

# SENATE BILL No. 201

March 12, 2015, Introduced by Senator HILDENBRAND and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled

"The state school aid act of 1979,"

by amending sections 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 18a, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22f, 22g, 22i, 23a, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 43, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 95a, 98, 99, 99h, 102, 104, 104c, 107, 147, 147a, 147c, 152a, 163, 201, 206, 207a, 207b, 207c, 209, 210, 213, 217, 222, 225, 226, 229, 229a, 230, 236, 236b, 236c, 241, 242, 245, 246, 252, 254, 255, 256, 258, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, and 286 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611r, 388.1615, 388.1618, 388.1618a, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622f, 388.1622g, 388.1622i, 388.1623a, 388.1624,

388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1643, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1664b, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699, 388.1699h, 388.1702, 388.1704, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1763, 388.1801, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810, 388.1813, 388.1817, 388.1822, 388.1825, 388.1826, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836b, 388.1836c, 388.1841, 388.1842, 388.1845, 388.1846, 388.1852, 388.1854, 388.1855, 388.1856, 388.1858, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, and 388.1886), sections 6, 8b, 11, 11a, 11j, 11k, 11m, 15, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22f, 22g, 22i, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 104, 107, 147, 147a, 147c, 152a, 163, 201, 206, 209, 217, 225, 229, 229a, 230, 236, 236b, 236c, 241, 245, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 11r, 43, 64b, 95a, 104c, 207a, 207b, and 207c as added by 2014 PA 196, section 18 as amended by 2014 PA 476, section 18a as amended by 2004 PA 351, section 23a as added by 2012 PA 465, sections 102, 210, and 258 as amended by 2013 PA 60, sections 213, 222, 226, 242, 254, 255, and 286 as amended by 2012 PA 201, and by adding sections 31c, 35, 35a, 35b, 35c, 35d, 35e, 35f, 35g, 61b, 67, 103a, 103b, 103c, 215, and 260; and to repeal acts and parts of acts.

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

1

**ARTICLE I**

2

Sec. 6. (1) "Center program" means a program operated by a district or by an

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intermediate district for special education pupils from several districts in programs

1 for pupils with autism spectrum disorder, pupils with severe cognitive impairment,  
2 pupils with moderate cognitive impairment, pupils with severe multiple impairments,  
3 pupils with hearing impairment, pupils with visual impairment, and pupils with  
4 physical impairment or other health impairment. Programs for pupils with emotional  
5 impairment housed in buildings that do not serve regular education pupils also  
6 qualify. Unless otherwise approved by the department, a center program either shall  
7 serve all constituent districts within an intermediate district or shall serve several  
8 districts with less than 50% of the pupils residing in the operating district. In  
9 addition, special education center program pupils placed part-time in noncenter  
10 programs to comply with the least restrictive environment provisions of section 612 of  
11 part B of the individuals with disabilities education act, 20 USC 1412, may be  
12 considered center program pupils for pupil accounting purposes for the time scheduled  
13 in either a center program or a noncenter program.

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

17 (3) "District and high school graduation report" means a report of the number  
18 of pupils, excluding adult participants, in the district for the immediately preceding  
19 school year, adjusted for those pupils who have transferred into or out of the  
20 district or high school, who leave high school with a diploma or other credential of  
21 equal status.

22 (4) "Membership", except as otherwise provided in this article, means for a  
23 district, a public school academy, the education achievement system, or an  
24 intermediate district the sum of the product of .90 times the number of full-time  
25 equated pupils in grades K to 12 actually enrolled and in regular daily attendance on  
26 the pupil membership count day for the current school year, plus the product of .10  
27 times the final audited count from the supplemental count day for the current school

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

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

25 (b) If a pupil is educated in a district other than the pupil's district of  
26 residence, if the pupil is not being educated as part of a cooperative education  
27 program, if the pupil's district of residence does not give the educating district its

1 approval to count the pupil in membership in the educating district, and if the pupil  
2 is not covered by an exception specified in subsection (6) to the requirement that the  
3 educating district must have the approval of the pupil's district of residence to  
4 count the pupil in membership, the pupil shall not be counted in membership in any  
5 district.

6 (c) A special education pupil educated by the intermediate district shall be  
7 counted in membership in the intermediate district.

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

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

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

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

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

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

27 (i) If operations begin before the pupil membership count day for the fiscal

1 year, membership is the average number of full-time equated pupils in grades K to 12  
2 actually enrolled and in regular daily attendance on the pupil membership count day  
3 for the current school year and on the supplemental count day for the current school  
4 year, as determined by the department and calculated by adding the number of pupils  
5 registered for attendance on the pupil membership count day plus pupils received by  
6 transfer and minus pupils lost as defined by rules promulgated by the superintendent,  
7 and as corrected by a subsequent department audit, plus the final audited count from  
8 the supplemental count day for the current school year, and dividing that sum by 2.

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

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

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

25 (l) To be counted in membership, a pupil shall meet the minimum age requirement  
26 to be eligible to attend school under section 1147 of the revised school code, MCL  
27 380.1147, or shall be enrolled under subsection (3) of that section, and shall be less

1 than 20 years of age on September 1 of the school year except as follows:

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

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

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

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

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

12 (D) **IS CONSIDERED TO BE HOMELESS UNDER THE STEWART B. MCKINNEY HOMELESS**  
13 **ASSISTANCE ACT, 42 USC 11302.**

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

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

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

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

21           (ii) If the public school academy or the education achievement system provides  
22 instruction for less than 1/2 of the class hours specified in subdivision (q), the  
23 district or intermediate district providing the remainder of the hours of instruction  
24 shall receive as its prorated share of the full-time equated membership for each of  
25 those pupils an amount equal to 1 times the product of the hours of instruction the  
26 district or intermediate district provides divided by the number of hours specified in  
27 subdivision (q) for full-time equivalency, and the remainder of the full-time



1 membership for each of those pupils shall be allocated to the public school academy or  
2 the education achievement system.

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

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

9 (q) The number of class hours used to calculate full-time equated memberships  
10 shall be consistent with section 101(3). In determining full-time equated memberships  
11 for pupils who are enrolled in a postsecondary institution, a pupil shall not be  
12 considered to be less than a full-time equated pupil solely because of the effect of  
13 his or her postsecondary enrollment, including necessary travel time, on the number of  
14 class hours provided by the district to the pupil.

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

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

1 system that has pupils enrolled in a grade level that was not offered by the district,  
2 the public school academy, or the education achievement system in the immediately  
3 preceding school year, the number of pupils enrolled in that grade level to be counted  
4 in membership is the average of the number of those pupils enrolled and in regular  
5 daily attendance on the pupil membership count day and the supplemental count day of  
6 the current school year, as determined by the department. Membership shall be  
7 calculated by adding the number of pupils registered for attendance in that grade  
8 level on the pupil membership count day plus pupils received by transfer and minus  
9 pupils lost as defined by rules promulgated by the superintendent, and as corrected by  
10 subsequent department audit, plus the final audited count from the supplemental count  
11 day for the current school year, and dividing that sum by 2.

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

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

27 (i) The district provides at least 2 nonconsecutive hours of instruction per

1 week to the pupil at the pupil's home or otherwise apart from the general school  
2 population under the supervision of a certificated teacher.

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

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

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

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

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

25 (x) If a district's membership for a particular fiscal year, as otherwise  
26 calculated under this subsection, would be less than 1,550 pupils and the district has  
27 4.5 or fewer pupils per square mile, as determined by the department, and if the

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

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

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

16 (y) Full-time equated memberships for special education pupils who are not  
17 enrolled in kindergarten but are enrolled in a classroom program under R 340.1754 of  
18 the Michigan administrative code shall be determined by dividing the number of class  
19 hours scheduled and provided per year by 450. Full-time equated memberships for  
20 special education pupils who are not enrolled in kindergarten but are receiving early  
21 childhood special education services under R 340.1755 or 340.1862 of the Michigan  
22 administrative code shall be determined by dividing the number of hours of service  
23 scheduled and provided per year per pupil by 180.

24 (z) A pupil of a district that begins its school year after Labor day who is  
25 enrolled in an intermediate district program that begins before Labor day shall not be  
26 considered to be less than a full-time pupil solely due to instructional time  
27 scheduled but not attended by the pupil before Labor day.

1 (aa) For the first year in which a pupil is counted in membership on the pupil  
2 membership count day in a middle college program, the membership is the average of the  
3 full-time equated membership on the pupil membership count day and on the supplemental  
4 count day for the current school year, as determined by the department.

5 (bb) A district, a public school academy, or the education achievement system  
6 that educates a pupil who attends a United States Olympic education center may count  
7 the pupil in membership regardless of whether or not the pupil is a resident of this  
8 state.

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

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

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

27 (ii) The pupil meets the district's definition under section 23a of

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

6 **(EE) A PUPIL ENROLLED IN AN ONLINE COURSE UNDER SECTION 21F SHALL BE COUNTED IN**  
7 **MEMBERSHIP IN THE PUPIL'S RESIDENT DISTRICT, REFERRED TO IN SECTION 21F AS THE PRIMARY**  
8 **DISTRICT FOR THE ONLINE COURSE ENROLLMENT.**

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

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

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

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

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

21 (d) A pupil enrolled in a district other than the pupil's district of residence  
22 under an intermediate district schools of choice pilot program as described in section  
23 91a or former section 91 if the intermediate district and its constituent districts  
24 have been exempted from section 105.

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

27 (f) A pupil who has made an official written complaint or whose parent or legal

1 guardian has made an official written complaint to law enforcement officials and to  
2 school officials of the pupil's district of residence that the pupil has been the  
3 victim of a criminal sexual assault or other serious assault, if the official  
4 complaint either indicates that the assault occurred at school or that the assault was  
5 committed by 1 or more other pupils enrolled in the school the pupil would otherwise  
6 attend in the district of residence or by an employee of the district of residence. A  
7 person who intentionally makes a false report of a crime to law enforcement officials  
8 for the purposes of this subdivision is subject to section 411a of the Michigan penal  
9 code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for that conduct.

10 As used in this subdivision:

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

14 (ii) "Serious assault" means an act that constitutes a felony violation of  
15 chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90h, or that  
16 constitutes an assault and infliction of serious or aggravated injury under section  
17 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

12 (i) Fourth Wednesday in July.

13 (ii) First Wednesday in October.

14 (iii) Second Wednesday in February.

15 (iv) Fourth Wednesday in April.

16 (8) "Pupils in grades K to 12 actually enrolled and in regular daily  
17 attendance" means pupils in grades K to 12 in attendance and receiving instruction in  
18 all classes for which they are enrolled on the pupil membership count day or the  
19 supplemental count day, as applicable. Except as otherwise provided in this  
20 subsection, a pupil who is absent from any of the classes in which the pupil is  
21 enrolled on the pupil membership count day or supplemental count day and who does not  
22 attend each of those classes during the 10 consecutive school days immediately  
23 following the pupil membership count day or supplemental count day, except for a pupil  
24 who has been excused by the district, shall not be counted as 1.0 full-time equated  
25 membership. A pupil who is excused from attendance on the pupil membership count day  
26 or supplemental count day and who fails to attend each of the classes in which the  
27 pupil is enrolled within 30 calendar days after the pupil membership count day or

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

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

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

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

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

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

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

27 (15) "Supplemental count day" means the day on which the supplemental pupil

1 count is conducted under section 6a.

2 (16) "Tuition pupil" means a pupil of school age attending school in a district  
3 other than the pupil's district of residence for whom tuition may be charged to the  
4 district of residence. Tuition pupil does not include a pupil who is a special  
5 education pupil, a pupil described in subsection (6)(c) to (p), or a pupil whose  
6 parent or guardian voluntarily enrolls the pupil in a district that is not the pupil's  
7 district of residence. A pupil's district of residence shall not require a high school  
8 tuition pupil, as provided under section 111, to attend another school district after  
9 the pupil has been assigned to a school district.

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

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

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

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

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

27 (2) If the department does not assign a district code to a public school

1 academy within the 30-day period described in subsection (1), the district code the  
 2 department shall use to make payments under this article to the newly authorized  
 3 public school academy shall be a number that is equivalent to the sum of the last  
 4 district code assigned to a public school academy located in the same county as the  
 5 newly authorized public school academy plus 1. However, if there is not an existing  
 6 public school academy located in the same county as the newly authorized public school  
 7 academy, then the district code the department shall use to make payments under this  
 8 article to the newly authorized public school academy shall be a 5-digit number that  
 9 has the county code in which the public school academy is located as its first 2  
 10 digits, 9 as its third digit, 0 as its fourth digit, and 1 as its fifth digit. If the  
 11 number of public school academies in a county grows to exceed 100, the third digit in  
 12 this 5-digit number shall then be 7 for the public school academies in excess of 100.

13 (3) FOR EACH SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL AUTHORIZED BY A SCHOOL  
 14 DISTRICT, INTERMEDIATE SCHOOL DISTRICT, COMMUNITY COLLEGE OR OTHER NON-STATEWIDE  
 15 AUTHORIZING ENTITY UNDER THE REVISED SCHOOL CODE AND IS ELIGIBLE TO RECEIVE FUNDING  
 16 UNDER THIS ARTICLE, THE DEPARTMENT SHALL ASSIGN A DISTRICT CODE THAT INCLUDES THE  
 17 COUNTY CODE IN WHICH THE AUTHORIZING BODY IS LOCATED AS THE FIRST TWO DIGITS.

18 Sec. 11. (1) For the fiscal year ending September 30, ~~2014,~~ 2016 there is  
 19 appropriated for the public schools of this state and certain other state purposes  
 20 relating to education the sum of ~~\$11,200,232,300.00~~ \$12,137,294,700.00 from the state  
 21 school aid fund, ~~the sum of \$156,000,000.00 from the MPSERS retirement obligation~~  
 22 ~~reform reserve fund created under section 147b,~~ and the sum of \$149,900,000.00  
 23 \$45,900,000.00 from the general fund. ~~For the fiscal year ending September 30, 2015,~~  
 24 ~~there is appropriated for the public schools of this state and certain other state~~  
 25 ~~purposes relating to education the sum of \$11,929,262,900.00 from the state school aid~~  
 26 ~~fund, the sum of \$18,000,000.00 from the MPSERS retirement obligation reform reserve~~  
 27 ~~fund created under section 147b, and the sum of \$114,900,000.00 from the general fund.~~

1 In addition, all other available federal funds are appropriated ~~each fiscal year~~ for  
2 the fiscal year ending September 30, ~~2014 and for the fiscal year ending September 30,~~  
3 ~~2015- 2016.~~

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

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

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

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

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

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

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

21 (3) Money available in the school aid stabilization fund may not be expended  
22 without a specific appropriation from the school aid stabilization fund. Money in the  
23 school aid stabilization fund shall be expended only for purposes for which state  
24 school aid fund money may be expended.

25 (4) The state treasurer shall direct the investment of the school aid  
26 stabilization fund. The state treasurer shall credit to the school aid stabilization  
27 fund interest and earnings from fund investments.

1 (5) Money in the school aid stabilization fund at the close of a fiscal year  
2 shall remain in the school aid stabilization fund and shall not lapse to the  
3 unreserved school aid fund balance or the general fund.

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

14 (7) For ~~2014-2015~~ 2015-2016, in addition to the appropriations in section 11,  
15 there is appropriated from the school aid stabilization fund to the state school aid  
16 fund the amount necessary to fully fund the allocations under this article.

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

23 Sec. 11k. For ~~2014-2015~~ 2015-2016, there is appropriated from the general fund  
24 to the school loan revolving fund an amount equal to the amount of school bond loans  
25 assigned to the Michigan finance authority, not to exceed the total amount of school  
26 bond loans held in reserve as long-term assets. As used in this section, "school loan  
27 revolving fund" means that fund created in section 16c of the shared credit rating

1 act, 1985 PA 227, MCL 141.1066c.

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

6 Sec. 11r. (1) From the appropriation in section 11, there is allocated an  
7 amount not to exceed ~~\$4,000,000.00~~ \$75,000,000.00 to be deposited into the distressed  
8 districts ~~emergency grant~~ REHABILITATION fund created under this section for the  
9 purpose of funding grants under this section. **FUNDS ARE INTENDED TO SUPPORT THE**  
10 **REHABILITATION OF SCHOOL DISTRICTS EXPERIENCING SEVERE ACADEMIC AND FINANCIAL STRESS**  
11 **IN ORDER TO MITIGATE THE IMPACT ON STUDENT LEARNING.**

12 (2) The distressed districts ~~emergency grant~~ REHABILITATION fund is created as  
13 a separate account within the state school aid fund. The state treasurer may receive  
14 money or other assets from any source for deposit into the distressed districts  
15 ~~emergency grant~~ REHABILITATION fund. The state treasurer shall direct the investment  
16 of the distressed districts ~~emergency grant~~ REHABILITATION fund and shall credit to  
17 the distressed districts ~~emergency grant~~ REHABILITATION fund interest and earnings  
18 from the fund.

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

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

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

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

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

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

19           (4) ~~(7)~~ Money in the distressed districts ~~emergency grant~~ **REHABILITATION** fund  
20 at the close of a fiscal year shall remain in the distressed districts ~~emergency grant~~  
21 **REHABILITATION** fund and shall not lapse to the state school aid fund or to the general  
22 fund.

23           Sec. 15. (1) If a district or intermediate district fails to receive its proper  
24 apportionment, the department, upon satisfactory proof that the district or  
25 intermediate district was entitled justly, shall apportion the deficiency in the next  
26 apportionment. Subject to subsections (2) and (3), if a district or intermediate  
27 district has received more than its proper apportionment, the department, upon



1 satisfactory proof, shall deduct the excess in the next apportionment. Notwithstanding  
2 any other provision in this article, state aid overpayments to a district, other than  
3 overpayments in payments for special education or special education transportation,  
4 may be recovered from any payment made under this article other than a special  
5 education or special education transportation payment, from the proceeds of a loan to  
6 the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to  
7 141.942, or from the proceeds of millage levied or pledged under section 1211 of the  
8 revised school code, MCL 380.1211. State aid overpayments made in special education or  
9 special education transportation payments may be recovered from subsequent special  
10 education or special education transportation payments, from the proceeds of a loan to  
11 the district 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 section 1211 of the  
13 revised school code, MCL 380.1211.

14 (2) If the result of an audit conducted by or for the department affects the  
15 current fiscal year membership, affected payments shall be adjusted in the current  
16 fiscal year. A deduction due to an adjustment made as a result of an audit conducted  
17 by or for the department, or as a result of information obtained by the department  
18 from the district, an intermediate district, the department of treasury, or the office  
19 of auditor general, shall be deducted from the district's apportionments when the  
20 adjustment is finalized. At the request of the district and upon the district  
21 presenting evidence satisfactory to the department of the hardship, the department may  
22 grant up to an additional 4 years for the adjustment and may advance payments to the  
23 district otherwise authorized under this article if the district would otherwise  
24 experience a significant hardship in satisfying its financial obligations.

25 (3) If, based on an audit by the department or the department's designee or  
26 because of new or updated information received by the department, the department  
27 determines that the amount paid to a district or intermediate district under this

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

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

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

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

23 Sec. 18. (1) Except as provided in another section of this article, each  
24 district or other entity shall apply the money received by the district or entity  
25 under this article to salaries and other compensation of teachers and other employees,  
26 tuition, transportation, lighting, heating, ventilation, water service, the purchase  
27 of textbooks, other supplies, and any other school operating expenditures defined in

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

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

16 (a) The annual operating budget and subsequent budget revisions.

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

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

21 (A) Salaries and wages.

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

24 (C) Retirement benefit costs.

25 (D) All other personnel costs.

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

1 (A) Instruction.

2 (B) Support services.

3 (C) Business and administration.

4 (D) Operations and maintenance.

5 (c) Links to all of the following:

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

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

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

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

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

17 (vi) The district's written policy establishing specific categories of  
18 reimbursable expenses, as described in section 1254(2) of the revised school code, MCL  
19 380.1254.

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

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

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

1 (f) The annual amount spent on lobbying or lobbying services. As used in this  
2 subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL  
3 4.415.

4 (g) Any deficit elimination plan or enhanced deficit elimination plan the  
5 district was required to submit under this article.

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

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

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

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

21 (a) The department shall require that each district and intermediate district  
22 have an audit of the district's or intermediate district's financial and pupil  
23 accounting records conducted at least annually, and at such other times as determined  
24 by the department, at the expense of the district or intermediate district, as  
25 applicable. The audits must be performed by a certified public accountant or by the  
26 intermediate district superintendent, as may be required by the department, or in the  
27 case of a district of the first class by a certified public accountant, the

1 intermediate superintendent, or the auditor general of the city. A district or  
2 intermediate district shall retain these records for the current fiscal year and from  
3 at least the 3 immediately preceding fiscal years.

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

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

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

19 (e) All of the following shall be done not later than November 15, ~~2014~~ 2015  
20 for reporting ~~2013-2014~~ 2014-2015 data during ~~2014-2015~~ 2015-2016, and not later than  
21 ~~October 15~~ NOVEMBER 1 for reporting the prior fiscal year data for all subsequent  
22 fiscal years:

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

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

27 (iii) The intermediate district shall enter the pupil membership audit reports

1 for its constituent districts and for the intermediate district, for the pupil  
2 membership count day and supplemental count day, in the Michigan student data system.

3 (f) The annual financial audit reports and pupil accounting procedures reports  
4 shall be available to the public in compliance with the freedom of information act,  
5 1976 PA 442, MCL 15.231 to 15.246.

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

11 (5) By November 15, ~~2014 2015~~ for ~~2014-2015~~ 2015-2016 and by ~~October 15~~  
12 **NOVEMBER 1** for all subsequent fiscal years, each district and intermediate district  
13 shall submit to the center, in a manner prescribed by the center, annual comprehensive  
14 financial data consistent with accounting manuals and charts of accounts approved and  
15 published by the department. For an intermediate district, the report shall also  
16 contain the website address where the department can access the report required under  
17 section 620 of the revised school code, MCL 380.620. The department shall ensure that  
18 the prescribed Michigan public school accounting manual chart of accounts includes  
19 standard conventions to distinguish expenditures by allowable fund function and  
20 object. The functions shall include at minimum categories for instruction, pupil  
21 support, instructional staff support, general administration, school administration,  
22 business administration, transportation, facilities operation and maintenance,  
23 facilities acquisition, and debt service; and shall include object classifications of  
24 salary, benefits, including categories for active employee health expenditures,  
25 purchased services, supplies, capital outlay, and other. Districts shall report the  
26 required level of detail consistent with the manual as part of the comprehensive  
27 annual financial report.

