fiscal year ~~2015-2016~~, **2016-2017**, from the
13 amount appropriated in section 236 to Central Michigan University
14 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal
15 College for the costs of waiving tuition for North American Indians
16 under 1976 PA 174, MCL 390.1251 to 390.1253.

17 Sec. 270. For fiscal year ~~2015-2016~~, **2016-2017**, from the
18 amount appropriated in section 236 to Lake Superior State
19 University for operations, \$100,000.00 shall be paid to Bay Mills
20 Community College for the costs of waiving tuition for North
21 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

22 Sec. 274. It is the intent of the legislature that public and
23 private organizations that conduct human embryonic stem cell
24 derivation subject to section 27 of article I of the state
25 constitution of 1963 will provide information to the director of
26 the department of health and human services by December 1, ~~2015~~
27 **2016** that includes all of the following:

1 (a) Documentation that the organization conducting human
2 embryonic stem cell derivation is conducting its activities in
3 compliance with the requirements of section 27 of article I of the
4 state constitution of 1963 and all relevant National Institutes of
5 Health guidelines pertaining to embryonic stem cell derivation.

6 (b) A list of all human embryonic stem cell lines submitted by
7 the organization to the National Institutes of Health for inclusion
8 in the Human Embryonic Stem Cell Registry before and during fiscal
9 year ~~2014-2015,~~ **2015-2016**, and the status of each submission as
10 approved, pending approval, or review completed but not yet
11 accepted.

12 (c) Number of human embryonic stem cell lines derived and not
13 submitted for inclusion in the Human Embryonic Stem Cell Registry,
14 before and during fiscal year ~~2014-2015,~~ **2015-2016**.

15 Sec. 274c. By February 1, ~~2016,~~ **2017**, each university
16 receiving funds under section 236 shall report to the senate and
17 house appropriations subcommittees on higher education, the senate
18 and house fiscal agencies, and the state budget director on its
19 efforts to develop and implement sexual assault response training
20 for the university's title IX coordinator, campus law enforcement
21 personnel, campus public safety personnel, and any other campus
22 personnel charged with responding to on-campus incidents, including
23 information on sexual assault response training materials and the
24 status of implementing sexual assault response training for campus
25 personnel.

26 Sec. 275. (1) It is the intent of the legislature that each
27 public university that receives an appropriation in section 236 do

1 all of the following:

2 (a) Meet the provisions of section 5003 of the post-911
 3 veterans educational assistance act of 2008, 38 USC 3301 to ~~3324,~~
 4 **3325**, including voluntary participation in the ~~yellow ribbon GI~~
 5 ~~education enhancement program~~ **YELLOW RIBBON GI EDUCATION**
 6 **ENHANCEMENT PROGRAM** established in that act in 38 USC 3317. By
 7 October 1 of each year, each public university shall report to the
 8 house and senate appropriations subcommittees on higher education,
 9 the house and senate fiscal agencies, and the ~~presidents council,~~
 10 ~~state universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE**
 11 **UNIVERSITIES** on whether or not it has chosen to participate in the
 12 ~~yellow ribbon GI education enhancement program.~~ **YELLOW RIBBON GI**
 13 **EDUCATION ENHANCEMENT PROGRAM.** If at any time during the fiscal
 14 year a university participating in the ~~yellow ribbon program~~ **YELLOW**
 15 **RIBBON PROGRAM** chooses to leave the ~~yellow ribbon program,~~ **YELLOW**
 16 **RIBBON PROGRAM**, it shall notify the house and senate appropriations
 17 subcommittees on higher education, the house and senate fiscal
 18 agencies, and the ~~presidents council, state universities of~~
 19 ~~Michigan.~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES.**

20 (b) Establish an on-campus veterans' liaison to provide
 21 information and assistance to all student veterans.

22 (c) Provide flexible enrollment application deadlines for all
 23 veterans.

24 (d) Include in its admission application process a specific
 25 question as to whether an applicant for admission is a veteran, an
 26 active member of the military, a member of the national guard or
 27 military reserves, or the spouse or dependent of a veteran, active

1 member of the military, or member of the national guard or military
2 reserves, in order to more quickly identify potential educational
3 assistance available to that applicant.

4 (e) Consider all veterans residents of this state for
5 determining their tuition rates and fees.