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

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

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

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

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

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



1 **DISTRICT OR INTERMEDIATE DISTRICT FORFEITS THE AMOUNT WITHHELD.**

2 (12) ~~(11)~~ Not later than November 1, ~~2014~~ 2015, if a district or intermediate  
3 district offers online learning under section 21f, the district or intermediate  
4 district shall submit to the department a report that details the per-pupil costs of  
5 operating the online learning by vendor type. The report shall include at least all of  
6 the following information concerning the operation of online learning for the school  
7 fiscal year ending June 30, ~~2014~~ 2015:

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

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

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

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

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

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

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

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

1           (13) ~~(12)~~ Not later than March 31, ~~2015~~ 2016, the department shall submit to  
 2 the house and senate appropriations subcommittees on state school aid, the state  
 3 budget director, and the house and senate fiscal agencies a report summarizing the per  
 4 pupil costs by vendor type of online courses available under section 21f.

5           (14) ~~(13)~~ As used in subsections ~~(11)~~ and (12) **AND (13)**, "vendor type" means  
 6 the following:

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

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

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

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

13           Sec. 18a. Grant funds awarded and allotted to a district, intermediate  
 14 district, or other entity, unless otherwise specified in this ~~act~~ **ARTICLE**, shall be  
 15 expended by the grant recipient before the end of the ~~school~~ fiscal year immediately  
 16 following the fiscal year in which the funds are received. If a grant recipient does  
 17 not expend the funds received under this ~~act~~ **ARTICLE** before the end of the fiscal year  
 18 in which the funds are received, the grant recipient shall submit a report to the  
 19 department not later than November 1 after the fiscal year in which the funds are  
 20 received indicating whether it expects to expend those funds during the fiscal year in  
 21 which the report is submitted. A recipient of a grant shall return any unexpended  
 22 grant funds to the department in the manner prescribed by the department not later  
 23 than September 30 after the fiscal year in which the funds are received.

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

25           (a) The basic foundation allowance is ~~\$8,099.00~~ **\$8,174.00**.

26           (b) The minimum foundation allowance is ~~\$7,126.00~~ **\$7,326.00**.

27           (2) The amount of each district's foundation allowance shall be calculated as

1 provided in this section, using a basic foundation allowance in the amount specified  
2 in subsection (1).

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

7 (a) Except as otherwise provided in this subdivision, for a district that had a  
8 foundation allowance for the immediately preceding state fiscal year that was equal to  
9 the minimum foundation allowance for the immediately preceding state fiscal year, but  
10 less than the basic foundation allowance for the immediately preceding state fiscal  
11 year, the district shall receive a foundation allowance in an amount equal to the sum  
12 of the district's foundation allowance for the immediately preceding state fiscal year  
13 plus the difference between twice the dollar amount of the adjustment from the  
14 immediately preceding state fiscal year to the current state fiscal year made in the  
15 basic foundation allowance and [(the difference between the basic foundation allowance  
16 for the current state fiscal year and basic foundation allowance for the immediately  
17 preceding state fiscal year minus \$10.00) times (the difference between the district's  
18 foundation allowance for the immediately preceding state fiscal year and the minimum  
19 foundation allowance for the immediately preceding state fiscal year) divided by the  
20 difference between the basic foundation allowance for the current state fiscal year  
21 and the minimum foundation allowance for the immediately preceding state fiscal year].  
22 However, the foundation allowance for a district that had less than the basic  
23 foundation allowance for the immediately preceding state fiscal year shall not exceed  
24 the basic foundation allowance for the current state fiscal year. For the purposes of  
25 this subdivision, for ~~2014-2015~~ 2015-2016, the minimum foundation allowance for the  
26 immediately preceding state fiscal year shall be considered to be ~~\$7,076.00~~ \$7,251.00.  
27 For ~~2014-2015~~ 2015-2016, for a district that had a foundation allowance for the

1 immediately preceding state fiscal year that was at least equal to the minimum  
2 foundation allowance for the immediately preceding state fiscal year but less than the  
3 basic foundation allowance for the immediately preceding state fiscal year, the  
4 district shall receive a foundation allowance in an amount equal to the district's  
5 foundation allowance for ~~2013-2014~~ 2014-2015 plus ~~\$50.00~~ \$75.00.

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

11 (c) For a district that had a foundation allowance for the immediately  
12 preceding state fiscal year that was greater than the basic foundation allowance for  
13 the immediately preceding state fiscal year, the district's foundation allowance is an  
14 amount equal to the sum of the district's foundation allowance for the immediately  
15 preceding state fiscal year plus the lesser of the increase in the basic foundation  
16 allowance for the current state fiscal year, as compared to the immediately preceding  
17 state fiscal year, or the product of the district's foundation allowance for the  
18 immediately preceding state fiscal year times the percentage increase in the United  
19 States consumer price index in the calendar year ending in the immediately preceding  
20 fiscal year as reported by the May revenue estimating conference conducted under  
21 section 367b 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 a whole dollar  
23 amount, the district's foundation allowance shall be rounded up to the nearest whole  
24 dollar.

25 (e) For a district that received a payment under section 22c as that section  
26 was in effect for ~~2013-2014~~ 2014-2015, the district's ~~2013-2014~~ 2014-2015 foundation  
27 allowance shall be considered to have been an amount equal to the sum of the

1 district's actual ~~2013-2014~~ 2014-2015 foundation allowance as otherwise calculated  
2 under this section plus the per pupil amount of the district's equity payment for  
3 ~~2013-2014~~ 2014-2015 under section 22c as that section was in effect for ~~2013-2014~~  
4 2014-2015.

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

24 (5) The allocation calculated under this section for a pupil shall be based on  
25 the foundation allowance of the pupil's district of residence. For a pupil enrolled  
26 pursuant to section 105 or 105c in a district other than the pupil's district of  
27 residence, the allocation calculated under this section shall be based on the lesser

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

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

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

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

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

1 effective date of the consolidation or annexation shall be the lesser of the sum of  
2 the average of the foundation allowances of each of the original or affected  
3 districts, calculated as provided in this section, weighted as to the percentage of  
4 pupils in total membership in the resulting district who reside in the geographic area  
5 of each of the original or affected districts plus \$100.00 or the highest foundation  
6 allowance among the original or affected districts. This subsection does not apply to  
7 a receiving district unless there is a subsequent consolidation or annexation that  
8 affects the district.

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

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

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

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



1 conference.

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

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

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

26 (13) If an amendment to section 2 of article VIII of the state constitution of  
27 1963 allowing state aid to some or all nonpublic schools is approved by the voters of

1 this state, each foundation allowance or per pupil payment calculation under this  
2 section may be reduced.

3 (14) As used in this section:

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

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

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

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

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

17 (f) "Immediately preceding state fiscal year" means the state fiscal year  
18 immediately preceding the current state fiscal year.

19 (g) "Local portion of the district's foundation allowance" means an amount that  
20 is equal to the difference between (the sum of the product of the taxable value per  
21 membership pupil of all property in the district that is nonexempt property times the  
22 district's certified mills and, for a district with certified mills exceeding 12, the  
23 product of the taxable value per membership pupil of property in the district that is  
24 commercial personal property times the certified mills minus 12 mills) and (the  
25 quotient of the product of the captured assessed valuation under tax increment  
26 financing acts times the district's certified mills divided by the district's  
27 membership excluding special education pupils).

1 (h) "Local school operating revenue" means school operating taxes levied under  
2 section 1211 of the revised school code, MCL 380.1211. For a receiving district, if  
3 school operating taxes are to be levied on behalf of a dissolved district that has  
4 been attached in whole or in part to the receiving district to satisfy debt  
5 obligations of the dissolved district under section 12 of the revised school code, MCL  
6 380.12, local school operating revenue does not include school operating taxes levied  
7 within the geographic area of the dissolved district.

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

11 (j) "Maximum public school academy allocation", except as otherwise provided in  
12 this subdivision, means the maximum per-pupil allocation as calculated by adding the  
13 highest per-pupil allocation among all public school academies for the immediately  
14 preceding state fiscal year plus the difference between twice the amount of the  
15 difference between the basic foundation allowance for the current state fiscal year  
16 and the basic foundation for the immediately preceding state fiscal year and [(the  
17 amount of the difference between the basic foundation allowance for the current state  
18 fiscal year and the basic foundation for the immediately preceding state fiscal year  
19 minus \$10.00) times (the difference between the highest per-pupil allocation among all  
20 public school academies for the immediately preceding state fiscal year and the  
21 minimum foundation allowance for the immediately preceding state fiscal year) divided  
22 by the difference between the basic foundation allowance for the current state fiscal  
23 year and the minimum foundation allowance for the immediately preceding state fiscal  
24 year]. For the purposes of this subdivision, for ~~2014-2015, the minimum foundation~~  
25 ~~allowance for the immediately preceding state fiscal year shall be considered to be~~  
26 ~~\$7,076.00. For 2014-2015~~ 2015-2016, the maximum public school academy allocation is  
27 ~~\$7,218.00~~ \$7,326.00.

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

3 (l) "Nonexempt property" means property that is not a principal residence,  
4 qualified agricultural property, qualified forest property, supportive housing  
5 property, industrial personal property, or commercial personal property.

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

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

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

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

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

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

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

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

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

1 for 1993-94 included resident pupils attending the center program and excluded  
2 nonresident pupils attending the center program.

3 Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an  
4 amount not to exceed \$6,000,000.00 for ~~2014-2015~~ 2015-2016 for payments to eligible  
5 districts under this section. A district is eligible for funding under this section if  
6 the district received a payment under this section as it was in effect for 2013-2014.  
7 A district was eligible for funding in 2013-2014 if the sum of the following was less  
8 than \$5.00:

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

11 (b) The district's equity payment per membership pupil under section 22c for  
12 2013-2014.

13 (c) The quotient of the district's allocation under section 147a for 2012-2013  
14 divided by the district's membership pupils for 2012-2013 minus the quotient of the  
15 district's allocation under section 147a for 2013-2014 divided by the district's  
16 membership pupils for 2013-2014.

17 (2) The amount allocated to each eligible district under this section is an  
18 amount per membership pupil equal to the amount per membership pupil the district  
19 received in 2013-2014.

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

23 Sec. 20g. (1) From the money appropriated under section 11, there is allocated  
24 an amount not to exceed \$2,200,000.00 for ~~2014-2015~~ 2015-2016 for grants to eligible  
25 districts that first received payments under this section in 2013-2014 for transition  
26 costs related to the enrollment of pupils who were previously enrolled in a district  
27 that was dissolved under section 12 of the revised school code, MCL 380.12, allocated

1 as provided under subsection (3). Payments under this section shall continue for a  
2 total of 4 fiscal years following the dissolution of a district, after which the  
3 payments shall cease.

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

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

13 (4) As used in this section, "dissolved school district" means a school  
14 district that has been declared dissolved under section 12 of the revised school code,  
15 1976 PA 451, MCL 380.12.

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

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

1 legal guardian is not required if the pupil is at least age 18 or is an emancipated  
2 minor.

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

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

18 (5) A **PRIMARY** district may deny a pupil enrollment in an online course if any  
19 of the following apply, as determined by the district:

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

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

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

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



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

5 (f) The cost of the online course exceeds the amount identified in subsection  
6 ~~(8)~~ (10), unless the pupil's parent or legal guardian agrees to pay the cost that  
7 exceeds this amount.

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

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

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

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

1 of online courses maintained by the Michigan virtual university.

2 (B) ASSIGN TO EACH PUPIL A TEACHER OF RECORD AND PROVIDE THE PRIMARY DISTRICT  
3 WITH THE PERSONAL IDENTIFICATION CODE FOR THE TEACHER OF RECORD.

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

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

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

13 (A) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE COURSE SYLLABUS IN A FORM  
14 AND METHOD PRESCRIBED BY THE MICHIGAN VIRTUAL UNIVERSITY FOR INCLUSION IN A STATEWIDE  
15 ONLINE COURSE CATALOG.

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

18 (C) OFFER ONLINE COURSES UNDER THIS SECTION THAT CAN GENERATE POSTSECONDARY  
19 CREDIT.

20 (D) BEGINNING WITH OCTOBER 1, 2016, AND EACH YEAR THEREAFTER, PROVIDE THE  
21 MICHIGAN VIRTUAL UNIVERSITY WITH THE NUMBER OF ENROLLMENTS IN EACH ONLINE COURSE THE  
22 COMMUNITY COLLEGE PROVIDED TO PUPILS PURSUANT TO THIS SECTION IN THE IMMEDIATELY  
23 PRECEDING SCHOOL YEAR, AND THE NUMBER OF ENROLLMENTS IN WHICH THE PUPIL EARNED 60% OR  
24 MORE OF THE TOTAL COURSE POINTS FOR EACH ONLINE COURSE.

25 (E) ONLINE COURSES MADE AVAILABLE UNDER THIS SECTION BY A COMMUNITY COLLEGE  
26 REQUIRE AN INSTRUCTOR EMPLOYED BY OR CONTRACTED THROUGH THE COMMUNITY COLLEGE.

27 (9) THE PRIMARY DISTRICT MUST ASSIGN TO EACH PUPIL A MENTOR TO MONITOR THE

1 PUPIL'S PROGRESS DURING THE ONLINE COURSE AND SUPPLY THE PROVIDING DISTRICT WITH THE  
2 MENTOR'S CONTACT INFORMATION.

3 (10) ~~(8)~~ For a pupil enrolled in 1 or more online courses published in the  
4 pupil's ~~educating~~ PRIMARY district's catalog of online courses under subsection (7) or  
5 in the statewide catalog of online courses maintained by the Michigan virtual  
6 university, the PRIMARY district shall use foundation allowance or per pupil funds  
7 calculated under section 20 to pay for the expenses associated with the online course  
8 or courses. ~~The district shall pay 80% of the cost of the online course upon~~  
9 ~~enrollment and 20% upon completion as determined by the district.~~ A district is not  
10 required to pay toward the cost of an online course an amount that exceeds ~~8.33%~~ 6.66%  
11 of the minimum foundation allowance for the current fiscal year as calculated under  
12 section 20.

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

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

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

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

1 (15) ~~(13)~~ As used in this section:

2 (A) "MENTOR" MEANS A PROFESSIONAL EMPLOYEE OF THE PRIMARY DISTRICT WHO MONITORS  
3 THE PUPIL'S PROGRESS, ENSURES THE PUPIL HAS ACCESS TO NEEDED TECHNOLOGY, IS AVAILABLE  
4 FOR ASSISTANCE, AND ENSURES ACCESS TO THE TEACHER OF RECORD. THE ON-SITE MENTOR MAY  
5 ALSO SERVE AS THE TEACHER OF RECORD IF THEY MEET THE DEFINED REQUIREMENTS.

6 (B) ~~(a)~~ "Online course" means a course of study that is capable of generating a  
7 credit or a grade, that is provided in an interactive internet-connected learning  
8 environment, in which pupils are separated from their teachers by time or location, or  
9 both, and in which a teacher who holds a valid Michigan teaching certificate **FOR**  
10 **COURSES PROVIDED BY A DISTRICT OR INTERMEDIATE DISTRICT** is responsible for **PROVIDING**  
11 **INSTRUCTION**, determining appropriate instructional methods for each pupil, diagnosing  
12 learning needs, assessing pupil learning, prescribing intervention strategies,  
13 reporting outcomes, and evaluating the effects of instruction and support strategies.

14 (C) ~~(b)~~ "Online course syllabus" means a document that includes all of the  
15 following:

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

17 (ii) The online course content outline.

18 (iii) The online course required assessments.

19 (iv) The online course prerequisites.

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

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

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

24 (viii) The name of the institution or organization providing the online  
25 content.

26 (ix) The name of the institution or organization providing the online  
27 instructor.

1 (x) The course titles assigned by the district or intermediate district and the  
2 course titles and course codes from the national center for education statistics  
3 (NCES) school codes for the exchange of data (SCED).

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

6 (xii) The results of the online course quality review using the guidelines and  
7 model review process published by the Michigan virtual university.

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

10 (E) ~~(d)~~ "Primary district" means the district that enrolls the pupil and  
11 reports the pupil as a full-time equated pupil for pupil membership purposes.

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

14 (G) "TEACHER OF RECORD" MEANS A MICHIGAN CERTIFIED TEACHER WHO, WHERE  
15 APPLICABLE, IS ENDORSED IN CONTENT AREA AND GRADE. THE TEACHER OF RECORD IS  
16 RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL METHODS FOR EACH  
17 PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION  
18 STRATEGIES, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT  
19 STRATEGIES.

20 Sec. 22a. (1) From the appropriation in section 11, there is allocated an  
21 amount not to exceed ~~\$5,393,000,000.00~~ \$5,277,000,000.00 for 2014-2015 2015-2016 for  
22 payments to districts and qualifying public school academies to guarantee each  
23 district and qualifying public school academy an amount equal to its 1994-95 total  
24 state and local per pupil revenue for school operating purposes under section 11 of  
25 article IX of the state constitution of 1963. Pursuant to section 11 of article IX of  
26 the state constitution of 1963, this guarantee does not apply to a district in a year  
27 in which the district levies a millage rate for school district operating purposes

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

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

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

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

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

24 (3) Beginning in 2003-2004, for pupils in membership in a qualifying public  
25 school academy, there is allocated under this section to the authorizing body that is  
26 the fiscal agent for the qualifying public school academy for forwarding to the  
27 qualifying public school academy an amount equal to the 1994-95 per pupil payment to

1 the qualifying public school academy under section 20.

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

5 (5) Except as otherwise provided in this subsection, for a district that is  
6 formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or  
7 by annexation, the resulting district's 1994-95 foundation allowance under this  
8 section beginning after the effective date of the consolidation or annexation shall be  
9 the average of the 1994-95 foundation allowances of each of the original or affected  
10 districts, calculated as provided in this section, weighted as to the percentage of  
11 pupils in total membership in the resulting district in the state fiscal year in which  
12 the consolidation takes place who reside in the geographic area of each of the  
13 original districts. If an affected district's 1994-95 foundation allowance is less  
14 than the 1994-95 basic foundation allowance, the amount of that district's 1994-95  
15 foundation allowance shall be considered for the purpose of calculations under this  
16 subsection to be equal to the amount of the 1994-95 basic foundation allowance. This  
17 subsection does not apply to a receiving district unless there is a subsequent  
18 consolidation or annexation that affects the district.

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

20 (7) As used in this section:

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

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

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



1 (d) "Current year hold harmless school operating taxes per pupil" means the per  
2 pupil revenue generated by multiplying a district's 1994-95 hold harmless millage by  
3 the district's current year taxable value per membership pupil. For a receiving  
4 district, if school 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 district to satisfy debt  
6 obligations of the dissolved district under section 12 of the revised school code, MCL  
7 380.12, taxable value per membership pupil does not include the taxable value of  
8 property within the geographic area of the dissolved district.

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

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

25 (g) "Homestead", "qualified agricultural property", "qualified forest  
26 property", "supportive housing property", "industrial personal property", and  
27 "commercial personal property" mean those terms as defined in section 1211 of the

1 revised school code, MCL 380.1211.

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

4 (i) "Nonexempt property" means property that is not a principal residence,  
5 qualified agricultural property, qualified forest property, supportive housing  
6 property, industrial personal property, or commercial personal property.

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

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

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

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

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

23 (i) For the number of mills by which the exemption from the levy of school  
24 operating taxes on a homestead, qualified agricultural property, qualified forest  
25 property, supportive housing property, industrial personal property, and commercial  
26 personal property may be reduced as provided in section 1211 of the revised school  
27 code, MCL 380.1211, the taxable value of homestead, qualified agricultural property,

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

8 (ii) For the number of mills of school operating taxes that may be levied on  
9 all property as provided in section 1211(2) of the revised school code, MCL 380.1211,  
10 the taxable value of all property for the calendar year ending in the current state  
11 fiscal year. For a receiving district, if school operating taxes are to be levied on  
12 behalf of a dissolved district that has been attached in whole or in part to the  
13 receiving district to satisfy debt obligations of the dissolved district under section  
14 12 of the revised school code, MCL 380.12, school operating taxes do not include  
15 school operating taxes levied within the geographic area of the dissolved district.

16 Sec. 22b. (1) From the appropriation in section 11, there is allocated an  
17 amount not to exceed ~~\$3,492,000,000.00~~ \$3,662,000,000.00 for ~~2014-2015~~ 2015-2016 for  
18 discretionary nonmandated payments to districts under this section. Funds allocated  
19 under this section that are not expended in the state fiscal year for which they were  
20 allocated, as determined by the department, may be used to supplement the allocations  
21 under sections 22a and 51c in order to fully fund those calculated allocations for the  
22 same fiscal year.

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

27 (3) In order to receive an allocation under subsection (1), each district shall

1 do all of the following:

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

3 (b) Comply with sections 1278a and 1278b of the revised school code, MCL  
4 380.1278a and 380.1278b.

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

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

9 (e) Comply with section 21f.

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

14 (5) From the allocation in subsection (1), the department shall pay up to  
15 \$1,000,000.00 in litigation costs incurred by this state related to commercial or  
16 industrial property tax appeals, including, but not limited to, appeals of  
17 classification, that impact revenues dedicated to the state school aid fund.

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

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

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

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

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

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

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

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

16           Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed  
17 \$2,584,600.00 is allocated for ~~2014-2015~~ 2015-2016 for supplemental payments to rural  
18 districts under this section.

19           (2) From the allocation under subsection (1), there is allocated for ~~2014-2015~~  
20 2015-2016 an amount not to exceed \$957,300.00 for payments under this subsection to  
21 districts that meet all of the following:

22           (a) Operates grades K to 12.

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

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

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

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

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

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

19 (a) The district has 5.0 or fewer pupils per square mile as determined by the  
20 department.