6 (f) Waive enrollment fees for all veterans.

7 (2) By October 1 of each year, each public university shall
8 report to the house and senate appropriations subcommittees on
9 higher education, the house and senate fiscal agencies, and the
10 department of military and veterans affairs regarding services
11 provided specifically to veterans and active military duty
12 personnel, including, but not limited to, the services described in
13 subsection (1).

14 (3) As used in this section, "veteran" means an honorably
15 discharged veteran entitled to educational assistance under the
16 provisions of section 5003 of the post-911 veterans educational
17 assistance act of 2008, 38 USC 3301 to ~~3324-3325~~.

18 Sec. 276. (1) Included in the appropriation for fiscal year
19 ~~2015-2016-2016-2017~~ for each public university in section 236 is
20 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
21 future faculty program that is intended to increase the pool of
22 academically or economically disadvantaged candidates pursuing
23 faculty teaching careers in postsecondary education. Preference may
24 not be given to applicants on the basis of race, color, ethnicity,
25 gender, or national origin. Institutions should encourage
26 applications from applicants who would otherwise not adequately be
27 represented in the graduate student and faculty populations. Each

1 public university shall apply the percentage change applicable to
2 every public university in the calculation of appropriations in
3 section 236 to the amount of funds allocated to the future faculty
4 program.

5 (2) The program shall be administered by each public
6 university in a manner prescribed by the workforce development
7 agency. The workforce development agency shall use a good faith
8 effort standard to evaluate whether a fellowship is in default.

9 Sec. 277. (1) Included in the appropriation for fiscal year
10 ~~2015-2016-2016-2017~~ for each public university in section 236 is
11 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
12 college day program that is intended to introduce academically or
13 economically disadvantaged schoolchildren to the potential of a
14 college education. Preference may not be given to participants on
15 the basis of race, color, ethnicity, gender, or national origin.
16 Public universities should encourage participation from those who
17 would otherwise not adequately be represented in the student
18 population.

19 (2) Individual program plans of each public university shall
20 include a budget of equal contributions from this program, the
21 participating public university, the participating school district,
22 and the participating independent degree-granting college. College
23 day funds shall not be expended to cover indirect costs. Not more
24 than 20% of the university match shall be attributable to indirect
25 costs. Each public university shall apply the percentage change
26 applicable to every public university in the calculation of
27 appropriations in section 236 to the amount of funds allocated to

1 the college day program.

2 (3) The program described in this section shall be
3 administered by each public university in a manner prescribed by
4 the workforce development agency.

5 Sec. 278. (1) Included in section 236 for fiscal year ~~2015-~~
6 ~~2016-2016-2017~~ is funding for the Martin Luther King, Jr. - Cesar
7 Chavez - Rosa Parks select student support services program for
8 developing academically or economically disadvantaged student
9 retention programs for 4-year public and independent educational
10 institutions in this state. Preference may not be given to
11 participants on the basis of race, color, ethnicity, gender, or
12 national origin. Institutions should encourage participation from
13 those who would otherwise not adequately be represented in the
14 student population.

15 (2) An award made under this program to any 1 institution
16 shall not be greater than \$150,000.00, and the amount awarded shall
17 be matched on a 70% state, 30% college or university basis.

18 (3) The program described in this section shall be
19 administered by the workforce development agency.

20 Sec. 279. (1) Included in section 236 for fiscal year ~~2015-~~
21 ~~2016-2016-2017~~ is funding for the Martin Luther King, Jr. - Cesar
22 Chavez - Rosa Parks college/university partnership program between
23 4-year public and independent colleges and universities and public
24 community colleges, which is intended to increase the number of
25 academically or economically disadvantaged students who transfer
26 from community colleges into baccalaureate programs. Preference may
27 not be given to participants on the basis of race, color,

1 ethnicity, gender, or national origin. Institutions should
2 encourage participation from those who would otherwise not
3 adequately be represented in the transfer student population.

4 (2) The grants shall be made under the program described in
5 this section to Michigan public and independent colleges and
6 universities. An award to any 1 institution shall not be greater
7 than \$150,000.00, and the amount awarded shall be matched on a 70%
8 state, 30% college or university basis.

9 (3) The program described in this section shall be
10 administered by the workforce development agency.