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

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

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

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

10           (2) The amount of the incentive payment under this section is an amount equal  
11 to ~~\$50.00~~ \$20.00 per pupil. A district shall receive an incentive payment under this  
12 section if the district satisfies ~~at least 7 of the following requirements not later~~  
13 ~~than June 1, 2015.~~ **THE REQUIREMENTS OF BOTH FINANCIAL BEST PRACTICES AND ACADEMIC BEST**  
14 **PRACTICES DESCRIBED BELOW NOT LATER THAN JUNE 1, 2016:**

15           ~~(a) If a district provides medical, pharmacy, dental, vision, disability, long-~~  
16 ~~term care, or any other type of benefit that would constitute a health care services~~  
17 ~~benefit, to employees and their dependents, the district is the policyholder for each~~  
18 ~~of its insurance policies that covers 1 or more of these benefits. A district that~~  
19 ~~does not directly employ its staff or a district with a voluntary employee beneficiary~~  
20 ~~association that pays no more than the maximum per employee contribution amount and~~  
21 ~~that contributes no more than the maximum employer contribution percentage of total~~  
22 ~~annual costs for the medical benefit plans as described in sections 3 and 4 of the~~  
23 ~~publicly funded health insurance contribution act, 2011 PA 152, MCL 15.563 and 15.564,~~  
24 ~~is considered to have satisfied this requirement.~~

25           ~~(b) The district has obtained competitive bids on the provision of pupil~~  
26 ~~transportation, food service, custodial, or 1 or more other noninstructional services~~  
27 ~~for 2014-2015. In comparing competitive bids to the current costs of providing 1 or~~



1 ~~more of these services, a district shall exclude the unfunded accrued liability costs~~  
2 ~~for retirement and other benefits from the district's current costs.~~

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

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

11 ~~(i) "Blended learning" means a hybrid instructional delivery model where pupils~~  
12 ~~are provided content, instruction, and assessment in part at a supervised educational~~  
13 ~~facility away from home where the pupil and a teacher with a valid Michigan teaching~~  
14 ~~certificate are in the same physical location and in part through internet connected~~  
15 ~~learning environments with some degree of pupil control over time, location, and pace~~  
16 ~~of instruction.~~

17 ~~(ii) "Online course" means a course of study that is capable of generating a~~  
18 ~~credit or a grade, that is provided in an interactive internet connected learning~~  
19 ~~environment, in which pupils are separated from their teachers by time or location, or~~  
20 ~~both, and in which a teacher with a valid Michigan teaching certificate is responsible~~  
21 ~~for determining appropriate instructional methods for each pupil, diagnosing learning~~  
22 ~~needs, assessing pupil learning, prescribing intervention strategies, reporting~~  
23 ~~outcomes, and evaluating the effects of instruction and support strategies.~~

24 **(A) A DISTRICT IS CONSIDERED TO MEET THE REQUIREMENTS OF FINANCIAL BEST**  
25 **PRACTICES BY COMPLETING AT LEAST 2 OF THE FOLLOWING:**

26 ~~(I) (e)~~ The district provides to parents and community members a dashboard or  
27 report card demonstrating the district's efforts to manage its finances responsibly.

1 The dashboard or report card shall include revenue and expenditure projections for the  
2 district for fiscal year ~~2014-2015~~ 2015-2016 and fiscal year ~~2015-2016~~ 2016-2017, a  
3 listing of all debt service obligations, detailed by project, including anticipated  
4 fiscal year ~~2014-2015~~ 2015-2016 payment for each project, a listing of total  
5 outstanding debt, and at least all of the following for the 3 most recent school years  
6 for which the data are available:

7 (A) ~~(i)~~ Graduation and dropout rates.

8 (B) ~~(ii)~~ Average class size in grades kindergarten to 3.

9 (C) ~~(iii)~~ College readiness as measured by Michigan merit examination test  
10 scores.

11 (D) ~~(iv)~~ Elementary and middle school ~~MEAP~~ MICHIGAN STUDENT TEST OF EDUCATIONAL  
12 PROGRESS (M-STEP) scores.

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

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

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

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

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

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

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

4           (II) IF THE DISTRICT HAS AN ENDING GENERAL FUND BALANCE FOR THE PRIOR FISCAL  
5 YEAR LESS THAN OR EQUAL TO 5 PERCENT OF OPERATING EXPENDITURES AS DETERMINED BY THE  
6 DEPARTMENT, THE LOCAL SCHOOL BOARD MEMBERS RECEIVE DEPARTMENT-APPROVED TRAINING THAT  
7 SHALL INCLUDE BUT IS NOT LIMITED TO:

8           (A) THE RESPONSIBILITIES OF THE SCHOOL BOARD AND THE DISTRICT SUPERINTENDENT.

9           (B) THE REQUIREMENTS OF THE OPEN MEETINGS ACT.

10          (C) CONFLICTS OF INTEREST.

11          (D) SCHOOL FINANCE AND SCHOOL BUDGETING.

12          (E) CONTRACTS AND NEGOTIATIONS.

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

14          (III) THE DISTRICT MAINTAINED AN ENDING FUND BALANCE GREATER THAN 5 PERCENT OF  
15 OPERATING EXPENDITURES FOR THE PRIOR FISCAL YEAR AS DETERMINED BY THE DEPARTMENT.

16          (B) A DISTRICT IS CONSIDERED TO MEET THE REQUIREMENTS OF ACADEMIC BEST  
17 PRACTICES BY COMPLETING AT LEAST 2 OF THE FOLLOWING:

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

22          (II) THE DISTRICT ADMINISTERS DEPARTMENT-APPROVED DIAGNOSTIC TOOLS TO MONITOR  
23 THE DEVELOPMENT OF EARLY LITERACY AND EARLY READING SKILLS OF PUPILS IN KINDERGARTEN  
24 THROUGH GRADE 3, AND SUPPORTS RESEARCH-BASED PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN  
25 DATA INTERPRETATION FOR THE PURPOSE OF IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT  
26 TO IMPROVE THIRD GRADE READING PROFICIENCY. THE DIAGNOSTIC TOOLS AND PROFESSIONAL  
27 DEVELOPMENT SHALL BE USED BY THE DISTRICT TO IDENTIFY STUDENTS WHO NEED ADDITIONAL

1 SUPPORT AND TO OFFER RESEARCH-BASED INTERVENTIONS.

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

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

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

19 Sec. 22g. (1) From the funds appropriated in section 11, there is allocated for  
20 ~~2014-2015~~ 2015-2016 only an amount not to exceed \$2,000,000.00 for competitive  
21 assistance grants to districts and intermediate districts.

22 (2) Funds received under this section may be used for reimbursement of  
23 transition costs associated with the consolidation of operations or services between 2  
24 or more districts, intermediate districts, or other local units of government, the  
25 consolidation or sharing of technology and data operations or services between 50 or  
26 more districts or 5 or more intermediate districts, or the consolidation of districts  
27 or intermediate districts. Grant funding shall be available for consolidations that

1 occur on or after June 1, ~~2014~~ 2015. The department shall develop an application  
 2 process and method of grant distribution. The department shall give priority to  
 3 applicants that propose including at least 1 of the following statewide activities:

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

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

9 Sec. 22i. (1) From the funds appropriated in section 11, there is allocated for  
 10 ~~2013-2014 2015-2016~~ an amount not to exceed ~~\$45,000,000.00~~ and there is allocated for  
 11 ~~2014-2015~~ an amount not to exceed ~~\$41,500,000.00~~ **\$25,000,000.00** for the technology  
 12 **READINESS** infrastructure grant program for districts or intermediate districts on  
 13 behalf of their constituent districts. Funds received under this ~~subsection~~ **SECTION**  
 14 shall be used for the **STATEWIDE** development or improvement of ~~a district's~~ **DISTRICTS'**  
 15 technology **HARD** infrastructure, the shared services consolidation of technology and  
 16 data, **DATA SYSTEMS THAT USE EVIDENCED-BASED LITERACY DIAGNOSTIC TOOLS TO INFORM**  
 17 **TEACHERS OF PUPILS IN KINDERGARTEN THROUGH GRADE 3**, and **FOR THE COORDINATION AND**  
 18 **STRATEGIC PURCHASING OF hardware in preparation AND SOFTWARE NECESSARY** for the planned  
 19 ~~implementation in 2014-2015 of online~~ **THE DELIVERY OF assessments THROUGH ONLINE**  
 20 **MODES**.

21 (2) The department shall develop a competitive application process and method  
 22 of grant distribution to eligible districts and intermediate districts that  
 23 demonstrate need for grants under subsection (1). The department may consult with the  
 24 department of technology, management, and budget during the grant process and grant  
 25 distribution. Grants to districts shall not exceed \$2,000,000.00 per district. A grant  
 26 to an intermediate district on behalf of its constituent districts shall not exceed  
 27 \$2,000,000.00 per constituent district. To receive a grant under subsection (1), an

1 intermediate district shall demonstrate that a grant awarded to the intermediate  
2 district on behalf of its constituent districts would provide savings compared to  
3 providing grants to individual districts.

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

11 ~~(a) Agrees to submit evaluation criteria in a form and manner determined by the~~  
12 ~~department.~~

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

14 ~~(i) One to one mobile devices.~~

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

16 ~~(iii) On and off campus filtering.~~

17 ~~(iv) Wireless networks and peripherals.~~

18 ~~(v) Wireless audio equipment.~~

19 ~~(vi) Operating software.~~

20 ~~(vii) Instructional software.~~

21 ~~(viii) Repairs and replacements.~~

22 ~~(ix) Professional development.~~

23 ~~(x) Ongoing support.~~

24 (3) ~~(4)~~ The funds allocated under subsection (1) are a work project  
25 appropriation. Any unexpended funds for ~~2013-2014~~ 2015-2016 are carried forward into  
26 ~~2014-2015 and any unexpended funds for 2014-2015 are carried forward into 2015-2016~~  
27 2016-2017. The purpose of the work project is to continue to implement the projects

1 described under this section. The estimated completion date of the work project is  
2 September 30, ~~2016~~ 2017.

3 (4) AS USED IN THIS SECTION:

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

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

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

15 (a) Enrolls only eligible pupils.

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

22 (c) Develops a written learning plan.

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

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

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

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

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

5 (i) If the district partners with an education management organization for the  
6 program, the education management organization has a dropout recovery program  
7 partnership relationship with at least 1 other district.

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

11 (3) As used in this section:

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

16 (b) "Education management organization" means a private provider that operates  
17 1 or more other dropout recovery programs that meet the requirements of this section  
18 in partnership with 1 or more districts.

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

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



1 awarded to a general education pupil completing a full school year. Satisfactory  
2 monthly progress may include a lesser required amount of progress for the first 2  
3 months a pupil participates in the program.

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

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

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

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

1 whole or in part, for educating those pupils in the on-grounds education program or in  
2 a program approved by the department that is located on property adjacent to a  
3 juvenile detention facility or child caring institution. Costs reimbursed by federal  
4 funds are not included.

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

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

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

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

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

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

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

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

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

23           (2) If a pupil counted in membership for the pupil membership count day  
24 transfers from a district or intermediate district to enroll in another district or  
25 intermediate district after the pupil membership count day and before the supplemental  
26 count day and, due to the pupil's enrollment and attendance status as of the pupil  
27 membership count day, the pupil was not counted in membership in the educating

1 district or intermediate district, the educating district or intermediate district may  
2 report the enrollment and attendance information to the center through the pupil  
3 transfer process within 30 days after the transfer or within 30 days after the pupil  
4 membership count certification date, whichever is later. Pupil transfers may be  
5 submitted no earlier than the first day after the certification deadline for the pupil  
6 membership count day and before the supplemental count day. Upon receipt of the  
7 transfer information under this subsection indicating that a pupil has enrolled and is  
8 in attendance in an educating district or intermediate district as described in this  
9 subsection, the pupil transfer process shall do the following:

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

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

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

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

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

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

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

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

26 (5) If a pupil enrolls in an educating district or intermediate district as  
27 described in subsection (2), the district or intermediate district in which the pupil

1 is counted in membership or another educating district or intermediate district that  
2 received an adjustment in its membership calculation under subsection (3), if any, and  
3 the educating district or intermediate district shall provide to the center and the  
4 department all information they require to comply with this section.

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

9 (6) ~~(7)~~ The portion of the full-time equated pupil membership for which a pupil  
10 is enrolled in 1 or more online courses under section 21f shall not be counted or  
11 transferred under the pupil transfer process under this section.

12 (7) ~~(8)~~ As used in this section:

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

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

20 Sec. 25f. (1) From the state school aid fund money appropriated in section 11,  
21 there is allocated an amount not to exceed ~~\$2,000,000.00~~ \$1,000,000.00 for ~~2014-2015~~  
22 ~~2015-2016~~ for payments to strict discipline academies established under sections 1311b  
23 to 1311m of the revised school code, MCL 380.1311b to 380.1311m, as provided under  
24 this section and for the purposes described in subsection (5).

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

1 (3) Not later than June 30, ~~2015~~ 2016, a strict discipline academy shall report  
2 to the center and to the department, in a manner prescribed by the center and the  
3 department, the following information for ~~2014-2015~~ 2015-2016:

4 (a) The number of pupils enrolled and in attendance at the strict discipline  
5 academy.

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

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

15 (5) If the operation of the special membership counting provisions under  
16 section 6(4)(dd) and the other membership counting provisions under section 6(4)  
17 result in a pupil being counted as more than 1.0 FTE in a fiscal year, then the  
18 payment made for the pupil under sections 22a and 22b shall not be based on more than  
19 1.0 FTE for that pupil, and that portion of the FTE that exceeds 1.0 shall be paid  
20 under this section in an amount equal to that portion multiplied by the educating  
21 district's foundation allowance or per-pupil payment calculated under section 20.

22 (6) If the funds allocated under this section are insufficient to fully fund  
23 the adjustments under subsections (4) and (5), payments under this section shall be  
24 prorated on an equal per-pupil basis.

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

27 Sec. 26a. From the funds appropriated in section 11, there is allocated an

1 amount not to exceed \$26,300,000.00 for ~~2014-2015~~ 2015-2016 to reimburse districts and  
2 intermediate districts pursuant to section 12 of the Michigan renaissance zone act,  
3 1996 PA 376, MCL 125.2692, for taxes levied in ~~2014~~ 2015. The allocations shall be  
4 made not later than 60 days after the department of treasury certifies to the  
5 department and to the state budget director that the department of treasury has  
6 received all necessary information to properly determine the amounts due to each  
7 eligible recipient.

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

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

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

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

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



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

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

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

10 Sec. 31a. (1) From the state school aid fund money appropriated in section 11,  
11 there is allocated for ~~2014-2015~~ 2015-2016 an amount not to exceed ~~\$317,695,500.00~~  
12 \$417,695,500.00 for payments to eligible districts, eligible public school academies,  
13 and the education achievement system for the purposes of ensuring that pupils are  
14 proficient in reading by the end of grade 3 and that high school graduates are career  
15 and college ready and for the purposes under subsections (6) and (7).

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

23 (3) Except as otherwise provided in this subsection, an eligible district or  
24 eligible public school academy or the education achievement system shall receive under  
25 this section for each membership pupil in the district or public school academy or the  
26 education achievement system who met the income eligibility criteria for free  
27 breakfast, lunch, or milk, as determined under the Richard B. Russell national school

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

22 (4) Except as otherwise provided in this section, a district or public school  
23 academy, or the education achievement system, receiving funding under this section  
24 shall use that money only to provide instructional programs and direct  
25 noninstructional services, including, but not limited to, medical, mental health, or  
26 counseling services, for at-risk pupils; for school health clinics; and for the  
27 purposes of subsection (5), (6), (7), or (10). In addition, a district that is a

1 school district of the first class or a district or public school academy in which at  
2 least 50% of the pupils in membership met the income eligibility criteria for free  
3 breakfast, lunch, or milk in the immediately preceding state fiscal year, as  
4 determined and reported as described in subsection (3), or the education achievement  
5 system if it meets this requirement, may use not more than 20% of the funds it  
6 receives under this section for school security. A district, the public school  
7 academy, or the education achievement system shall not use any of that money for  
8 administrative costs. The instruction or direct noninstructional services provided  
9 under this section may be conducted before or after regular school hours or by adding  
10 extra school days to the school year.

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

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

1 children. A child and adolescent health center program shall recognize the role of a  
2 child's parents or legal guardian in the physical and emotional well-being of the  
3 child. Funding under this subsection shall be used to support child and adolescent  
4 health center services provided to children up to age 21. If any funds allocated under  
5 this subsection are not used for the purposes of this subsection for the fiscal year  
6 in which they are allocated, those unused funds shall be used that fiscal year to  
7 avoid or minimize any proration that would otherwise be required under subsection (14)  
8 for that fiscal year.

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

19 (8) Each district or public school academy receiving funds under this section  
20 and the education achievement system shall submit to the department by July 15 of each  
21 fiscal year a report, not to exceed 10 pages, on the usage by the district or public  
22 school academy or the education achievement system of funds under this section, which  
23 report shall include a brief description of each program conducted or services  
24 performed by the district or public school academy or the education achievement system  
25 using funds under this section, the amount of funds under this section allocated to  
26 each of those programs or services, the total number of at-risk pupils served by each  
27 of those programs or services, and the data necessary for the department and the

1 department of human services to verify matching funds for the temporary assistance for  
2 needy families program. If a district or public school academy or the education  
3 achievement system does not comply with this subsection, the department shall withhold  
4 an amount equal to the August payment due under this section until the district or  
5 public school academy or the education achievement system complies with this  
6 subsection. If the district or public school academy or the education achievement  
7 system does not comply with this subsection by the end of the state fiscal year, the  
8 withheld funds shall be forfeited to the school aid fund.

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

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

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

27 (12) If a district is formed by consolidation after June 1, 1995, and if 1 or

1 more of the original districts was not eligible before the consolidation for an  
2 additional allowance under this section, the amount of the additional allowance under  
3 this section for the consolidated district shall be based on the number of pupils  
4 described in subsection (1) enrolled in the consolidated district who reside in the  
5 territory of an original district that was eligible before the consolidation for an  
6 additional allowance under this section. In addition, if a district is dissolved  
7 pursuant to section 12 of the revised school code, MCL 380.12, the intermediate  
8 district to which the dissolved school district was constituent shall determine the  
9 estimated number of pupils that meet the income eligibility criteria for free  
10 breakfast, lunch, or milk, as described under subsection (3), enrolled in each of the  
11 other districts within the intermediate district and provide that estimate to the  
12 department for the purposes of distributing funds under this section within 60 days  
13 after the school district is declared dissolved.

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

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

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

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

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

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

1           (C) ~~(F)~~ The pupil is enrolled in a priority or priority-successor school, as  
2 defined in the elementary and secondary education act of 2001 flexibility waiver  
3 approved by the United States department of education.

4           (D) ~~(G)~~ The pupil did not achieve a score of at least proficient on 2 or more  
5 state-administered assessments for English language arts, mathematics, science, or  
6 social studies.

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

17           (i) In the absence of state or local assessment data, the pupil meets at least  
18 2 of the following criteria, as documented in a form and manner approved by the  
19 department:

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

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

23           (iii) The pupil is homeless.

24           (iv) The pupil is a migrant.

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

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

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

3 (14) ~~Beginning in 2014-2015, if~~ **IF** a district, public school academy, or the  
4 education achievement system does not demonstrate to the satisfaction of the  
5 department that at least 50% of at-risk pupils are reading at grade level by the end  
6 of grade 3 as measured by the state assessment and demonstrate to the satisfaction of  
7 the department improvement over 3 consecutive years in the percentage of at-risk  
8 pupils that are career- and college-ready as ~~measured by the pupil's score on each of~~  
9 ~~the individual subject areas on the college entrance examination portion of the~~  
10 ~~Michigan merit examination~~ **DETERMINED BY PROFICIENCY ON THE ENGLISH LANGUAGE ARTS,**  
11 **MATHEMATICS AND SCIENCE GRADE 11 STATE SUMMATIVE ASSESSMENTS** under section 1279g(2) (a)  
12 of the revised school code, MCL 380.1279g, the district, public school academy, or  
13 education achievement system shall ensure all of the following:

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

20 (b) The district, public school academy, or the education achievement system  
21 shall determine the proportion of total at-risk pupils that represent the number of  
22 pupils in grade 11 that are not career- and college-ready as measured by the student's  
23 score on ~~each of the individual subject areas on the college entrance examination~~  
24 ~~portion of the Michigan merit examination~~ **THE ENGLISH LANGUAGE ARTS, MATHEMATICS AND**  
25 **SCIENCE GRADE 11 STATE SUMMATIVE ASSESSMENTS** under section 1279g(2) (a) of the revised  
26 school code, MCL 380.1279g, and the district, public school academy, or the education  
27 achievement system shall expend that same proportion multiplied by 1/2 of its total



1 at-risk funds under this section on tutoring and other activities to improve scores on  
2 the college entrance examination portion of the Michigan merit examination.

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

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

14 (17) **THE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF HUMAN SERVICES TO**  
15 **PRIORITIZE ASSIGNING PATHWAYS TO POTENTIAL SUCCESS COACHES TO ELEMENTARY SCHOOLS THAT**  
16 **HAVE A HIGH PERCENTAGE OF PUPILS IN KINDERGARTEN THROUGH GRADE 3 NOT READING AT GRADE**  
17 **LEVEL.**

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

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

25 (3) **GRANTS AWARDED UNDER THIS SECTION MAY INCLUDE, BUT ARE NOT LIMITED TO, THE**  
26 **FOLLOWING ACTIVITIES:**

27 (A) **EMPLOYMENT TRAINING AND PLACEMENT PROGRAMS.**

1 (B) COUNSELING SERVICES.

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

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

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

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

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

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

21 (4) The payments made under this section to districts and other eligible  
22 entities that are not required under section 1272a of the revised school code, MCL  
23 380.1272a, to provide a school lunch program shall be in an amount not to exceed  
24 \$10.00 per eligible pupil plus 5 cents for each free lunch and 2 cents for each  
25 reduced price lunch provided, as determined by the department.

26 (5) From the federal funds appropriated in section 11, there is allocated for  
27 ~~2014-2015~~ 2015-2016 all available federal funding, estimated at \$510,000,000.00 for

1 the national school lunch program and all available federal funding, estimated at  
2 \$3,200,000.00 for the emergency food assistance program.