11 Sec. 280. (1) Included in the appropriation for fiscal year
12 ~~2015-2016-2016-2017~~ for each public university in section 236 is
13 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
14 visiting professors program which is intended to increase the
15 number of instructors in the classroom to provide role models for
16 academically or economically disadvantaged students. Preference may
17 not be given to participants on the basis of race, color,
18 ethnicity, gender, or national origin. Public universities should
19 encourage participation from those who would otherwise not
20 adequately be represented in the student population.

21 (2) The program described in this section shall be
22 administered by the workforce development agency.

23 Sec. 281. (1) Included in the appropriation for fiscal year
24 ~~2015-2016-2016-2017~~ in section 236 is funding under the Martin
25 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the
26 Morris Hood, Jr. educator development program which is intended to
27 increase the number of academically or economically disadvantaged

1 students who enroll in and complete K-12 teacher education programs
2 at the baccalaureate level. Preference may not be given to
3 participants on the basis of race, color, ethnicity, gender, or
4 national origin. Institutions should encourage participation from
5 those who would otherwise not adequately be represented in the
6 teacher education student population.

7 (2) The program described in this section shall be
8 administered by each state-approved teacher education institution
9 in a manner prescribed by the workforce development agency.

10 (3) Approved teacher education institutions may and are
11 encouraged to use student support services funding in coordination
12 with the Morris Hood, Jr. funding to achieve the goals of the
13 program described in this section.

14 Sec. 282. Each institution receiving funds for fiscal year
15 ~~2015-2016-2016-2017~~ under section 278, 279, or 281 shall notify the
16 workforce development agency by April 15, ~~2016-2017~~ as to whether
17 it will expend by the end of its fiscal year the funds received
18 under section 278, 279, or 281. Notwithstanding the award
19 limitations in sections 278 and 279, the amount of funding reported
20 as not being expended will be reallocated to the institutions that
21 intend to expend all funding received under section 278, 279, or
22 281.

23 Sec. 283. (1) From the amount appropriated in section 236, the
24 public universities shall systematically inform Michigan high
25 schools regarding the academic status of students from each high
26 school in a manner prescribed by the ~~Presidents Council, State~~
27 ~~Universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES**

1 in cooperation with the Michigan Association of Secondary School
2 Principals. Public universities shall also work with the center for
3 educational performance and information to maintain a systematic
4 approach for accomplishing this task.

5 (2) Michigan high schools shall systematically inform the
6 public universities about the use of information received under
7 this section in a manner prescribed by the Michigan Association of
8 Secondary School Principals in cooperation with the ~~Presidents~~
9 ~~Council, State Universities of Michigan.~~ **MICHIGAN ASSOCIATION OF**
10 **STATE UNIVERSITIES.**

11 Sec. 284. From the amount appropriated in section 236, the
12 public universities shall inform Michigan community colleges
13 regarding the academic status of community college transfer
14 students in a manner prescribed by the ~~Presidents Council, State~~
15 ~~Universities of Michigan.~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES**
16 in cooperation with the Michigan Community College Association.
17 Public universities shall also work with the center for educational
18 performance and information to maintain a systematic approach for
19 accomplishing this task.

20 Sec. 289. (1) The auditor general shall periodically audit
21 higher education institutional data inventory (HEIDI) data
22 submitted by all public universities under section 241 and may
23 perform audits of selected public universities if determined
24 necessary. The audits shall be based upon the definitions,
25 requirements, and uniform reporting categories established by the
26 state budget director in consultation with the HEIDI advisory
27 committee. The auditor general shall submit a report of findings to

1 the house and senate appropriations committees and the state budget
2 director no later than July 1 of each year an audit takes place.

3 (2) Student credit hours reports shall not include the
4 following:

5 (a) Student credit hours generated through instructional
6 activity by faculty or staff in classrooms located outside
7 Michigan, with the exception of instructional activity related to
8 study-abroad programs or field programs.

9 (b) Student credit hours generated through distance learning
10 instruction for students not eligible for the public university's
11 in-state main campus resident tuition rate. However, in instances
12 where a student is enrolled in distance education and non-distance
13 education credit hours in a given term and the student's non-
14 distance education enrollment is at a campus or site located within
15 Michigan, student credit hours per the student's eligibility for
16 in-state or out-of-state tuition rates may be reported.