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

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

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

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

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

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

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

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

26 (5) In purchasing food for a school breakfast program funded under this  
27 section, preference shall be given to food that is grown or produced by Michigan

1 businesses if it is competitively priced and of comparable quality.

2           Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to  
3 eligible intermediate districts and consortia of intermediate districts for great  
4 start readiness programs an amount not to exceed ~~\$214,275,000.00~~ **\$239,275,000.00** for  
5 ~~2014-2015~~ **2015-2016**. ~~In addition, from the funds appropriated in section 11, there is~~  
6 ~~allocated to the great start readiness reserve fund created under subsection (19) an~~  
7 ~~amount not to exceed \$25,000,000.00 for 2014-2015.~~ Funds allocated under this section  
8 for great start readiness programs shall be used to provide part-day, school-day, or  
9 GSRP/head start blended comprehensive free compensatory classroom programs designed to  
10 improve the readiness and subsequent achievement of educationally disadvantaged  
11 children who meet the participant eligibility and prioritization guidelines as defined  
12 by the department. For a child to be eligible to participate in a program under this  
13 section, the child shall be at least 4, but less than 5, years of age as of the date  
14 specified for determining a child's eligibility to attend school under section 1147 of  
15 the revised school code, MCL 380.1147.

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

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

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

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

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

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

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

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

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

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

22           (h) Participation in a school readiness advisory committee convened as a  
23 workgroup of the great start collaborative that provides for the involvement of  
24 classroom teachers, parents or guardians of program participants, and community,  
25 volunteer, and social service agencies and organizations, as appropriate. The advisory  
26 committee annually shall review and make recommendations regarding the program  
27 components listed in this subsection. The advisory committee also shall make

1 recommendations to the great start collaborative regarding other community services  
2 designed to improve all children's school readiness.

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

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

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

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

10 (b) Except as otherwise provided in this subdivision, ensure that at least 90%  
11 of the children participating in an eligible great start readiness program for whom  
12 the intermediate district is receiving funds under this section are children who live  
13 with families with a household income that is equal to or less than 250% of the  
14 federal poverty level. If the intermediate district determines that all eligible  
15 children are being served and that there are no children on the waiting list under  
16 section 39(1)(d) who live with families with a household income that is equal to or  
17 less than 250% of the federal poverty level, the intermediate district may then enroll  
18 children who live with families with a household income that is equal to or less than  
19 300% of the federal poverty level. The enrollment process shall consider income and  
20 risk factors, such that children determined with higher need are enrolled before  
21 children with lesser need. For purposes of this subdivision, all age-eligible children  
22 served in foster care or who are experiencing homelessness or who have individualized  
23 education plans recommending placement in an inclusive preschool setting shall be  
24 considered to live with families with household income equal to or less than 250% of  
25 the federal poverty level regardless of actual family income.

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

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

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

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

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

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

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

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

19 (4).

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

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

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



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

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

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

27 (12) An intermediate district or consortium of intermediate districts receiving

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

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

1 30% of its total slot allocation as required under this subsection, including, but not  
2 limited to, at least all of the following measures:

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

10 (b) The intermediate district or consortium provided to each licensed child  
11 care center located in the service area of the intermediate district or consortium  
12 information regarding great start readiness program requirements and a description of  
13 the application and selection process for community-based providers.

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

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

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

27 (a) Ensure that a great start resource center or the department provides each

1 intermediate district or consortium receiving a grant under this section with the  
2 contact information for each licensed child care center located in the service area of  
3 the intermediate district or consortium by March 1 of each year.

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

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

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

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

1 with maximizing the amount of spending that may be claimed for temporary assistance  
2 for needy families maintenance of effort purposes.

3 (17) As used in this section:

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

6 (b) "Part-day program" means a program that operates at least 4 days per week,  
7 30 weeks per year, for at least 3 hours of teacher-child contact time per day but for  
8 fewer hours of teacher-child contact time per day than a school-day program.

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

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

21 ~~(19) The great start readiness reserve fund is created as a separate account~~  
22 ~~within the state school aid fund established by section 11 of article IX of the state~~  
23 ~~constitution of 1963. Money available in the great start readiness reserve fund may~~  
24 ~~not be expended for 2014 2015 unless transferred by the legislature not later than~~  
25 ~~December 15, 2014 to the allocation under subsection (1) for great start readiness~~  
26 ~~programs. Money in the great start readiness reserve fund shall be expended only for~~  
27 ~~purposes for which state school aid fund money may be expended. The state treasurer~~

1 shall direct the investment of the great start readiness reserve fund. The state  
 2 treasurer shall credit to the great start readiness reserve fund interest and earnings  
 3 from fund investments. Money in the great start readiness reserve fund at the close of  
 4 a fiscal year shall remain in the great start readiness reserve fund and shall not  
 5 lapse to the unreserved school aid fund balance or the general fund.

6 (19) ~~(20)~~ From the amount appropriated in subsection (1), there is allocated an  
 7 amount not to exceed \$10,000,000.00 for reimbursement of transportation costs for  
 8 children attending great start readiness programs funded under this section. To  
 9 receive reimbursement under this subsection, not later than November 1, ~~2014~~ 2015, a  
 10 program funded under this section that provides transportation shall submit to the  
 11 intermediate district that is the fiscal agent for the program a projected  
 12 transportation budget. The amount of the reimbursement for transportation under this  
 13 subsection shall be the lesser of the projected transportation budget or \$150.00  
 14 multiplied by the number of slots funded for the program under this section. If the  
 15 amount allocated under this subsection is insufficient to fully reimburse the  
 16 transportation costs for all programs that provide transportation and submit the  
 17 required information, the reimbursement shall be prorated in an equal amount per slot  
 18 funded. Payments shall be made to the intermediate district that is the fiscal agent  
 19 for each program, and the intermediate district shall then reimburse the program  
 20 provider for transportation costs as prescribed under this subsection.

21 Sec. 32p. (1) From the school aid fund appropriation in section 11, there is  
 22 allocated an amount not to exceed ~~\$10,900,000.00~~ \$15,900,000.00 to intermediate  
 23 districts for ~~2014-2015~~ 2015-2016 for the purpose of providing early childhood funding  
 24 to intermediate school districts ~~in block grants, supporting~~ **TO SUPPORT** the activities  
 25 under subsection (2) **AND SUBSECTION (4)**, and ~~providing~~ **TO PROVIDE** early childhood  
 26 programs for children from birth through age 8. The funding provided to each  
 27 intermediate district under this section shall be determined by the distribution

1 formula established by the department's office of great start to provide equitable  
2 funding statewide. In order to receive funding under this section, each intermediate  
3 district shall provide an application to the office of great start not later than  
4 September 15 of the immediately preceding fiscal year indicating the activities  
5 planned to be provided.

6 (2) Each intermediate district or consortium of intermediate districts that  
7 receives funding under this section shall convene a local great start collaborative  
8 and a parent coalition. The goal of each great start collaborative and parent  
9 coalition shall be to ensure the coordination and expansion of local early childhood  
10 infrastructure and programs that allow every child in the community to achieve the  
11 following outcomes:

12 (a) Children born healthy.

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

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

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

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

23 (a) Physical health.

24 (b) Social-emotional health.

25 (c) Family supports and basic needs.

26 (d) Parent education and child advocacy.

27 (e) Early education and care.

1 (4) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED A MINIMUM OF  
2 \$5,000,000.00 FOR THE PURPOSE OF PROVIDING HOME VISITS TO AT-RISK CHILDREN AND THEIR  
3 FAMILIES. THE HOME VISITS SHALL BE CONDUCTED AS PART OF A LOCALLY-COORDINATED, FAMILY-  
4 CENTERED, EVIDENCE-BASED, DATA-DRIVEN HOME VISIT STRATEGIC PLAN THAT IS APPROVED BY  
5 THE DEPARTMENT. THE GOALS OF THE HOME VISITS FUNDED UNDER THIS SUBSECTION SHALL BE TO  
6 IMPROVE SCHOOL READINESS, REDUCE THE NUMBER OF PUPILS RETAINED IN GRADE LEVEL, AND  
7 REDUCE THE NUMBER OF PUPILS REQUIRING SPECIAL EDUCATION SERVICES. THE DEPARTMENT SHALL  
8 COORDINATE THE GOALS OF THE HOME VISIT STRATEGIC PLANS APPROVED UNDER THIS SUBSECTION  
9 WITH OTHER STATE AGENCY HOME VISIT PROGRAMS IN A WAY THAT STRENGTHENS MICHIGAN'S HOME  
10 VISITING INFRASTRUCTURE AND MAXIMIZES FEDERAL FUNDS AVAILABLE FOR THE PURPOSES OF AT-  
11 RISK FAMILY HOME VISITS.

12 (5) ~~(4)~~ Not later than December 1 of each year, each intermediate district  
13 shall provide a report to the department detailing the activities actually provided  
14 during the immediately preceding school year and the families and children actually  
15 served. The department shall compile and summarize these reports and submit its  
16 summary to the house and senate appropriations subcommittees on school aid and to the  
17 house and senate fiscal agencies not later than February 15 of each year.

18 (6) ~~(5)~~ An intermediate district or consortium of intermediate districts that  
19 receives funding under this section may carry over any unexpended funds received under  
20 this section into the next fiscal year and may expend those unused funds through June  
21 30 of the next fiscal year. A recipient of a grant shall return any unexpended grant  
22 funds to the department in the manner prescribed by the department not later than  
23 September 30 of the next fiscal year after the fiscal year in which the funds are  
24 received.

25 SEC. 35. (1) THE INCREASED FUNDS ALLOCATED IN SECTIONS 35A TO 35G SHALL BE USED  
26 FOR PROGRAMS TO ENSURE CHILDREN ARE READING ON GRADE LEVEL BY THE END OF GRADE 3.  
27 PROGRAMS FUNDED UNDER THESE SECTIONS WILL BE USED SO THAT MICHIGAN WILL BE IN THE TOP



1 10 MOST IMPROVED STATES IN FOURTH GRADE READING PROFICIENCY BY THE 2019 NATIONAL  
2 ASSESSMENT OF EDUCATIONAL PROGRESS (NAEP) AND WILL BE IN THE TOP 10 STATES OVERALL BY  
3 2025.

4 (2) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN  
5 AMOUNT NOT TO EXCEED \$1,000,000.00 FOR IMPLEMENTATION COSTS ASSOCIATED WITH PROGRAMS  
6 IN SECTIONS 35A TO 35G.

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

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

19 (3) A COMPETITIVE GRANT APPLICATION SHALL BE SUBMITTED BY AN INTERMEDIATE  
20 DISTRICT ON BEHALF OF A DISTRICT OR CONSORTIUM OF DISTRICTS WITHIN THE INTERMEDIATE  
21 DISTRICT. THE APPLICATION SHALL BE SUBMITTED IN A FORM AND MANNER APPROVED BY THE  
22 DEPARTMENT AND SHALL CONTAIN AT LEAST THE FOLLOWING COMPONENTS:

23 (A) A DESCRIPTION OF THE PROGRAM DESIGN INCLUDING THE NAMES OF THE DISTRICT OR  
24 CONSORTIUM OF DISTRICTS THAT WILL OPERATE THE PROGRAM, THE PHYSICAL LOCATION OF THE  
25 PROGRAM AND THE ANTICIPATED NUMBER OF FAMILIES THAT WILL BE SERVED.

26 (B) AN ASSURANCE THAT THE PROGRAM WILL BE SUPERVISED BY A TEACHER THAT HAS A  
27 VALID TEACHING CERTIFICATE WITH AN EARLY CHILDHOOD (ZA OR ZS) ENDORSEMENT OR A VALID

1 TEACHING CERTIFICATE IN CAREER EDUCATION WITH BOTH A KH AND VH ENDORSEMENT OR A  
2 BACHELOR'S DEGREE IN CHILD DEVELOPMENT OR EARLY CHILD DEVELOPMENT OR A DEGREE RELATED  
3 TO ADULT LEARNING.

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

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

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

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

15 (G) A BUDGET FOR THE PROGRAM. A PROGRAM MAY USE NOT MORE THAN 5 PERCENT OF A  
16 GRANT TO ADMINISTER THE PROGRAM.

17 (4) AN ELIGIBLE PROGRAM SHALL PROVIDE AT LEAST TWO HOURS PER WEEK THROUGHOUT  
18 THE SCHOOL YEAR FOR PARENTS AND THEIR ELIGIBLE CHILDREN TO PARTICIPATE IN PARENT  
19 EDUCATION PROGRAMS AND MEET AT LEAST THE FOLLOWING MINIMUM REQUIREMENTS:

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

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

24 (C) PROVIDE STRUCTURED LEARNING ACTIVITIES REQUIRING INTERACTION BETWEEN  
25 CHILDREN AND THEIR PARENTS.

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

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

5 (6) FROM THE FUNDS IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO  
6 EXCEED \$100,000.00 FOR THE PURPOSE OF PERFORMING AN EVALUATION OF THE PILOT PROGRAMS  
7 IN A MANNER APPROVED BY THE DEPARTMENT. THE EVALUATION REPORT SHALL INCLUDE AT LEAST  
8 THE FOLLOWING:

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

11 (B) A DESCRIPTION OF ANY BARRIERS THAT PARENTS AND THEIR CHILDREN ENCOUNTERED  
12 THAT PRECLUDED THEM FROM PARTICIPATING IN THE PILOT PROGRAMS.

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

15 SEC. 35B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN  
16 AMOUNT NOT TO EXCEED \$950,000.00 FOR 2015-2016 FOR THE PURPOSES OF THIS SECTION. THIS  
17 ALLOCATION REPRESENTS THE FIRST OF TWO YEARS OF FUNDING FOR THE PURPOSES OF THIS  
18 SECTION.

19 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO SUPPORT PROFESSIONAL  
20 DEVELOPMENT FOR EDUCATORS IN A DEPARTMENT-APPROVED RESEARCH-BASED TRAINING PROGRAM  
21 RELATED TO CURRENT STATE LITERACY STANDARDS FOR PUPILS IN KINDERGARTEN THROUGH GRADE  
22 3. THE DEPARTMENT SHALL DETERMINE THE AMOUNT OF THE GRANT AWARDS.

23 (2) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT DELIVERY, THE  
24 DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN VIRTUAL UNIVERSITY TO PROVIDE THIS  
25 TRAINING ONLINE TO ALL EDUCATORS OF PUPILS IN KINDERGARTEN THROUGH GRADE 3.

26 (3) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT APPROPRIATION,  
27 AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED FORWARD INTO 2016-2017. THE PURPOSE

1 OF THE WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING  
2 DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS  
3 SEPTEMBER 30, 2017.

4 SEC. 35C. FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED  
5 AN AMOUNT NOT TO EXCEED \$500,000.00 TO THE DEPARTMENT FOR THE ADOPTION OF A  
6 CERTIFICATION TEST TO ENSURE ALL NEWLY-CERTIFIED ELEMENTARY TEACHERS HAVE THE SKILLS  
7 TO DELIVER EVIDENCE-BASED LITERACY INSTRUCTION.

8 SEC. 35D. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN  
9 AMOUNT NOT TO EXCEED \$1,450,000.00 FOR 2015-2016 FOR THE PURPOSES OF THIS SECTION.  
10 THIS ALLOCATION REPRESENTS THE FIRST OF TWO YEARS OF FUNDING.

11 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO ADMINISTER DEPARTMENT-  
12 APPROVED DIAGNOSTIC TOOLS TO MONITOR THE DEVELOPMENT OF EARLY LITERACY AND EARLY  
13 READING SKILLS OF PUPILS IN KINDERGARTEN THROUGH GRADE 3 AND TO SUPPORT RESEARCH-BASED  
14 PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN DATA INTERPRETATION FOR THE PURPOSE OF  
15 IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT TO IMPROVE THIRD GRADE READING  
16 PROFICIENCY. THE DEPARTMENT SHALL AWARD GRANTS TO ELIGIBLE DISTRICTS IN AN AMOUNT  
17 DETERMINED BY THE DEPARTMENT.

18 (3) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT DELIVERY, THE  
19 DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN VIRTUAL UNIVERSITY TO PROVIDE THIS  
20 TRAINING ONLINE TO ALL EDUCATORS OF PUPILS IN KINDERGARTEN THROUGH GRADE 3.

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

26 SEC. 35E. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN  
27 AMOUNT NOT TO EXCEED \$3,000,000.00 FOR THE PURPOSE OF PROVIDING EARLY LITERACY COACHES

1 TO ASSIST TEACHERS IN DEVELOPING AND IMPLEMENTING INSTRUCTIONAL STRATEGIES FOR PUPILS  
2 IN KINDERGARTEN THROUGH GRADE 3 SO THAT PUPILS ARE READING AT GRADE LEVEL BY THE END  
3 OF GRADE 3.

4 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION PROCESS AND METHOD  
5 OF GRANT DISTRIBUTION CONSISTENT WITH THE PROVISIONS OF THIS SECTION. THE GRANT  
6 PROCESS SHALL ENSURE THAT INTERMEDIATE DISTRICTS WITH THE HIGHEST PERCENTAGE OF FOURTH  
7 GRADE STUDENTS IN THE CONSTITUENT DISTRICTS OF THE INTERMEDIATE DISTRICT THAT ARE NOT  
8 PROFICIENT ON THE FOURTH GRADE STATE READING ASSESSMENT RECEIVE EXTRA CONSIDERATION IN  
9 THE AWARDING OF GRANTS.

10 (3) A CONSORTIUM OF INTERMEDIATE DISTRICTS IN A PROSPERITY REGION SHALL SUBMIT  
11 A COMPETITIVE GRANT APPLICATION IN A FORM AND MANNER APPROVED BY THE DEPARTMENT IN  
12 ORDER TO RECEIVE FUNDING UNDER THIS SECTION. ELIGIBLE APPLICATIONS SHALL PROVIDE  
13 ASSURANCES THAT LITERACY COACHES FUNDED UNDER THIS SECTION ARE KNOWLEDGEABLE ABOUT THE  
14 FOLLOWING, AT A MINIMUM:

15 (A) CURRENT STATE LITERACY STANDARDS FOR PUPILS IN KINDERGARTEN THROUGH GRADE  
16 3.

17 (B) IMPLEMENTING AN INSTRUCTIONAL DELIVERY MODEL BASED ON FREQUENT USE OF  
18 FORMATIVE AND DIAGNOSTIC TOOLS KNOWN AS A MULTI-TIERED SYSTEM OF SUPPORT TO DETERMINE  
19 INDIVIDUAL PROGRESS FOR PUPILS IN KINDERGARTEN THROUGH GRADE 3 SO THAT PUPILS ARE  
20 READING AT GRADE LEVEL BY THE END OF GRADE 3.

21 (C) THE USE OF DATA FROM DIAGNOSTIC TOOLS TO DETERMINE THE NECESSARY ADDITIONAL  
22 SUPPORTS AND INTERVENTIONS NEEDED BY INDIVIDUAL PUPILS IN KINDERGARTEN THROUGH GRADE 3  
23 IN ORDER TO BE READING AT GRADE LEVEL.

24 SEC. 35F (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT  
25 NOT TO EXCEED \$10,000,000.00 FOR 2015-2016 TO DISTRICTS THAT PROVIDE ADDITIONAL  
26 INSTRUCTIONAL TIME TO THOSE PUPILS IN KINDERGARTEN THROUGH GRADE 3 THAT HAVE BEEN  
27 IDENTIFIED BY USING DEPARTMENT-APPROVED DIAGNOSTIC TOOLS AS NEEDING ADDITIONAL

1 SUPPORTS AND INTERVENTIONS IN ORDER TO BE READING AT GRADE LEVEL BY THE END OF THIRD  
2 GRADE. ADDITIONAL INSTRUCTIONAL TIME MAY BE PROVIDED BEFORE, DURING AND AFTER REGULAR  
3 SCHOOL HOURS OR AS PART OF A YEAR-ROUND BALANCED SCHOOL CALENDAR.

4 (2) IN ORDER TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION, A DISTRICT  
5 SHALL DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT THAT THE DISTRICT HAS DONE ALL  
6 OF THE FOLLOWING:

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

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

10 (C) PROVIDED TEACHERS OF PUPILS IN KINDERGARTEN THROUGH GRADE 3 WITH RESEARCH-  
11 BASED PROFESSIONAL DEVELOPMENT IN DIAGNOSTIC DATA INTERPRETATION.

12 (3) FUNDING ALLOCATED UNDER THIS SECTION SHALL BE DISTRIBUTED TO ELIGIBLE  
13 DISTRICTS BY MULTIPLYING THE FULL-TIME-EQUIVALENT PUPILS IN FIRST GRADE BY \$95.00.

14 (4) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT TO FULLY FUND  
15 THE PAYMENTS UNDER THIS SECTION, PAYMENTS UNDER THIS SECTION SHALL BE PRORATED ON AN  
16 EQUAL PER-PUPIL BASIS OF FIRST GRADE PUPILS.

17 SEC. 35G. (1) FROM THE GENERAL FUNDS APPROPRIATED IN SECTION 11, THERE IS  
18 ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2015-2016 TO THE DEPARTMENT TO  
19 ESTABLISH A BEST PRACTICES CLEARINGHOUSE. THE DEPARTMENT SHALL COLLABORATE WITH THE  
20 CENTER, UNIVERSITIES, INTERMEDIATE DISTRICTS AND DISTRICTS TO DETERMINE THE BEST  
21 METHOD OF ESTABLISHING A CLEARINGHOUSE THAT SHALL IDENTIFY, DEVELOP AND DISSEMINATE  
22 BEST PRACTICES FROM RESEARCH-BASED MODELS OF EDUCATION REFORM THAT DISTRICTS CAN USE  
23 TO IMPROVE READING PROFICIENCY FOR PUPILS IN KINDERGARTEN THROUGH GRADE 3.

24 (2) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT APPROPRIATION,  
25 AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED FORWARD INTO 2016-2017. THE PURPOSE  
26 OF THE WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE CLEARINGHOUSE DESCRIBED UNDER  
27 SUBSECTION (1). THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,

1 2017.