17 (c) Student credit hours generated through credit by
18 examination.

19 (d) Student credit hours generated through inmate prison
20 programs regardless of teaching location.

21 (e) Student credit hours generated in new degree programs
22 created on or after January 1, 1975 and before January 1, 2013,
23 that were not specifically authorized for funding by the
24 legislature, except spin-off programs converted from existing core
25 programs, and student credit hours generated in any new degree
26 programs created after January 1, 2013, that are specifically
27 excluded from reporting by the legislature under this section.

1 (3) "Distance learning instruction" as used in subsection (2)
2 means instruction that occurs solely in other than a traditional
3 classroom setting where the student and instructor are in the same
4 physical location and for which a student receives course credits
5 and is charged tuition and fees. Examples of distance learning
6 instruction are instruction delivered solely through the ~~internet,~~
7 **INTERNET**, cable television, teleconference, or mail.

8 Sec. 290. By March 1 of each year, the ~~presidents council,~~
9 ~~state universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE**
10 **UNIVERSITIES** shall provide a listing of new degree programs for
11 which enrollment information will be reported to HEIDI under
12 sections 241 and 289, as well as a listing of degree programs that
13 institutions of higher education will no longer offer in subsequent
14 academic years, to the house and senate appropriations
15 subcommittees on higher education, the house and senate fiscal
16 agencies, and the state budget director.

17 Enacting section 1. (1) In accordance with section 30 of
18 article IX of the state constitution of 1963, total state spending
19 from state sources on state school aid under article I of the state
20 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as
21 amended by 2015 PA 85, 2015 PA 139, and this amendatory act for
22 fiscal year 2015-2016 is estimated at \$12,060,439,300.00 and state
23 appropriations for school aid to be paid to local units of
24 government for fiscal year 2015-2016 are estimated at
25 \$11,929,809,800.00. In accordance with section 30 of article IX of
26 the state constitution of 1963, total state spending on school aid
27 under article I of the state school aid act of 1979, 1979 PA 94,

1 MCL 388.1601 to 388.1772, as amended by this amendatory act, from
2 state sources for fiscal year 2016-2017 is estimated at
3 \$12,369,050,200.00 and state appropriations for school aid to be
4 paid to local units of government for fiscal year 2016-2017 are
5 estimated at \$12,210,009,400.00.

6 (2) In accordance with section 30 of article IX of the state
7 constitution of 1963, total state spending from state sources for
8 community colleges for fiscal year 2016-2017 under article II of
9 the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to
10 388.1830a, as amended by this amendatory act, is estimated at
11 \$402,116,300.00 and the amount of that state spending from state
12 sources to be paid to local units of government for fiscal year
13 2016-2017 is estimated at \$402,116,300.00.

14 (3) In accordance with section 30 of article IX of the state
15 constitution of 1963, total state spending from state sources for
16 higher education for fiscal year 2016-2017 under article III of the
17 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1893,
18 as amended by this amendatory act, is estimated at
19 \$1,487,256,900.00 and the amount of that state spending from state
20 sources to be paid to local units of government for fiscal year
21 2016-2017 is estimated at \$0.00.

22 Enacting section 2. Sections 22i, 25e, 31h, 43, 99c, 104b,
23 104c, 104d, 230a, and 293 of the state school aid act of 1979, 1979
24 PA 94, MCL 388.1622i, 388.1625e, 388.1631h, 388.1643, 388.1699c,
25 388.1704b, 388.1704c, 388.1704d, 388.1830a, and 388.1893, are
26 repealed effective October 1, 2016.

27 Enacting section 3. (1) Except as otherwise provided in

1 subsection (2), this amendatory act takes effect October 1, 2016.

2 (2) Sections 11, 11j, 22a, 22b, 24a, 26a, 26c, 31f, 51a, 51c,
3 and 61a of the state school aid act of 1979, 1979 PA 94, MCL
4 388.1611, 388.1611j, 388.1622a, 388.1622b, 388.1624a, 388.1626a,
5 388.1626c, 388.1631f, 388.1651a, 388.1651c, and 388.1661a, as
6 amended by this amendatory act, and section 11s of the state school
7 aid act of 1979, 1979 PA 94, MCL 388.1611s, as added by this
8 amendatory act, take effect upon enactment of this amendatory act.