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

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

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

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

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

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

27 (3) The number of prekindergarten children construed to be in need of special

1 readiness assistance under section 32d shall be calculated for each applicant in the  
2 following manner: 1/2 of the percentage of the applicant's pupils in grades 1 to 5 in  
3 all districts served by the applicant who are eligible for free lunch, as determined  
4 using the district's pupil membership count as of the pupil membership count day in  
5 the school year prior to the fiscal year for which the calculation is made, under the  
6 Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, shall be  
7 multiplied by the average kindergarten enrollment of the districts served by the  
8 applicant on the pupil membership count day of the 2 immediately preceding fiscal  
9 years.

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

26 (5) If funds allocated for eligible applicants ~~or to the great start readiness~~  
27 ~~reserve fund~~ under section 32d remain after the initial allocation under subsection



1 (4), the allocation under this subsection shall be distributed to each eligible  
2 applicant under section 32d in decreasing order of concentration of eligible children  
3 as determined by the formula under subsection (3). The allocation shall be determined  
4 by multiplying the number of children each district within the applicant's service  
5 area served in the immediately preceding fiscal year or the number of children the  
6 applicant indicates it will be able to serve under subsection (1)(c), whichever is  
7 less, minus the number of children for which the applicant received funding in  
8 subsection (4) by \$3,625.00.

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

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

26 (8) If, taking into account the total amount to be allocated to the applicant  
27 as calculated under this section, an applicant determines that it is able to include

1 additional eligible children in the great start readiness program without additional  
2 funds under section 32d, the applicant may include additional eligible children but  
3 shall not receive additional funding under section 32d for those children.

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

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

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

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

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

20 (e) An amount estimated at ~~\$2,293,500.00~~ \$3,000,000.00 for rural and low income  
21 schools, funded from DED-OESE, rural and low income school funds.

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

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

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

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

7 (2) From the federal funds appropriated in section 11, there is allocated for  
8 ~~2014-2015~~ 2015-2016 to districts, intermediate districts, and other eligible entities  
9 all available federal funding, estimated at ~~\$31,300,000.00~~ \$30,800,000.00 for the  
10 following programs that are funded by federal grants:

11 (a) An amount estimated at \$200,000.00 for acquired immunodeficiency syndrome  
12 education grants, funded from HHS - center for disease control, AIDS funding.

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

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

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

20 (3) All federal funds allocated under this section shall be distributed in  
21 accordance with federal law and with flexibility provisions outlined in Public Law  
22 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.  
23 Notwithstanding section 17b, payments of federal funds to districts, intermediate  
24 districts, and other eligible entities under this section shall be paid on a schedule  
25 determined by the department.

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

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

3 (5) As used in this section:

4 (a) "DED" means the United States department of education.

5 (b) "DED-OESE" means the DED office of elementary and secondary education.

6 (c) "DED-OVAE" means the DED office of vocational and adult education.

7 (d) "HHS" means the United States department of health and human services.

8 ~~(e) "HHS-ACF" means the HHS administration for children and families.~~

9 **(E) "HHS-SAMHSA" MEANS THE HHS SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES**

10 **ADMINISTRATION.**

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

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

27 Sec. 51a. (1) From the appropriation in section 11, there is allocated an

1 amount not to exceed ~~\$938,946,100.00~~ \$934,546,100.00 for ~~2014-2015~~ 2015-2016 from  
2 state sources and all available federal funding under sections 611 to 619 of part B of  
3 the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at  
4 \$370,000,000.00 for ~~2014-2015~~ 2015-2016, plus any carryover federal funds from  
5 previous year appropriations. The allocations under this subsection are for the  
6 purpose of reimbursing districts and intermediate districts for special education  
7 programs, services, and special education personnel as prescribed in article 3 of the  
8 revised school code, MCL 380.1701 to 380.1766; net tuition payments made by  
9 intermediate districts to the Michigan schools for the deaf and blind; and special  
10 education programs and services for pupils who are eligible for special education  
11 programs and services according to statute or rule. For meeting the costs of special  
12 education programs and services not reimbursed under this article, a district or  
13 intermediate district may use money in general funds or special education funds, not  
14 otherwise restricted, or contributions from districts to intermediate districts,  
15 tuition payments, gifts and contributions from individuals or other entities, or  
16 federal funds that may be available for this purpose, as determined by the  
17 intermediate district plan prepared pursuant to article 3 of the revised school code,  
18 MCL 380.1701 to 380.1766. Notwithstanding section 17b, payments of federal funds to  
19 districts, intermediate districts, and other eligible entities under this section  
20 shall be paid on a schedule determined by the department.

21 (2) From the funds allocated under subsection (1), there is allocated the  
22 amount necessary, estimated at ~~\$252,000,000.00~~ \$257,200,000.00 for ~~2014-2015~~ 2015-  
23 2016, for payments toward reimbursing districts and intermediate districts for  
24 28.6138% of total approved costs of special education, excluding costs reimbursed  
25 under section 53a, and 70.4165% of total approved costs of special education  
26 transportation. Allocations under this subsection shall be made as follows:

27 (a) The initial amount allocated to a district under this subsection toward

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

15 (b) After the allocations under subdivision (a), districts and intermediate  
16 districts for which the payments calculated under subdivision (a) do not fulfill the  
17 specified percentages shall be paid the amount necessary to achieve the specified  
18 percentages for the district or intermediate district.

19 (3) From the funds allocated under subsection (1), there is allocated for ~~2014-~~  
20 ~~2015~~ 2015-2016 an amount not to exceed \$1,000,000.00 to make payments to districts and  
21 intermediate districts under this subsection. If the amount allocated to a district or  
22 intermediate district for a fiscal year under subsection (2)(b) is less than the sum  
23 of the amounts allocated to the district or intermediate district for 1996-97 under  
24 sections 52 and 58, there is allocated to the district or intermediate district for  
25 the fiscal year an amount equal to that difference, adjusted by applying the same  
26 proration factor that was used in the distribution of funds under section 52 in 1996-  
27 97 as adjusted to the district's or intermediate district's necessary costs of special

1 education used in calculations for the fiscal year. This adjustment is to reflect  
2 reductions in special education program operations or services between 1996-97 and  
3 subsequent fiscal years. Adjustments for reductions in special education program  
4 operations or services shall be made in a manner determined by the department and  
5 shall include adjustments for program or service shifts.

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

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

27 (6) From the amount allocated in subsection (1), there is allocated an amount

1 not to exceed \$2,200,000.00 for ~~2014-2015~~ 2015-2016 to reimburse 100% of the net  
2 increase in necessary costs incurred by a district or intermediate district in  
3 implementing the revisions in the administrative rules for special education that  
4 became effective on July 1, 1987. As used in this subsection, "net increase in  
5 necessary costs" means the necessary additional costs incurred solely because of new  
6 or revised requirements in the administrative rules minus cost savings permitted in  
7 implementing the revised rules. Net increase in necessary costs shall be determined in  
8 a manner specified by the department.

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

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

26 (b) Beginning with the 2004-2005 fiscal year, a district or intermediate  
27 district that employed special education support services staff to provide special



1 education support services in 2003-2004 or in a subsequent fiscal year and that in a  
2 fiscal year after 2003-2004 receives the same type of support services from another  
3 district or intermediate district shall report the cost of those support services for  
4 special education reimbursement purposes under this article. This subdivision does not  
5 prohibit the transfer of special education classroom teachers and special education  
6 classroom aides if the pupils counted in membership associated with those special  
7 education classroom teachers and special education classroom aides are transferred and  
8 counted in membership in the other district or intermediate district in conjunction  
9 with the transfer of those teachers and aides.

10 ~~(c) If the department determines before bookclosing for a fiscal year that the~~  
11 ~~amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and~~  
12 ~~sections 53a, 54, and 56 will exceed expenditures for that fiscal year under~~  
13 ~~subsections (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district~~  
14 ~~or intermediate district whose reimbursement for that fiscal year would otherwise be~~  
15 ~~affected by subdivision (b), subdivision (b) does not apply to the calculation of the~~  
16 ~~reimbursement for that district or intermediate district and reimbursement for that~~  
17 ~~district or intermediate district shall be calculated in the same manner as it was for~~  
18 ~~2003-2004. If the amount of the excess allocations under subsections (2), (3), (6),~~  
19 ~~and (11) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation~~  
20 ~~of reimbursement to those districts and intermediate districts under this subdivision,~~  
21 ~~then the calculations and resulting reimbursement under this subdivision shall be~~  
22 ~~prorated on an equal percentage basis. This reimbursement shall not be made after~~  
23 ~~2014-2015.~~

24 (C) ~~(d)~~ Reimbursement for ancillary and other related services, as defined by R  
25 340.1701c of the Michigan administrative code, shall not be provided when those  
26 services are covered by and available through private group health insurance carriers  
27 or federal reimbursed program sources unless the department and district or

1 intermediate district agree otherwise and that agreement is approved by the state  
2 budget director. Expenses, other than the incidental expense of filing, shall not be  
3 borne by the parent. In addition, the filing of claims shall not delay the education  
4 of a pupil. A district or intermediate district shall be responsible for payment of a  
5 deductible amount and for an advance payment required until the time a claim is paid.

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

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

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

26 (10) If a district or intermediate district uses money received under this  
27 section for a purpose other than the purpose or purposes for which the money is

1 allocated, the department may require the district or intermediate district to refund  
2 the amount of money received. Money that is refunded shall be deposited in the state  
3 treasury to the credit of the state school aid fund.

4 (11) From the funds allocated in subsection (1), there is allocated the amount  
5 necessary, estimated at ~~\$3,200,000.00~~ \$3,200,000.00 for ~~2014-2015~~ 2015-2016, to pay  
6 the foundation allowances for pupils described in this subsection. The allocation to a  
7 district under this subsection shall be calculated by multiplying the number of pupils  
8 described in this subsection who are counted in membership in the district times the  
9 foundation allowance under section 20 of the pupil's district of residence, not to  
10 exceed the basic foundation allowance under section 20 for the current fiscal year,  
11 or, for a pupil described in this subsection who is counted in membership in a  
12 district that is a public school academy, times an amount equal to the amount per  
13 membership pupil under section 20(6) or, for a pupil described in this subsection who  
14 is counted in membership in the education achievement system, times an amount equal to  
15 the amount per membership pupil under section 20(7). The allocation to an intermediate  
16 district under this subsection shall be calculated in the same manner as for a  
17 district, using the foundation allowance under section 20 of the pupil's district of  
18 residence, not to exceed the basic foundation allowance under section 20 for the  
19 current fiscal year. This subsection applies to all of the following pupils:

20 (a) Pupils described in section 53a.

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

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

27 (12) If it is determined that funds allocated under subsection (2) or (11) or

1 under section 51c will not be expended, funds up to the amount necessary and available  
2 may be used to supplement the allocations under subsection (2) or (11) or under  
3 section 51c in order to fully fund those allocations. After payments under subsections  
4 (2) and (11) and section 51c, the remaining expenditures from the allocation in  
5 subsection (1) shall be made in the following order:

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

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

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

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

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

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

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

27 Sec. 51c. As required by the court in the consolidated cases known as Durant v

1 State of Michigan, Michigan supreme court docket no. 104458-104492, from the  
2 allocation under section 51a(1), there is allocated for ~~2014-2015~~ 2015-2016 the amount  
3 necessary, estimated at ~~\$630,500,000.00~~ \$621,000,000.00, for payments to reimburse  
4 districts for 28.6138% of total approved costs of special education excluding costs  
5 reimbursed under section 53a, and 70.4165% of total approved costs of special  
6 education transportation. Funds allocated under this section that are not expended in  
7 the state fiscal year for which they were allocated, as determined by the department,  
8 may be used to supplement the allocations under sections 22a and 22b in order to fully  
9 fund those calculated allocations for the same fiscal year.

10 Sec. 51d. (1) From the federal funds appropriated in section 11, there is  
11 allocated for ~~2014-2015~~ 2015-2016, all available federal funding, estimated at  
12 ~~\$74,000,000.00~~ \$71,000,000.00, for special education programs and services that are  
13 funded by federal grants. All federal funds allocated under this section shall be  
14 distributed in accordance with federal law. Notwithstanding section 17b, payments of  
15 federal funds to districts, intermediate districts, and other eligible entities under  
16 this section shall be paid on a schedule determined by the department.

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

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

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

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

25 (3) As used in this section, "DED-OSERS" means the United States department of  
26 education office of special education and rehabilitative services.

27 Sec. 53a. (1) For districts, reimbursement for pupils described in subsection

1 (2) shall be 100% of the total approved costs of operating special education programs  
2 and services approved by the department and included in the intermediate district plan  
3 adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766,  
4 minus the district's foundation allowance calculated under section 20. For  
5 intermediate districts, reimbursement for pupils described in subsection (2) shall be  
6 calculated in the same manner as for a district, using the foundation allowance under  
7 section 20 of the pupil's district of residence, not to exceed the basic foundation  
8 allowance under section 20 for the current fiscal year.

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

11 (a) Pupils assigned to a district or intermediate district through the  
12 community placement program of the courts or a state agency, if the pupil was a  
13 resident of another intermediate district at the time the pupil came under the  
14 jurisdiction of the court or a state agency.

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

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

20 (d) Pupils enrolled in a department-approved on-grounds educational program  
21 longer than 180 days, but not longer than 233 days, at a residential child care  
22 institution, if the child care institution offered in 1991-92 an on-grounds  
23 educational program longer than 180 days but not longer than 233 days.

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

27 (3) Only those costs that are clearly and directly attributable to educational

1 programs for pupils described in subsection (2), and that would not have been incurred  
2 if the pupils were not being educated in a district or intermediate district, are  
3 reimbursable under this section.

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

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

8 Sec. 54. Each intermediate district shall receive an amount per pupil for each  
9 pupil in attendance at the Michigan schools for the deaf and blind. The amount shall  
10 be proportionate to the total instructional cost at each school. Not more than  
11 \$1,688,000.00 of the allocation for ~~2014-2015~~ 2015-2016 in section 51a(1) shall be  
12 allocated under this section.

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

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

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

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

25 (2) From the allocation under section 51a(1), there is allocated an amount not  
26 to exceed \$37,758,100.00 for ~~2014-2015~~ 2015-2016 to reimburse intermediate districts  
27 levying millages for special education pursuant to part 30 of the revised school code,

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

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

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

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

18 Sec. 61a. (1) From the appropriation in section 11, there is allocated an  
19 amount not to exceed \$26,611,300.00 for ~~2014-2015~~ **2015-2016** to reimburse on an added  
20 cost basis districts, except for a district that served as the fiscal agent for a  
21 vocational education consortium in the 1993-94 school year, and secondary area  
22 vocational-technical education centers for secondary-level career and technical  
23 education programs according to rules approved by the superintendent. Applications for  
24 participation in the programs shall be submitted in the form prescribed by the  
25 department. The department shall determine the added cost for each career and  
26 technical education program area. The allocation of added cost funds shall be based on  
27 the ~~type~~ **COST** of **THE** career and technical education programs provided, the number of



1 pupils enrolled, **THE ADVANCEMENT OF PUPILS THROUGH THE INSTRUCTIONAL PROGRAM, AND**  
2 **PROGRAM RANK IN STUDENT PLACEMENT, JOB OPENINGS AND WAGES** and the length of the  
3 training period provided, and shall not exceed 75% of the added cost of any program.  
4 With the approval of the department, the board of a district maintaining a secondary  
5 career and technical education program may offer the program for the period from the  
6 close of the school year until September 1. The program shall use existing facilities  
7 and shall be operated as prescribed by rules promulgated by the superintendent.

8 (2) Except for a district that served as the fiscal agent for a vocational  
9 education consortium in the 1993-94 school year, districts and intermediate districts  
10 shall be reimbursed for local career and technical education administration, shared  
11 time career and technical education administration, and career education planning  
12 district career and technical education administration. The definition of what  
13 constitutes administration and reimbursement shall be pursuant to guidelines adopted  
14 by the superintendent. Not more than \$800,000.00 of the allocation in subsection (1)  
15 shall be distributed under this subsection.

16 ~~(3) In addition to the funds allocated in subsection (1), from the~~  
17 ~~appropriation in section 11, there is allocated an amount not to exceed \$1,000,000.00~~  
18 ~~for 2014-2015 to districts or intermediate districts for area career and technical~~  
19 ~~education centers for the purpose of integrating the Michigan merit curriculum content~~  
20 ~~standards under sections 1278a and 1278b of the revised school code, MCL 380.1278a and~~  
21 ~~380.1278b, into state approved career and technical education instructional programs~~  
22 ~~for the purpose of awarding academic credit. The department shall determine the~~  
23 ~~allocation to each career and technical education center in a manner that provides for~~  
24 ~~maximum integration of Michigan merit curriculum content standards statewide.~~

25 **SEC. 61B (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT**  
26 **NOT TO EXCEED \$17,800,000.00 FOR 2015-2016 FOR CTE EARLY/MIDDLE COLLEGE PROGRAMS**  
27 **AUTHORIZED UNDER THIS SECTION. THE PURPOSE OF THESE PROGRAMS IS TO INCREASE THE NUMBER**

1 OF MICHIGAN RESIDENTS WITH HIGH QUALITY DEGREES OR CREDENTIALS, AND TO INCREASE THE  
2 NUMBER OF STUDENTS WHO ARE COLLEGE AND CAREER READY UPON HIGH SCHOOL GRADUATION.

3 (2) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), AN AMOUNT AS DETERMINED  
4 UNDER THIS SUBSECTION SHALL BE ALLOCATED TO EACH INTERMEDIATE DISTRICT SERVING AS A  
5 FISCAL AGENT FOR STATE-APPROVED CTE EARLY/MIDDLE COLLEGE PROGRAMS IN EACH OF THE 10  
6 PROSPERITY REGIONS IDENTIFIED BY THE DEPARTMENT. AN INTERMEDIATE DISTRICT SHALL NOT  
7 USE MORE THAN 5% OF THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR ADMINISTRATIVE COSTS  
8 FOR SERVING AS THE FISCAL AGENT.

9 (3) TO BE AN ELIGIBLE FISCAL AGENT, AN INTERMEDIATE DISTRICT MUST AGREE TO DO  
10 THE FOLLOWING IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT:

11 (A) DISTRIBUTE FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAMS IN A  
12 PROSPERITY REGION AS DESCRIBED IN THIS SECTION.

13 (B) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT IS LOCATED IN THE  
14 PROSPERITY REGION TO DEVELOP A REGIONAL STRATEGIC PLAN THAT ALIGNS CTE PROGRAMS AND  
15 SERVICES INTO AN EFFICIENT AND EFFECTIVE DELIVERY SYSTEM FOR HIGH SCHOOL STUDENTS.

16 (C) IMPLEMENT A REGIONAL PROCESS TO RANK CAREER CLUSTERS IN THE PROSPERITY  
17 REGION AS DESCRIBED UNDER SUBSECTION (4). REGIONAL PROCESSES SHALL BE APPROVED BY THE  
18 DEPARTMENT PRIOR TO THE RANKING OF CLUSTERS.

19 (D) REPORT CTE EARLY/MIDDLE COLLEGE PROGRAM AND STUDENT DATA AND INFORMATION AS  
20 PRESCRIBED BY THE DEPARTMENT.

21 (4) A REGIONAL STRATEGIC PLAN SHALL INCLUDE, BUT NOT BE LIMITED TO, THE  
22 FOLLOWING:

23 (A) AN IDENTIFICATION OF REGIONAL EMPLOYER NEED BASED ON A RANKING OF ALL  
24 CAREER CLUSTERS IN THE PROSPERITY REGION RANKED BY 10-YEAR JOB OPENINGS PROJECTIONS  
25 AND MEDIAN WAGE FOR EACH STANDARD OCCUPATIONAL CODE IN EACH CAREER CLUSTER AS OBTAINED  
26 FROM THE UNITED STATES BUREAU OF LABOR STATISTICS. STANDARD OCCUPATION CODES WITHIN  
27 HIGH-RANKING CLUSTERS MAY BE FURTHER RANKED BY MEDIAN WAGE AS WELL. THE RANKINGS SHALL

1 BE REVIEWED BY THE TALENT DISTRICT CAREER COUNCIL LOCATED IN THE PROSPERITY REGION AND  
2 MODIFIED IF NECESSARY TO ACCURATELY REFLECT EMPLOYER DEMAND FOR TALENT IN THE  
3 PROSPERITY REGION.

4 (B) AN IDENTIFICATION OF EDUCATIONAL ENTITIES IN THE PROSPERITY REGION THAT  
5 WILL PROVIDE ELIGIBLE CTE EARLY/MIDDLE PROGRAMS INCLUDING DISTRICT, INTERMEDIATE  
6 DISTRICTS, POSTSECONDARY INSTITUTIONS AND NONCREDIT OCCUPATIONAL TRAINING PROGRAMS  
7 LEADING TO AN INDUSTRY-RECOGNIZED CREDENTIAL.

8 (C) A STRATEGY TO INFORM PARENTS AND STUDENTS OF CTE EARLY/MIDDLE COLLEGE  
9 PROGRAMS IN THE PROSPERITY REGION.

10 (D) ANY OTHER REQUIREMENTS AS DEFINED BY THE DEPARTMENT.

11 (E) A REGIONAL STRATEGIC PLAN MUST BE APPROVED BY THE TALENT DISTRICT CAREER  
12 COUNCIL PRIOR TO SUBMISSION TO THE DEPARTMENT.

13 (5) AN ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAM IS A FIVE-YEAR HIGH SCHOOL  
14 PROGRAM THAT CONTAINS THE FOLLOWING COMPONENTS:

15 (A) HAS BEEN IDENTIFIED IN THE HIGHEST FIVE CAREER CLUSTER RANKINGS IN ANY OF  
16 THE TEN REGIONAL STRATEGIC PLANS JOINTLY APPROVED BY THE MICHIGAN TALENT INVESTMENT  
17 AGENCY IN THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT AND THE DEPARTMENT.

18 (B) HAS A COHERENT SEQUENCE OF COURSES THAT WILL ALLOW A STUDENT TO EARN A HIGH  
19 SCHOOL DIPLOMA AND ACHIEVE AT LEAST ONE OF THE FOLLOWING IN A SPECIFIC CAREER CLUSTER:

20 (I) AN ASSOCIATE'S DEGREE.

21 (II) AN INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATION APPROVED BY THE MICHIGAN  
22 TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT.

23 (III) UP TO 60 TRANSFERABLE COLLEGE CREDITS.

24 (IV) PARTICIPATION IN A REGISTERED APPRENTICESHIP.

25 (C) IS ALIGNED WITH THE MICHIGAN MERIT CURRICULUM.

26 (D) HAS AN ARTICULATION AGREEMENT WITH AT LEAST ONE POSTSECONDARY INSTITUTION  
27 THAT PROVIDES STUDENTS WITH OPPORTUNITIES TO RECEIVE POSTSECONDARY CREDITS DURING THE

1 STUDENT'S PARTICIPATION IN THE CTE EARLY/MIDDLE COLLEGE PROGRAM AND TRANSFERS THOSE  
2 CREDITS TO THE POSTSECONDARY INSTITUTION UPON COMPLETION OF THE CTE EARLY/MIDDLE  
3 COLLEGE PROGRAM.

4 (E) PROVIDES INSTRUCTION THAT IS SUPERVISED, DIRECTED, OR COORDINATED BY AN  
5 APPROPRIATELY CERTIFICATED CTE TEACHER OR ADJUNCT PROFESSOR FOR CONCURRENT ENROLLMENT  
6 COURSES.

7 (F) PROVIDES FOR HIGHLY INTEGRATED STUDENT SUPPORT SERVICES THAT INCLUDE AT  
8 LEAST THE FOLLOWING:

9 (I) TEACHERS AS ACADEMIC ADVISORS.

10 (II) SUPERVISED COURSE SELECTION.

11 (III) MONITORING OF STUDENT PROGRESS AND COMPLETION.

12 (IV) CAREER PLANNING SERVICES PROVIDED BY A LOCAL ONE-STOP SERVICE CENTER AS  
13 DESCRIBED IN THE MICHIGAN WORKS ONE-STOP SERVICE CENTER SYSTEM ACT, 2006 PA 491, OR BY  
14 A HIGH SCHOOL COUNSELOR OR ADVISOR.

15 (G) COURSES MAY BE TAUGHT ON COLLEGE CAMPUSES, OR BY ADJUNCT PROFESSORS FOR  
16 COLLEGE COURSES OFFERED AT THE HIGH SCHOOL, OR IN COMBINATION WITH ONLINE INSTRUCTION.

17 (6) FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAMS SHALL BE DISTRIBUTED AS  
18 FOLLOWS:

19 (A) THE DEPARTMENT SHALL CALCULATE STATEWIDE AVERAGE CTE COSTS PER FTE FOR EACH  
20 CAREER CLUSTER BY DIVIDING TOTAL PRIOR YEAR STATEWIDE COSTS FOR EACH CAREER CLUSTER BY  
21 THE PRIOR YEAR FTE ENROLLMENT FOR EACH CAREER CLUSTER.

22 (B) DISTRIBUTION TO EACH PROSPERITY REGION SHALL BE THE PRODUCT OF 50% OF CTE  
23 COSTS PER FTE TIMES THE CURRENT YEAR FTE ENROLLMENT OF EACH CAREER CLUSTER IN AN  
24 ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAM.

25 (7) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A CTE EARLY/MIDDLE COLLEGE  
26 PROGRAM SHALL FURNISH TO THE INTERMEDIATE DISTRICT THAT IS THE FISCAL AGENT IDENTIFIED  
27 IN SUBSECTION (1), IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, ALL INFORMATION

1 NEEDED TO ADMINISTER THIS PROGRAM AND MEET FEDERAL REPORTING REQUIREMENTS; SHALL ALLOW  
2 THE DEPARTMENT OR THE DEPARTMENT'S DESIGNEE TO REVIEW ALL RECORDS RELATED TO THE  
3 PROGRAM FOR WHICH IT RECEIVES FUNDS; AND SHALL REIMBURSE THE STATE FOR ALL  
4 DISALLOWANCES FOUND IN THE REVIEW, AS DETERMINED BY THE DEPARTMENT.

5 (8) FUNDS DISTRIBUTED UNDER THIS SECTION MAY BE USED TO FUND PROGRAM  
6 EXPENDITURES THAT WOULD OTHERWISE BE PAID FOR FROM FOUNDATION ALLOWANCES. A PROGRAM  
7 PROVIDER SHALL NOT USE MORE THAN 5% OF THE FUNDS ALLOCATED UNDER THIS SECTION TO THE  
8 PROGRAM FOR ADMINISTRATIVE COSTS.

9 (9) IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO FULLY FUND  
10 PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION, THE DEPARTMENT SHALL PRORATE  
11 PAYMENTS UNDER THIS SECTION ON AN EQUAL PERCENTAGE BASIS.

12 (10) AS USED IN THIS SECTION:

13 (A) "ALLOWABLE COSTS" MEANS THOSE COSTS DIRECTLY ATTRIBUTABLE TO THE PROGRAM AS  
14 JOINTLY DETERMINED BY THE MICHIGAN TALENT INVESTMENT AGENCY AND THE DEPARTMENT.

15 (B) "CTE" MEANS CAREER AND TECHNICAL EDUCATION.

16 (C) "TALENT DISTRICT CAREER COUNCIL" MEANS AN ADVISORY COUNCIL TO THE LOCAL  
17 WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL,  
18 EMPLOYER, LABOR AND PARENT REPRESENTATIVES.

19 Sec. 62. (1) For the purposes of this section:

20 (a) "Membership" means for a particular fiscal year the total membership for  
21 the immediately preceding fiscal year of the intermediate district and the districts  
22 constituent to the intermediate district or the total membership for the immediately  
23 preceding fiscal year of the area vocational-technical program.

24 (b) "Millage levied" means the millage levied for area vocational-technical  
25 education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to  
26 380.690, including a levy for debt service obligations incurred as the result of  
27 borrowing for capital outlay projects and in meeting capital projects fund

1 requirements of area vocational-technical education.

2 (c) "Taxable value" means the total taxable value of the districts constituent  
3 to an intermediate district or area vocational-technical education program, except  
4 that if a district has elected not to come under sections 681 to 690 of the revised  
5 school code, MCL 380.681 to 380.690, the membership and taxable value of that district  
6 shall not be included in the membership and taxable value of the intermediate  
7 district. However, the membership and taxable value of a district that has elected not  
8 to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690,  
9 shall be included in the membership and taxable value of the intermediate district if  
10 the district meets both of the following:

11 (i) The district operates the area vocational-technical education program  
12 pursuant to a contract with the intermediate district.

13 (ii) The district contributes an annual amount to the operation of the program  
14 that is commensurate with the revenue that would have been raised for operation of the  
15 program if millage were levied in the district for the program under sections 681 to  
16 690 of the revised school code, MCL 380.681 to 380.690.

17 (2) From the appropriation in section 11, there is allocated an amount not to  
18 exceed \$9,190,000.00 for ~~2014-2015~~ **2015-2016** to reimburse intermediate districts and  
19 area vocational-technical education programs established under section 690(3) of the  
20 revised school code, MCL 380.690, levying millages for area vocational-technical  
21 education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to  
22 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if  
23 the funds were generated by those millages.

24 (3) Reimbursement for the millages levied in ~~2013-2014~~ **2014-2015** shall be made  
25 in ~~2014-2015~~ **2015-2016** at an amount per ~~2013-2014~~ **2014-2015** membership pupil computed  
26 by subtracting from ~~\$188,100.00~~ **\$189,400.00** the ~~2013-2014~~ **2014-2015** taxable value  
27 behind each membership pupil and multiplying the resulting difference by the ~~2013-2014~~

1 2014-2015 millage levied.

2 (4) The amount paid to a single intermediate district under this section shall  
3 not exceed 38.4% of the total amount allocated under subsection (2).

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

7 Sec. 64b. (1) From the appropriation in section 11, there is allocated an  
8 amount not to exceed \$1,750,000.00 for ~~2014-2015~~ 2015-2016 for supplemental payments  
9 to districts that support the attendance of district pupils in grades 9 to 12 under  
10 the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or  
11 under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913,  
12 consistent with section 21b, or that support the attendance of district pupils in a  
13 concurrent enrollment program if the district meets the requirements under subsection

14 (3). **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO INCREASE THE NUMBER OF**  
15 **STUDENTS WHO ARE COLLEGE AND CAREER READY UPON HIGH SCHOOL GRADUATION.**

16 (2) To be eligible for payments under this section for supporting the  
17 attendance of district pupils under the postsecondary enrollment options act, 1996 PA  
18 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000  
19 PA 258, MCL 388.1901 to 388.1913, a district shall do all of the following:

20 (a) Provide information to all high school pupils on postsecondary enrollment  
21 options, including enrollment eligibility, the institutions and types of courses that  
22 are eligible for participation, the decision-making process for granting academic  
23 credit, and an explanation of eligible charges that will be paid by the district.

24 (b) Enter into a written agreement with a postsecondary institution before the  
25 enrollment of district pupils.

26 (c) Agree to pay all eligible charges pursuant to section 21b.

27 (d) Award high school credit for the postsecondary course if the pupil

1 successfully completes the course.

2 (3) To be eligible for payments under this section for pupils enrolled in a  
3 concurrent enrollment program, a district shall do all of the following:

4 (a) Provide information to all high school pupils on postsecondary enrollment  
5 options, including enrollment eligibility, the institutions and types of courses that  
6 are eligible for participation, the decision-making process for granting academic  
7 credit, and an explanation of eligible charges that will be paid by the district.

8 (b) Enter into a written agreement with a postsecondary institution  
9 establishing the concurrent enrollment program before the enrollment of district  
10 pupils in a postsecondary course through the postsecondary institution.

11 (c) Ensure that the course is taught by either a high school teacher or  
12 postsecondary faculty pursuant to standards established by the postsecondary  
13 institution with which the district has entered into a written agreement to operate  
14 the concurrent enrollment program.

15 (d) Ensure that the written agreement provides that the postsecondary  
16 institution agrees not to charge the pupil for any cost of the program.

17 (e) Ensure that the course is taught in the local district or intermediate  
18 district.

19 (f) Ensure that the pupil is awarded both high school and college credit upon  
20 successful completion of the course as outlined in the agreement with the  
21 postsecondary institution.

22 (4) Funds shall be awarded to eligible districts under this section in the  
23 following manner:

24 (a) A payment of \$10.00 per credit, for up to 3 credits, for a credit-bearing  
25 course in which a pupil enrolls during the ~~2014-2015~~ 2015-2016 school year as  
26 described under either subsection (2) or (3).

27 (b) An additional payment of \$30.00 per pupil per course identified in



1 subdivision (a), if the pupil successfully completes, and is awarded both high school  
2 and postsecondary credit for, the course during the ~~2014-2015~~ 2015-2016 school year.

3 (5) A district requesting payment under this section shall submit an  
4 application to the department in the form and manner prescribed by the department.  
5 Notwithstanding section 17b, payments under this section shall be made on a schedule  
6 determined by the department.

7 SEC. 67. (1) FROM THE GENERAL FUND AMOUNT APPROPRIATED IN SECTION 11, THERE IS  
8 ALLOCATED AN AMOUNT NOT TO EXCEED \$3,600,000.00 FOR COLLEGE AND CAREER PREPARATION  
9 ACTIVITIES. THE PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO INFORM STUDENTS OF  
10 COLLEGE AND CAREER OPTIONS, AND PROVIDE A WIDE ARRAY OF TOOLS AND RESOURCES INTENDED  
11 TO INCREASE THE NUMBER OF STUDENTS WHO ARE ADEQUATELY PREPARED WITH THE INFORMATION  
12 NEEDED TO MAKE INFORMED DECISIONS ON COLLEGE AND CAREER. THE FUNDS APPROPRIATED UNDER  
13 THIS SECTION WILL BE USED TO INCREASE THE NUMBER OF MICHIGAN RESIDENTS WITH HIGH  
14 QUALITY DEGREES OR CREDENTIALS.

15 (2) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT TO EXCEED  
16 \$3,000,000.00 SHALL BE USED FOR THE COLLEGE ACCESS PROGRAM. THE TALENT INVESTMENT  
17 AGENCY OF THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE  
18 FUNDS IN COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK. FUNDS MAY BE USED FOR  
19 THE FOLLOWING PURPOSES:

20 (A) MICHIGAN COLLEGE ACCESS NETWORK OPERATIONS, PROGRAMMING, AND SERVICES TO  
21 LOCAL COLLEGE ACCESS NETWORKS.

22 (B) LOCAL COLLEGE ACCESS NETWORKS, WHICH ARE COMMUNITY-BASED COLLEGE  
23 ACCESS/SUCCESS PARTNERSHIPS COMMITTED TO INCREASING THE COLLEGE PARTICIPATION AND  
24 COMPLETION RATES WITHIN GEOGRAPHICALLY DEFINED COMMUNITIES THROUGH A COORDINATED  
25 STRATEGY.

26 (C) THE MICHIGAN COLLEGE ADVISING PROGRAM, A PROGRAM INTENDED TO PLACE TRAINED,  
27 RECENTLY-GRADUATED COLLEGE ADVISERS IN HIGH SCHOOLS THAT SERVE SIGNIFICANT NUMBERS OF

1 LOW-INCOME AND FIRST GENERATION COLLEGE-GOING STUDENTS. STATE FUNDS USED FOR THIS  
2 PURPOSE MAY NOT EXCEED 33 PERCENT OF THE TOTAL FUNDS USED FOR THIS PURPOSE.

3 (D) SUBGRANTS OF UP TO \$5,000.00 TO DISTRICTS WITH COMPREHENSIVE HIGH SCHOOLS  
4 THAT ESTABLISH A COLLEGE ACCESS TEAM AND IMPLEMENT SPECIFIC STRATEGIES TO CREATE A  
5 COLLEGE-GOING CULTURE IN A HIGH SCHOOL IN A FORM AND MANNER APPROVED BY THE MICHIGAN  
6 COLLEGE ACCESS NETWORK AND THE MICHIGAN TALENT INVESTMENT AGENCY.

7 (E) THE MICHIGAN COLLEGE ACCESS PORTAL, AN ONLINE 1-STOP PORTAL TO HELP  
8 STUDENTS AND FAMILIES PLAN AND APPLY FOR COLLEGE.

9 (F) PUBLIC AWARENESS AND OUTREACH CAMPAIGNS TO ENCOURAGE LOW-INCOME AND FIRST-  
10 GENERATION STUDENTS TO TAKE NECESSARY STEPS TOWARD COLLEGE AND TO ASSIST STUDENTS AND  
11 FAMILIES IN COMPLETING A TIMELY AND ACCURATE FREE APPLICATION FOR FEDERAL STUDENT AID.

12 (G) SUBGRANTS TO POSTSECONDARY INSTITUTIONS TO RECRUIT, HIRE, AND TRAIN COLLEGE  
13 STUDENT MENTORS AND COLLEGE ADVISORS TO ASSIST HIGH SCHOOL STUDENTS IN NAVIGATING THE  
14 POSTSECONDARY PLANNING AND ENROLLMENT PROCESS.

15 (3) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT TO EXCEED  
16 \$600,000.00 TO BE USED FOR THE PURPOSES OF THIS SUBSECTION. THE TALENT INVESTMENT  
17 AGENCY OF THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE  
18 FUNDS IN COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK AND THE MICHIGAN  
19 VIRTUAL UNIVERSITY.

20 (A) A PILOT OUTREACH PROGRAM TO PROVIDE INFORMATION TO STUDENTS, PARENTS AND  
21 EDUCATORS ON DUAL ENROLLMENT AND OTHER OPPORTUNITIES AVAILABLE TO HIGH SCHOOL STUDENTS  
22 TO EARN POSTSECONDARY CREDITS, INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATIONS, AND  
23 PARTICIPATION IN REGISTERED APPRENTICESHIPS AT NO COST.

24 (B) AN ONLINE CAREER PLANNING TOOL THAT MEETS THE FOLLOWING:

25 (I) HELPS STUDENTS CREATE EDUCATIONAL DEVELOPMENT PLANS PRIOR TO STARTING HIGH  
26 SCHOOL.

27 (II) PROVIDES INFORMATION TO STUDENTS ALLOWING THEM TO MAKE MORE INFORMED

1 CHOICES

2 ABOUT CAREER AND EDUCATION OPTIONS.

3 (III) IS AVAILABLE TO STUDENTS AT NO COST.

4 (4) FOR THE PURPOSES OF THIS SECTION, "COLLEGE" MEANS ANY POSTSECONDARY  
5 EDUCATIONAL OPPORTUNITY THAT LEADS TO A CAREER, INCLUDING BUT NOT LIMITED TO A  
6 POSTSECONDARY DEGREE, INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATION OR REGISTERED  
7 APPRENTICESHIP.

8 Sec. 74. (1) From the amount appropriated in section 11, there is allocated an  
9 amount not to exceed ~~\$3,316,500.00~~ \$3,315,700.00 for ~~2014-2015~~ 2015-2016 for the  
10 purposes of this section.

11 (2) From the allocation in subsection (1), there is allocated ~~for each fiscal~~  
12 ~~year~~ the amount necessary for payments to state supported colleges or universities and  
13 intermediate districts providing school bus driver safety instruction pursuant to  
14 section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments  
15 shall be in an amount determined by the department not to exceed the actual cost of  
16 instruction and driver compensation for each public or nonpublic school bus driver  
17 attending a course of instruction. For the purpose of computing compensation, the  
18 hourly rate allowed each school bus driver shall not exceed the hourly rate received  
19 for driving a school bus. Reimbursement compensating the driver during the course of  
20 instruction shall be made by the department to the college or university or  
21 intermediate district providing the course of instruction.

22 (3) From the allocation in subsection (1), there is allocated for ~~2014-2015~~  
23 2015-2016 the amount necessary to pay the reasonable costs of nonspecial education  
24 auxiliary services transportation provided pursuant to section 1323 of the revised  
25 school code, MCL 380.1323. Districts funded under this subsection shall not receive  
26 funding under any other section of this article for nonspecial education auxiliary  
27 services transportation.

1 (4) From the funds allocated in subsection (1), there is allocated an amount  
2 not to exceed ~~\$1,691,500.00~~ **\$1,690,700.00** for ~~2014-2015~~ **2015-2016** for reimbursement to  
3 districts and intermediate districts for costs associated with the inspection of  
4 school buses and pupil transportation vehicles by the department of state police as  
5 required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a,  
6 and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The  
7 department of state police shall prepare a statement of costs attributable to each  
8 district for which bus inspections are provided and submit it to the department and to  
9 an intermediate district serving as fiduciary in a time and manner determined jointly  
10 by the department and the department of state police. Upon review and approval of the  
11 statement of cost, the department shall forward to the designated intermediate  
12 district serving as fiduciary the amount of the reimbursement on behalf of each  
13 district and intermediate district for costs detailed on the statement within 45 days  
14 after receipt of the statement. The designated intermediate district shall make  
15 payment in the amount specified on the statement to the department of state police  
16 within 45 days after receipt of the statement. The total reimbursement of costs under  
17 this subsection shall not exceed the amount allocated under this subsection.  
18 Notwithstanding section 17b, payments to eligible entities under this subsection shall  
19 be paid on a schedule prescribed by the department.

20 Sec. 81. (1) Except as otherwise provided in this section, from the  
21 appropriation in section 11, there is allocated for ~~2014-2015~~ **2015-2016** to the  
22 intermediate districts the sum necessary, but not to exceed ~~\$67,115,000.00~~  
23 **\$67,108,000.00** to provide state aid to intermediate districts under this section.

24 (2) From the allocation in subsection (1), there is allocated for ~~2014-2015~~  
25 **2015-2016** an amount not to exceed \$65,108,000.00 for allocations to each intermediate  
26 district in an amount equal to ~~104.8%~~ of the amount allocated to the intermediate  
27 district under this subsection for ~~2013-2014~~ **2014-2015**. Funding provided under this

1 section shall be used to comply with requirements of this article and the revised  
2 school code that are applicable to intermediate districts, and for which funding is  
3 not provided elsewhere in this article, and to provide technical assistance to  
4 districts as authorized by the intermediate school board.

5 (3) Intermediate districts receiving funds under subsection (2) shall  
6 collaborate with the department to develop expanded professional development  
7 opportunities for teachers to update and expand their knowledge and skills needed to  
8 support the Michigan merit curriculum.

9 (4) From the allocation in subsection (1), there is allocated to an  
10 intermediate district, formed by the consolidation or annexation of 2 or more  
11 intermediate districts or the attachment of a total intermediate district to another  
12 intermediate school district or the annexation of all of the constituent K-12  
13 districts of a previously existing intermediate school district which has  
14 disorganized, an additional allotment of \$3,500.00 each fiscal year for each  
15 intermediate district included in the new intermediate district for 3 years following  
16 consolidation, annexation, or attachment. ~~From the allocation in subsection (1), there~~  
17 ~~is allocated \$7,000.00 for purposes of this subsection for 2012-2013, for 2013-2014,~~  
18 ~~and for 2014-2015, after which the payment under this subsection will cease.~~

19 (5) In order to receive funding under subsection (2), an intermediate district  
20 shall do all of the following:

21 (a) Demonstrate to the satisfaction of the department that the intermediate  
22 district employs at least 1 person who is trained in pupil accounting and auditing  
23 procedures, rules, and regulations.

24 (b) Demonstrate to the satisfaction of the department that the intermediate  
25 district employs at least 1 person who is trained in rules, regulations, and district  
26 reporting procedures for the individual-level student data that serves as the basis  
27 for the calculation of the district and high school graduation and dropout rates.

1 (c) Comply with sections 1278a and 1278b of the revised school code, MCL  
2 380.1278a and 380.1278b.

3 (d) Furnish data and other information required by state and federal law to the  
4 center and the department in the form and manner specified by the center or the  
5 department, as applicable.

6 (e) Comply with section 1230g of the revised school code, MCL 380.1230g.

7 (f) Comply with section 761 of the revised school code, MCL 380.761.

8 (6) From the allocation in subsection (1), there is allocated an amount not to  
9 exceed \$2,000,000.00 for ~~2014-2015~~ **2015-2016** for an incentive payment to each  
10 intermediate district that meets best practices as determined by the department under  
11 this subsection. The amount of the incentive payment is an amount equal to 3.1% of the  
12 amount allocated to the intermediate district under subsection (2). An intermediate  
13 district is eligible for an incentive payment under this subsection if the  
14 intermediate district satisfies ~~at least 5~~ **ALL** of the following requirements not later  
15 than June 1, ~~2015~~ **2016**:

16 (a) The intermediate district enters into an agreement with the department to  
17 comply with all of the following:

18 (i) If the intermediate district developed a service consolidation plan in  
19 ~~2013-2014~~ **2014-2015**, implement the service consolidation plan in ~~2014-2015~~ **2015-2016**  
20 and report to the department not later than February 1, ~~2015~~ **2016** on the intermediate  
21 district's progress in implementing the service consolidation plan.

22 (ii) If the intermediate district ~~did~~ **HAS** not ~~develop~~ **DEVELOPED** a service  
23 consolidation plan ~~in 2012-2013 or 2013-2014~~, develop a service consolidation plan in  
24 ~~2014-2015~~ **2015-2016** to reduce operating costs that is in compliance with guidelines  
25 that were developed by the department for former section 11d as that section was in  
26 effect for 2010-2011.

27 (iii) Make the intermediate district's service consolidation plan publicly

1 available on the intermediate district's website.

2 ~~(b) The intermediate district has obtained competitive bids on the provision of~~  
3 ~~1 or more noninstructional services for the intermediate district or its constituent~~  
4 ~~districts with a value of at least \$50,000.00. The unfunded accrued liability costs~~  
5 ~~for retirement and other benefits shall be excluded from the intermediate district's~~  
6 ~~current costs for the purpose of comparing competitive bids to the current costs of~~  
7 ~~providing services.~~

8 (B) ~~(e)~~ The intermediate district develops a technology plan in accordance with  
9 department policy on behalf of all constituent districts within the intermediate  
10 district that integrates technology into the classroom and prepares teachers to use  
11 digital technologies as part of the instructional program of each of its constituent  
12 districts. An intermediate district that **HAS** developed a technology plan ~~in 2012-2013~~  
13 ~~or 2013-2014~~ shall continue to implement that technology plan in ~~2014-2015~~ **2015-2016**.

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

22 (i) A list of services offered by the intermediate district that are shared by  
23 other local or intermediate districts and a list of the districts or intermediate  
24 districts that participate.

25 (ii) The total cost savings to local or other intermediate districts that share  
26 services with the intermediate district.

27 (iii) The number and percentage of teachers in the intermediate district

1 service area that are trained to integrate technology into the classroom.

2 (iv) The total funds received from levying special education and vocational  
3 education millages, and the number of special education and vocational education  
4 pupils served with those dollars.

5 (v) The number and percentage of individualized education programs developed  
6 for special education pupils that contain academic goals.

7 (D) ~~(e)~~—The intermediate district works in a consortium with 1 or more other  
8 intermediate districts and the center to develop local information management system  
9 requirements and bid specifications that result in a recommended model information  
10 system that supports interoperability to ensure linkage and connectivity in a manner  
11 that facilitates the efficient exchange of data among districts, intermediate  
12 districts, and the center. At a minimum, these specifications shall include pupil  
13 management systems for both general and special education, learning management tools,  
14 and business services.

15 ~~(f) If an intermediate district provides medical, pharmacy, dental, vision,  
16 disability, long term care, or any other type of benefit that would constitute a  
17 health care services benefit, to employees and their dependents, the intermediate  
18 district is the policyholder for each of its insurance policies that covers 1 or more  
19 of these benefits. An intermediate district that does not directly employ its staff or  
20 an intermediate district with a voluntary employee beneficiary association that pays  
21 no more than the maximum per employee contribution amount and that contributes no more  
22 than the maximum employer contribution percentage of total annual costs for the  
23 medical benefit plans as described in sections 3 and 4 of the publicly funded health  
24 insurance contribution act, 2011 PA 152, MCL 15.563 and 15.564, is considered to have  
25 satisfied this requirement.~~

26 Sec. 94. (1) From the general fund appropriation in section 11, there is  
27 allocated to the department for ~~2014-2015~~ 2015-2016 an amount not to exceed



1 \$250,000.00 for efforts to increase the number of pupils who participate and succeed  
2 in advanced placement and international baccalaureate programs.

3 (2) From the funds allocated under this section, the department shall award  
4 funds to cover all or part of the costs of advanced placement test fees or  
5 international baccalaureate test fees for low-income pupils who take an advanced  
6 placement or an international baccalaureate test. Payments shall not exceed \$20.00 per  
7 test completed.

8 (3) The department shall only award funds under this section if the department  
9 determines that all of the following criteria are met:

10 (a) Each pupil for whom payment is made meets eligibility requirements of the  
11 federal advanced placement test fee program under section 1701 of the no child left  
12 behind act of 2001, Public Law 107-110.

13 (b) The tests are administered by the college board, the international  
14 baccalaureate organization, or another test provider approved by the department.

15 (c) The pupil for whom payment is made pays at least \$5.00 toward the cost of  
16 each test for which payment is made.

17 (4) The department shall establish procedures for awarding funds under this  
18 section.

19 (5) Notwithstanding section 17b, payments under this section shall be made on a  
20 schedule determined by the department.

21 Sec. 94a. (1) There is created within the state budget office in the department  
22 of technology, management, and budget the center for educational performance and  
23 information. The center shall do all of the following:

24 (a) Coordinate the collection of all data required by state and federal law  
25 from districts, intermediate districts, and postsecondary institutions.

26 (b) Create, maintain, and enhance this state's P-20 longitudinal data system  
27 and ensure that it meets the requirements of subsection (4).

1 (c) Collect data in the most efficient manner possible in order to reduce the  
2 administrative burden on reporting entities, including, but not limited to, electronic  
3 transcript services.

4 (d) Create, maintain, and enhance this state's web-based educational portal to  
5 provide information to school leaders, teachers, researchers, and the public in  
6 compliance with all federal and state privacy laws. Data shall include, but are not  
7 limited to, all of the following:

8 (i) Data sets that link teachers to student information, allowing districts to  
9 assess individual teacher impact on student performance and consider student growth  
10 factors in teacher and principal evaluation systems.

11 (ii) Data access or, if practical, data sets, provided for regional data  
12 warehouses that, in combination with local data, can improve teaching and learning in  
13 the classroom.

14 (iii) Research-ready data sets for researchers to perform research that  
15 advances this state's educational performance.

16 (e) Provide data in a useful manner to allow state and local policymakers to  
17 make informed policy decisions.

18 (f) Provide public reports to the citizens of this state to allow them to  
19 assess allocation of resources and the return on their investment in the education  
20 system of this state.

21 (g) Other functions as assigned by the state budget director.

22 (2) Each state department, officer, or agency that collects information from  
23 districts, intermediate districts, or postsecondary institutions as required under  
24 state or federal law shall make arrangements with the center to ensure that the state  
25 department, officer, or agency is in compliance with subsection (1). This subsection  
26 does not apply to information collected by the department of treasury under the  
27 uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised

1 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond  
2 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or  
3 section 1351a of the revised school code, MCL 380.1351a.

4 (3) The center may enter into any interlocal agreements necessary to fulfill  
5 its functions.

6 (4) The center shall ensure that the P-20 longitudinal data system required  
7 under subsection (1)(b) meets all of the following:

8 (a) Includes data at the individual student level from preschool through  
9 postsecondary education and into the workforce.

10 (b) Supports interoperability by using standard data structures, data formats,  
11 and data definitions to ensure linkage and connectivity in a manner that facilitates  
12 the exchange of data among agencies and institutions within the state and between  
13 states.

14 (c) Enables the matching of individual teacher and student records so that an  
15 individual student may be matched with those teachers providing instruction to that  
16 student.

17 (d) Enables the matching of individual teachers with information about their  
18 certification and the institutions that prepared and recommended those teachers for  
19 state certification.

20 (e) Enables data to be easily generated for continuous improvement and  
21 decision-making, including timely reporting to parents, teachers, and school leaders  
22 on student achievement.

23 (f) Ensures the reasonable quality, validity, and reliability of data contained  
24 in the system.

25 (g) Provides this state with the ability to meet federal and state reporting  
26 requirements.

27 (h) For data elements related to preschool through grade 12 and postsecondary,

1 meets all of the following:

2 (i) Contains a unique statewide student identifier that does not permit a  
3 student to be individually identified by users of the system, except as allowed by  
4 federal and state law.

5 (ii) Contains student-level enrollment, demographic, and program participation  
6 information.

7 (iii) Contains student-level information about the points at which students  
8 exit, transfer in, transfer out, drop out, or complete education programs.

9 (iv) Has the capacity to communicate with higher education data systems.

10 (i) For data elements related to preschool through grade 12 only, meets all of  
11 the following:

12 (i) Contains yearly test records of individual students for assessments  
13 approved by DED-OESE for accountability purposes under section 1111(b) of the  
14 elementary and secondary education act of 1965, 20 USC 6311, including information on  
15 individual students not tested, by grade and subject.

16 (ii) Contains student-level transcript information, including information on  
17 courses completed and grades earned.

18 (iii) Contains student-level college readiness test scores.

19 (j) For data elements related to postsecondary education only:

20 (i) Contains data that provide information regarding the extent to which  
21 individual students transition successfully from secondary school to postsecondary  
22 education, including, but not limited to, all of the following:

23 (A) Enrollment in remedial coursework.

24 (B) Completion of 1 year's worth of college credit applicable to a degree  
25 within 2 years of enrollment.

26 (ii) Contains data that provide other information determined necessary to  
27 address alignment and adequate preparation for success in postsecondary education.

1 (5) From the general fund appropriation in section 11, there is allocated an  
2 amount not to exceed ~~\$12,022,800.00~~ **\$11,967,000.00** for ~~2014-2015~~ **2015-2016** to the  
3 department of technology, management, and budget to support the operations of the  
4 center. In addition, from the federal funds appropriated in section 11 there is  
5 allocated for ~~2014-2015~~ **2015-2016** the amount necessary, estimated at \$193,500.00, to  
6 support the operations of the center and to establish a P-20 longitudinal data system  
7 ~~as provided under this section in compliance with the assurance provided to the United~~  
8 ~~States department of education in order to receive state fiscal stabilization funds~~  
9 **NECESSARY FOR STATE AND FEDERAL REPORTING.** The center shall cooperate with the  
10 department to ensure that this state is in compliance with federal law and is  
11 maximizing opportunities for increased federal funding to improve education in this  
12 state.

13 (6) From the funds allocated in subsection (5), there is allocated for ~~2014-~~  
14 ~~2015~~ **2015-2016** an amount ~~not to exceed \$850,000.00~~ **DETERMINED BY THE CENTER** for  
15 competitive grants to support collaborative efforts on the P-20 longitudinal data  
16 system. All of the following apply to grants awarded under this subsection:

17 (a) The center shall award competitive grants to eligible intermediate  
18 districts or a consortium of intermediate districts based on criteria established by  
19 the center.

20 (b) Activities funded under the grant shall support the P-20 longitudinal data  
21 system portal and may include portal hosting, hardware and software acquisition,  
22 maintenance, enhancements, user support and related materials, and professional  
23 learning tools and activities aimed at improving the utility of the P-20 longitudinal  
24 data system.

25 (c) An applicant that received a grant under this subsection for the  
26 immediately preceding fiscal year shall receive priority for funding under this  
27 section. However, after 3 fiscal years of continuous funding, an applicant is required

1 to compete openly with new applicants.

2 (7) Funds allocated under this section that are not expended in the fiscal year  
3 in which they were allocated may be carried forward to a subsequent fiscal year and  
4 are appropriated for the purposes for which the funds were originally allocated.

5 (8) The center may bill departments as necessary in order to fulfill reporting  
6 requirements of state and federal law. The center may also enter into agreements to  
7 supply custom data, analysis, and reporting to other principal executive departments,  
8 state agencies, local units of government, and other individuals and organizations.  
9 The center may receive and expend funds in addition to those authorized in subsection  
10 (5) to cover the costs associated with salaries, benefits, supplies, materials, and  
11 equipment necessary to provide such data, analysis, and reporting services.

12 (9) As used in this section:

13 (a) "DED-OESE" means the United States department of education office of  
14 elementary and secondary education.

15 (b) "State education agency" means the department.

16 Sec. 95a. (1) The educator evaluation reserve fund is created as a separate  
17 account within the state school aid fund.

18 (2) The state treasurer may receive money or other assets from any source for  
19 deposit into the educator evaluation reserve fund. The state treasurer shall direct  
20 the investment of the educator evaluation reserve fund. The state treasurer shall  
21 credit to the educator evaluation reserve fund interest and earnings from the educator  
22 evaluation reserve fund.

23 (3) Money in the educator evaluation reserve fund at the close of the fiscal  
24 year shall remain in the educator evaluation reserve fund and shall not lapse to the  
25 state school aid fund or to the general fund. The department of treasury shall be the  
26 administrator of the educator evaluation reserve fund for auditing purposes.

27 (4) From the appropriations in section 11, there is allocated to the educator

1 evaluation reserve fund for 2014-2015 an amount not to exceed \$12,100,000.00 from the  
2 state school aid fund and an amount not to exceed \$2,700,000.00 from the general fund.  
3 Subject to subsections (5) and (6), the department shall expend the money in the  
4 educator evaluation reserve fund for implementing evaluation systems for public school  
5 teachers and school administrators.

6 ~~(5) Funds in the educator evaluation reserve fund shall not be expended unless~~  
7 ~~House Bill Nos. 5223 and 5224 of the 97th Legislature are enacted into law.~~

8 (5) ~~(6)~~ Funds in the educator evaluation reserve fund shall not be expended  
9 unless the state budget office has approved the department's spending plan.

10 Sec. 98. (1) From the general fund money appropriated in section 11, there is  
11 allocated an amount not to exceed ~~\$7,387,500.00~~ \$7,987,500.00 for ~~2014-2015~~ 2015-2016  
12 for the purposes described in this section.

13 (2) The Michigan virtual university shall operate the Michigan virtual learning  
14 research institute. The Michigan virtual learning research institute shall do all of  
15 the following:

16 (a) Support and accelerate innovation in education through the following  
17 activities:

18 (i) Test, evaluate, and recommend as appropriate new technology-based  
19 instructional tools and resources.

20 (ii) Research, design, and recommend digital education delivery models for use  
21 by pupils and teachers that include age-appropriate multimedia instructional content.

22 (iii) Research, develop, and recommend annually to the department criteria by  
23 which cyber schools and online course providers should be monitored and evaluated to  
24 ensure a quality education for their pupils.

25 (iv) Based on pupil completion and performance data reported to the department  
26 or the center for educational performance and information from cyber schools and other  
27 online course providers operating in this state, analyze the effectiveness of online

1 learning delivery models in preparing pupils to be college- and career-ready and  
2 publish a report that highlights enrollment totals, completion rates, and the overall  
3 impact on pupils. The report shall be submitted to the house and senate appropriations  
4 subcommittees on state school aid, the state budget director, the house and senate  
5 fiscal agencies, and the department not later than ~~December 1, 2015~~ **MARCH 31, 2016**.

6 (v) Before August 31, ~~2015~~ **2016**, provide an extensive professional development  
7 program to at least 500 educational personnel, including teachers, school  
8 administrators, and school board members, that focuses on the effective integration of  
9 digital learning into curricula and instruction. Not later than December 1, ~~2015~~ **2016**,  
10 the Michigan virtual learning research institute shall submit a report to the house  
11 and senate appropriations subcommittees on state school aid, the state budget  
12 director, the house and senate fiscal agencies, and the department on the number and  
13 percentage of teachers, school administrators, and school board members who have  
14 received professional development services from the Michigan virtual university. The  
15 report shall also identify barriers and other opportunities to encourage the adoption  
16 of digital learning in the public education system.

17 (vi) Identify and share best practices for planning, implementing, and  
18 evaluating online and blended education delivery models with intermediate districts,  
19 districts, and public school academies to accelerate the adoption of innovative  
20 education delivery models statewide.

21 (b) Provide leadership for this state's system of digital learning education by  
22 doing the following activities:

23 (i) Develop and report policy recommendations to the governor and the  
24 legislature that accelerate the expansion of effective online learning in this state's  
25 schools.

26 (ii) Provide a clearinghouse for research reports, academic studies,  
27 evaluations, and other information related to online learning.



1           (iii) Promote and distribute the most current instructional design standards  
2 and guidelines for online teaching.

3           (iv) In collaboration with the department and interested colleges and  
4 universities in this state, support implementation and improvements related to  
5 effective digital learning instruction.

6           ~~(v) Pursue public/private partnerships that include districts to study and  
7 implement competency based technology rich online learning models.~~

8           **(V) CREATE A STATEWIDE NETWORK OF SCHOOL-BASED MENTORS SERVING AS LIAISONS  
9 BETWEEN STUDENTS, ONLINE INSTRUCTORS, PARENTS AND SCHOOL STAFF AND PROVIDE MENTORS  
10 WITH RESEARCH-BASED TRAINING AND TECHNICAL ASSISTANCE DESIGNED TO HELP MORE STUDENTS  
11 BE SUCCESSFUL ONLINE LEARNERS.**

12           (vi) Convene focus groups and conduct annual surveys of teachers,  
13 administrators, pupils, parents, and others to identify barriers and opportunities  
14 related to online learning.

15           (vii) Produce an annual consumer awareness report for schools and parents about  
16 effective online education providers and education delivery models, performance data,  
17 cost structures, and research trends.

18           (viii) Research and establish an internet-based platform that educators can use  
19 to create student-centric learning tools and resources and facilitate a user network  
20 that assists educators in using the platform. As part of this initiative, the Michigan  
21 virtual university shall work collaboratively with districts and intermediate  
22 districts to establish a plan to make available online resources that align to  
23 Michigan's K-12 curriculum standards for use by students, educators, and parents.

24           (ix) Create and maintain a public statewide catalog of online learning courses  
25 being offered by all public schools **AND COMMUNITY COLLEGES** in this state. The Michigan  
26 virtual learning research institute shall identify and develop a list of nationally  
27 recognized best practices for online learning and use this list to support reviews of

1 online course vendors, courses, and instructional practices. The Michigan virtual  
2 learning research institute shall also provide a mechanism for intermediate districts  
3 to use the identified best practices to review content offered by constituent  
4 districts. The Michigan virtual learning research institute shall review the online  
5 course offerings of the Michigan virtual university, and make the results from these  
6 reviews available to the public as part of the statewide catalog. The Michigan virtual  
7 learning research institute shall ensure that the statewide catalog is made available  
8 to the public on the Michigan virtual university website and shall allow the ability  
9 to link it to each district's website as provided for in section 21f. ~~Beginning in~~  
10 ~~2014-2015, the~~ **THE** statewide catalog shall also contain all of the following:

11 (A) The number of enrollments in each online course in the immediately  
12 preceding school year.

13 (B) The number of enrollments that earned 60% or more of the total course  
14 points for each online course in the immediately preceding school year.

15 (C) The completion rate for each online course.

16 (x) ~~Collaborate with key stakeholders to examine the need and process for~~  
17 ~~incorporating~~ **PROTOTYPE AND PILOT** registration, payment services, and transcript  
18 functionality to the statewide catalog **AND TRAIN KEY STAKEHOLDERS ON HOW TO USE THE**  
19 **NEW FEATURES.**

20 ~~(xi) Collaborate with key stakeholders to examine district level accountability~~  
21 ~~and teacher effectiveness issues related to online learning under section 21f and make~~  
22 ~~findings and recommendations publicly available.~~

23 (3) **TO FURTHER ENHANCE ITS EXPERTISE AND LEADERSHIP IN DIGITAL LEARNING, THE**  
24 **MICHIGAN VIRTUAL UNIVERSITY SHALL CONTINUE TO OPERATE THE MICHIGAN VIRTUAL SCHOOL AS A**  
25 **STATEWIDE LABORATORY AND QUALITY MODEL OF INSTRUCTION BY IMPLEMENTING ONLINE AND**  
26 **BLENDED LEARNING SOLUTIONS FOR MICHIGAN SCHOOLS IN ACCORDANCE WITH THE FOLLOWING**  
27 **PARAMETERS:**

1           (A) ~~In order for the Michigan virtual university to receive any funds allocated~~  
2 ~~under this section, the~~ THE Michigan virtual school must maintain its accreditation  
3 status from recognized national and international accrediting entities.

4           (B) THE MICHIGAN VIRTUAL UNIVERSITY SHALL USE NO MORE THAN \$1,000,000.00 OF THE  
5 AMOUNT ALLOCATED UNDER THIS SECTION TO SUBSIDIZE THE COST PAID BY DISTRICTS FOR ONLINE  
6 COURSES.

7           (C) IN THE COURSE OF PROVIDING EDUCATORS RESPONSIBLE FOR THE TEACHING OF ONLINE  
8 COURSES AS PROVIDED FOR IN THIS SECTION, THE MICHIGAN VIRTUAL SCHOOL SHALL FOLLOW THE  
9 REQUIREMENTS TO REQUEST AND ASSESS, AND THE DEPARTMENT OF STATE POLICE SHALL PROVIDE,  
10 A CRIMINAL HISTORY CHECK AND CRIMINAL RECORDS CHECK IN THE SAME MANNER AS IF THE  
11 MICHIGAN VIRTUAL SCHOOL WAS A PUBLIC SCHOOL AS PROVIDED FOR IN PART 16 OF THE REVISED  
12 SCHOOL CODE, MCL 380.1201-1349.

13           (4) If the course offerings are included in the statewide catalog of online  
14 courses under subsection (2) (b) (ix), the Michigan virtual school operated by the  
15 Michigan virtual university may offer online course offerings, including, but not  
16 limited to, all of the following:

17           (a) Information technology courses.

18           (b) College level equivalent courses, as defined in section 1471 of the revised  
19 school code, MCL 380.1471.

20           (c) Courses and dual enrollment opportunities.

21           (d) Programs and services for at-risk pupils.

22           (e) General education development test preparation courses for adjudicated  
23 youth.

24           (f) Special interest courses.

25           (g) Professional development programs for teachers, school administrators,  
26 other school employees, and school board members.

27           (5) If a home-schooled or nonpublic school student is a resident of a district

1 that subscribes to services provided by the Michigan virtual school, the student may  
2 use the services provided by the Michigan virtual school to the district without  
3 charge to the student beyond what is charged to a district pupil using the same  
4 services.

5 (6) Not later than December 1 of each fiscal year, the Michigan virtual  
6 university shall provide a report to the house and senate appropriations subcommittees  
7 on state school aid, the state budget director, the house and senate fiscal agencies,  
8 and the department that includes at least all of the following information related to  
9 the Michigan virtual school for the preceding state fiscal year:

10 (a) A list of the districts served by the Michigan virtual school.

11 (b) A list of online course titles available to districts.

12 (c) The total number of online course enrollments and information on  
13 registrations and completions by course.

14 (d) The overall course completion rate percentage.

15 (7) The governor may appoint an advisory group for the Michigan virtual  
16 learning research institute established under subsection (2). The members of the  
17 advisory group shall serve at the pleasure of the governor and shall serve without  
18 compensation. The purpose of the advisory group is to make recommendations to the  
19 governor, the legislature, and the president and board of the Michigan virtual  
20 university that will accelerate innovation in this state's education system in a  
21 manner that will prepare elementary and secondary students to be career and college  
22 ready and that will promote the goal of increasing the percentage of citizens of this  
23 state with high-quality degrees and credentials to at least 60% by 2025.

24 (8) Not later than November 1, ~~2014~~ 2015, the Michigan virtual university shall  
25 submit to the house and senate appropriations subcommittees on state school aid, the  
26 state budget director, and the house and senate fiscal agencies a detailed budget for  
27 the ~~2014-2015~~ 2015-2016 fiscal year that includes a breakdown on its projected costs

1 to deliver online educational services to districts and a summary of the anticipated  
2 fees to be paid by districts for those services. ~~Beginning in 2013-2014, not~~ **NOT** later  
3 than ~~February~~ **MARCH** 1, the Michigan virtual university shall submit to the house and  
4 senate appropriations subcommittees on state school aid, the state budget director,  
5 and the house and senate fiscal agencies a breakdown on its actual costs to deliver  
6 online educational services to districts and a summary of the actual fees paid by  
7 districts for those services based on audited financial statements for the immediately  
8 preceding fiscal year.

9 (9) As used in this section:

10 (a) "Blended learning" means a hybrid instructional delivery model where pupils  
11 are provided content, instruction, and assessment, in part at a supervised educational  
12 facility away from home where the pupil and a teacher with a valid Michigan teaching  
13 certificate are in the same physical location and in part through internet-connected  
14 learning environments with some degree of pupil control over time, location, and pace  
15 of instruction.

16 (b) "Cyber school" means a full-time instructional program of online courses  
17 for pupils that may or may not require attendance at a physical school location.

18 (c) "Digital learning" means instruction delivered via a web-based educational  
19 delivery system that uses various information technologies to provide a structured  
20 learning environment, including online and blended learning instructional methods.

21 (d) "Online course" means a course of study that is capable of generating a  
22 credit or a grade, that is provided in an interactive internet-connected learning  
23 environment, in which pupils are separated from their teachers by time or location, or  
24 both, and in which a teacher who holds a valid Michigan teaching certificate is  
25 responsible for **PROVIDING INSTRUCTION**, determining appropriate instructional methods  
26 for each pupil, diagnosing learning needs, assessing pupil learning, prescribing  
27 intervention strategies, reporting outcomes, and evaluating the effects of instruction

1 and support strategies.

2           Sec. 99. (1) From the funds appropriated in section 11, there is allocated for  
3 ~~2014-2015~~ 2015-2016 an amount not to exceed \$2,750,000.00 from the state school aid  
4 fund and an amount not to exceed \$475,000.00 from the general fund to support the  
5 activities and programs of mathematics and science centers and for other purposes as  
6 described in this section. In addition, from the federal funds appropriated in section  
7 11, there is allocated for ~~2014-2015~~ 2015-2016 an amount estimated at \$5,249,300.00  
8 from DED-OESE, title II, mathematics and science partnership grants.

9           (2) Within a service area designated locally, approved by the department, and  
10 consistent with the comprehensive master plan for mathematics and science centers  
11 developed by the department and approved by the state board, an established  
12 mathematics and science center shall provide 2 or more of the following 6 basic  
13 services, as described in the master plan, to constituent districts and communities:  
14 leadership, pupil services, curriculum support, community involvement, professional  
15 development, and resource clearinghouse services.

16           (3) The department shall not award a state grant under this section to more  
17 than 1 mathematics and science center located in a designated region as prescribed in  
18 the 2007 master plan unless each of the grants serves a distinct target population or  
19 provides a service that does not duplicate another program in the designated region.

20           (4) As part of the technical assistance process, the department shall provide  
21 minimum standard guidelines that may be used by the mathematics and science center for  
22 providing fair access for qualified pupils and professional staff as prescribed in  
23 this section.

24           (5) Allocations under this section to support the activities and programs of  
25 mathematics and science centers shall be continuing support grants to all 33  
26 established mathematics and science centers. Each established mathematics and science  
27 center that was funded in the immediately preceding fiscal year shall receive state

1 funding in an amount equal to 100% of the amount it was allocated under this  
2 subsection for the immediately preceding fiscal year. If a center declines state  
3 funding or a center closes, the remaining money available under this section shall be  
4 distributed to the remaining centers, as determined by the department.

5 (6) From the funds allocated in subsection (1), there is allocated for ~~2014-~~  
6 ~~2015~~ 2015-2016 an amount not to exceed \$750,000.00 in a form and manner determined by  
7 the department to those centers able to provide curriculum and professional  
8 development support to assist districts in implementing the Michigan merit curriculum  
9 components for mathematics and science. Funding under this subsection is in addition  
10 to funding allocated under subsection (5).

11 (7) From the general fund money allocated in subsection (1), there is allocated  
12 for ~~2014-2015~~ 2015-2016 an amount not to exceed \$100,000.00 to the Michigan STEM  
13 partnership, to be used to administer the grant process under this subsection. From  
14 the general fund money allocated in subsection (1), there is allocated for ~~2014-2015~~  
15 2015-2016 an amount not to exceed \$375,000.00 to the Michigan STEM partnership to be  
16 used for a competitive grant process to award competitive grants to organizations  
17 conducting student-focused, project-based programs and competitions, either in the  
18 classroom or extracurricular, in science, technology, engineering, and mathematics  
19 subjects such as, but not limited to, robotics, coding, and design-build-test  
20 projects, from pre-kindergarten through college level. Funding under this subsection  
21 is in addition to funding allocated under subsection (5) and shall be used for  
22 connecting mathematics and science centers for science, technology, engineering, and  
23 mathematics purposes and to support the goals of the Michigan STEM partnership. A  
24 program receiving funds under section 99h may not receive funds under this subsection.

25 (8) In order to receive state or federal funds under this section, a grant  
26 recipient shall allow access for the department or the department's designee to audit  
27 all records related to the program for which it receives such funds. The grant

1 recipient shall reimburse the state for all disallowances found in the audit.

2 (9) Not later than September 30, 2018, the department shall reevaluate and  
3 update the comprehensive master plan described in subsection (1).

4 (10) The department shall give preference in awarding the federal grants  
5 allocated in subsection (1) to eligible existing mathematics and science centers.

6 (11) In order to receive state funds under this section, a grant recipient  
7 shall provide at least a 10% local match from local public or private resources for  
8 the funds received under this section.

9 (12) Not later than July 1 of each year, a mathematics and science center that  
10 receives funds under this section shall report to the department in a form and manner  
11 prescribed by the department on the following performance measures:

12 (a) Statistical change in pre- and post-assessment scores for students who  
13 enrolled in mathematics and science activities provided to districts by the  
14 mathematics and science center.

15 (b) Statistical change in pre- and post-assessment scores for teachers who  
16 enrolled in professional development activities provided by the mathematics and  
17 science center.

18 (13) As used in this section:

19 (a) "DED" means the United States department of education.

20 (b) "DED-OESE" means the DED office of elementary and secondary education.

21 Sec. 99h. (1) From the appropriation in section 11, there is allocated an  
22 amount not to exceed \$2,000,000.00 for ~~2014-2015~~ 2015-2016 for competitive grants to  
23 districts that provide pupils in grades 7 to 12 with expanded opportunities to improve  
24 mathematics, science, and technology skills by participating in events hosted by a  
25 science and technology development program known as FIRST (for inspiration and  
26 recognition of science and technology) robotics.

27 (2) A district applying for a FIRST tech challenge or FIRST robotics



1 competition program grant shall submit an application in a form and manner determined  
2 by the department. To be eligible for a grant, a district shall demonstrate in its  
3 application that the district has established a partnership for the purposes of the  
4 FIRST program with at least 1 sponsor, business entity, higher education institution,  
5 or technical school, shall submit a spending plan, and shall pay at least 25% of the  
6 cost of the FIRST robotics program.

7 (3) The department shall distribute the grant funding under this section for  
8 the following purposes:

9 (a) Grants to districts to pay for stipends of \$1,500.00 for 1 coach per team,  
10 distributed as follows:

11 (i) Not more than 500 stipends for coaches of high school teams, including  
12 existing teams.

13 (ii) Not more than 100 stipends for coaches of middle school or junior high  
14 teams, including existing teams.

15 (iii) If the requests for stipends exceed the numbers of stipends allowed under  
16 subparagraphs (i) and (ii), and if there is funding remaining unspent under  
17 subdivisions (b) and (c), the department shall use that remaining unspent funding for  
18 grants to districts to pay for additional stipends in a manner that expands the  
19 geographical distribution of teams.

20 (b) Grants to districts for event registrations, materials, travel costs, and  
21 other expenses associated with the preparation for and attendance at FIRST tech  
22 challenge and FIRST robotics competitions. Each grant recipient shall provide a local  
23 match from other private or local funds for the funds received under this subdivision  
24 equal to at least 50% of the costs of participating in an event. The department shall  
25 set maximum grant amounts under this subdivision in a manner that maximizes the number  
26 of teams that will be able to receive funding.

27 (c) Grants to districts for awards to teams that advance to the state and world

1 championship competitions. The department shall determine an equal amount per team for  
 2 those teams that advance to the state championship and a second equal award amount to  
 3 those teams that advance to the world championship.

4 (4) The funds allocated under this section are a work project appropriation,  
 5 and any unexpended funds for ~~2014-2015~~ 2015-2016 are carried forward into ~~2015-2016~~  
 6 2016-2017. The purpose of the work project is to continue to implement the projects  
 7 described under subsection (1). The estimated completion date of the work project is  
 8 September 30, ~~2017~~ 2018.

9 Sec. 102. (1) A district or intermediate district receiving money under this  
 10 article shall not adopt or operate under a deficit budget, and a district or  
 11 intermediate district shall not incur an operating deficit in a fund during a school  
 12 fiscal year. ~~A-IF A~~ district or intermediate district ~~that~~ has an existing deficit  
 13 fund balance, ~~that~~ incurs a deficit fund balance in the most recently completed school  
 14 fiscal year, or ~~that~~ adopts a current year budget that projects a deficit fund  
 15 balance, ~~THE DISTRICT OR INTERMEDIATE DISTRICT shall not be allotted or paid a further~~  
 16 ~~sum~~ IMMEDIATELY NOTIFY THE SUPERINTENDENT AND STATE TREASURER AND WITHIN 30 DAYS OF  
 17 THAT NOTIFICATION SUBMIT TO THE SUPERINTENDENT AND THE STATE TREASURER A PREPLAN  
 18 FINANCIAL REPORT IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF TREASURY. THE  
 19 DEPARTMENT MAY WITHHOLD SOME OR ALL OF THE MONEY PAYABLE TO THE DISTRICT OR  
 20 INTERMEDIATE DISTRICT under this article AS THE SUPERINTENDENT DETERMINES NECESSARY TO  
 21 INCENTIVIZE THE DISTRICT OR INTERMEDIATE DISTRICT TO ELIMINATE THE DEFICIT until the  
 22 district or intermediate district submits to the department for approval a budget for  
 23 the current school fiscal year and a DEFICIT ELIMINATION plan ~~to eliminate the~~  
 24 ~~district's or intermediate district's deficit not later than the end of the second~~  
 25 ~~school fiscal year after the deficit was incurred or the budget projecting a deficit~~  
 26 ~~was adopted. Withheld state aid payments~~ IN THE FORM AND MANNER PRESCRIBED BY THE  
 27 DEPARTMENT OR THE DEFICIT ELIMINATION PLAN IS APPROVED BY THE DEPARTMENT. THE

1 DEPARTMENT MAY REQUIRE A DEFICIT ELIMINATION PLAN TO INCLUDE AN ACADEMIC PLAN FOR THE  
2 DISTRICT OR INTERMEDIATE DISTRICT. MONEY WITHHELD UNDER THIS SECTION shall be released  
3 after the department approves the deficit elimination plan ~~and ensures that the budget~~  
4 ~~for the current school fiscal year is balanced.~~ After the department approves a  
5 district's or intermediate district's deficit elimination plan, the district or  
6 intermediate district shall post the deficit elimination plan on the district's or  
7 intermediate district's website.

8 (2) Not later than March 1 of each year, the department shall prepare a report  
9 of deficits incurred or projected by districts and intermediate districts in the  
10 immediately preceding fiscal year and the progress made in reducing those deficits and  
11 submit the report to the standing committees of the legislature responsible for K-12  
12 education legislation, the appropriations subcommittees of the legislature responsible  
13 for K-12 education appropriations, the house and senate fiscal agencies, the state  
14 treasurer, and the state budget director. The department also shall submit quarterly  
15 interim reports concerning the progress made by districts and intermediate districts  
16 in reducing those deficits **TO THE STANDING COMMITTEES OF THE LEGISLATURE RESPONSIBLE**  
17 **FOR K-12 EDUCATION LEGISLATION, THE APPROPRIATIONS SUBCOMMITTEES OF THE LEGISLATURE**  
18 **RESPONSIBLE FOR K-12 EDUCATION APPROPRIATIONS, THE HOUSE AND SENATE FISCAL AGENCIES,**  
19 **THE STATE TREASURER, AND THE STATE BUDGET DIRECTOR.** On a quarterly basis, the  
20 superintendent of public instruction shall publicly present those reports to the  
21 appropriations subcommittees of the legislature responsible for K-12 education  
22 appropriations.

23 ~~(3) The amount of the permissible deficit for each school fiscal year shall not~~  
24 ~~exceed the amount of state aid reduced by an executive order during that school fiscal~~  
25 ~~year.~~

26 (3) ~~(4)~~ A district or intermediate district that has an existing deficit fund  
27 balance, that incurs a deficit fund balance in the most recently completed school

1 fiscal year, or that adopts a current year budget that projects a deficit fund balance  
2 shall submit to the department **AND THE STATE TREASURER** a monthly monitoring report on  
3 revenue and expenditures in a form and manner prescribed by the department and shall  
4 post these reports on its website.

5 ~~(4) (5) If a district or intermediate district is not able to comply with the~~  
6 ~~provisions of this section, the district or intermediate district shall submit to the~~  
7 ~~department a plan to eliminate its deficit. Upon approval of the plan submitted,~~  
8 **REQUIRED TO SUBMIT A DEFICIT ELIMINATION PLAN UNDER THIS SECTION, AND THE DEFICIT**  
9 **ELIMINATION PLAN IS APPROVED BY THE DEPARTMENT,** the superintendent of public  
10 ~~instruction may continue allotment and payment of funds under this article, extend.~~  
11 **WHEN APPROVING A DEFICIT ELIMINATION PLAN, THE SUPERINTENDENT MAY ESTABLISH** the period  
12 of time in which a district or intermediate district has to eliminate its deficit, and  
13 set special conditions that the district or intermediate district must meet ~~during the~~  
14 ~~period of the extension~~ **WHILE THE DEFICIT ELIMINATION PLAN IS IN EFFECT.** After the  
15 department approves a district's or intermediate district's deficit elimination plan  
16 under this subsection, the district or intermediate district shall post the deficit  
17 elimination plan on the district's or intermediate district's website. **THE**  
18 **REQUIREMENTS OF THIS SECTION RELATING TO A DEFICIT ELIMINATION PLAN DO NOT APPLY TO A**  
19 **DISTRICT OR INTERMEDIATE DISTRICT IF THE DISTRICT OR INTERMEDIATE DISTRICT IS REQUIRED**  
20 **TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SUBSECTION (5).**

21 **(5) AN ENHANCED DEFICIT ELIMINATION PLAN SHALL PROVIDE FOR THE RESOLUTION OF**  
22 **THE DETERIORATING FINANCIAL CIRCUMSTANCES, PERSISTENTLY DECLINING ENROLLMENT, OR OTHER**  
23 **INDICATORS OF RECURRING OPERATING DEFICITS OR RECURRING FINANCIAL STRESS AND IS**  
24 **SUBJECT TO APPROVAL BY THE STATE TREASURER. AS A CONDITION OF APPROVING AN ENHANCED**  
25 **DEFICIT ELIMINATION PLAN, THE STATE TREASURER MAY REQUIRE A DISTRICT OR INTERMEDIATE**  
26 **DISTRICT REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER THIS SECTION TO**  
27 **ENTER INTO A FINANCIAL RECOVERY AGREEMENT WITH THE STATE TREASURER. A FINANCIAL**

1 RECOVERY AGREEMENT MAY PROVIDE FOR, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING:

2 (A) ASSISTANCE AND GUIDANCE FROM THE DEPARTMENT OF TREASURY AND OTHER STATE  
3 DEPARTMENTS AND AGENCIES.

4 (B) AN ACADEMIC PLAN FOR THE DISTRICT.

5 (C) THE APPOINTMENT OF A LOCAL AUDITOR OR INSPECTOR, OR BOTH.

6 (D) REMEDIAL MEASURES OR OTHER ACTION UNDER THIS ARTICLE OR THE REVISED SCHOOL  
7 CODE NECESSARY TO ADDRESS THE FINANCIAL CIRCUMSTANCES OF THE DISTRICT OR INTERMEDIATE  
8 DISTRICT.

9 (E) THE REQUIRED RETENTION BY THE DISTRICT OR INTERMEDIATE DISTRICT OF A  
10 CONSULTANT OR 1 OR MORE OTHER EXPERTS FOR THE PURPOSE OF ASSISTING THE DISTRICT OR  
11 INTERMEDIATE DISTRICT TO ACHIEVE THE GOALS AND OBJECTIVES OF THE FINANCIAL RECOVERY  
12 AGREEMENT.

13 (6) BEFORE A DISTRICT OR INTERMEDIATE DISTRICT SUBMITS AN ENHANCED DEFICIT  
14 ELIMINATION PLAN TO THE STATE TREASURER UNDER SUBSECTION (5), THE BOARD OF THE  
15 DISTRICT OR INTERMEDIATE SCHOOL DISTRICT SHALL APPROVE THE PLAN. IF A DISTRICT OR  
16 INTERMEDIATE DISTRICT IS REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER  
17 SUBSECTION (5), SOME OR ALL OF THE MONEY PAYABLE TO THE SCHOOL DISTRICT OR  
18 INTERMEDIATE DISTRICT UNDER THIS ARTICLE MAY BE WITHHELD AND RELEASED IN THE SAME  
19 MANNER AS PROVIDED UNDER SUBSECTION (1). WHEN APPROVING AN ENHANCED DEFICIT  
20 ELIMINATION PLAN, THE STATE TREASURER MAY ESTABLISH THE PERIOD OF TIME WITHIN WHICH A  
21 DISTRICT OR INTERMEDIATE DISTRICT MUST ELIMINATE ITS DEFICIT AND MAY SET SPECIAL  
22 CONDITIONS THAT THE DISTRICT OR INTERMEDIATE DISTRICT MUST MEET WHILE THE DEFICIT  
23 ELIMINATION PLAN IS IN EFFECT.

24 (7) AFTER THE STATE TREASURER APPROVES AN ENHANCED DEFICIT ELIMINATION PLAN FOR  
25 A DISTRICT OR INTERMEDIATE DISTRICT, THE DISTRICT OR INTERMEDIATE DISTRICT SHALL POST  
26 THE ENHANCED DEFICIT ELIMINATION PLAN ON THE DISTRICT'S OR INTERMEDIATE DISTRICT'S  
27 WEBSITE.

1 (8) IF A DISTRICT OR INTERMEDIATE DISTRICT IS REQUIRED TO SUBMIT AN ENHANCED  
2 DEFICIT ELIMINATION PLAN UNDER SUBSECTION (5), THE DISTRICT OR INTERMEDIATE DISTRICT  
3 SHALL SUBMIT TO THE SUPERINTENDENT AND THE STATE TREASURER AN ENHANCED MONTHLY  
4 MONITORING REPORT ON REVENUE, EXPENDITURES, CASH FLOW, DEBT, OTHER LIABILITIES,  
5 ASSETS, BUDGET AMENDMENTS, PUPIL MEMBERSHIP, AND OTHER DATA RELATING TO THE FINANCES  
6 OF THE DISTRICT OR INTERMEDIATE DISTRICT IN A FORM AND MANNER PRESCRIBED BY THE  
7 DEPARTMENT OF TREASURY AND SHALL POST THESE REPORTS ON ITS WEBSITE.

8 (9) AN ALLOCATION TO A DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE IS  
9 CONTINGENT UPON THE DISTRICT'S OR INTERMEDIATE DISTRICT'S COMPLIANCE WITH THIS  
10 SECTION.

11 (10) ~~(6) For the purposes of~~ AS USED IN this section:

12 (A) "DEFICIT ELIMINATION PLAN" MEANS A PLAN REQUIRED UNDER THIS SECTION FOR THE  
13 ELIMINATION OF A DEFICIT THAT SETS FORTH ACTIONS TO BE TAKEN TO ELIMINATE THE DEFICIT  
14 WITHIN THE TIME PERIOD PRESCRIBED BY THE DEPARTMENT.

15 (B) "~~deficit~~ DEFICIT fund balance" means that term as defined in the Michigan  
16 public school accounting manual published by the department.

17 (C) "ENHANCED DEFICIT ELIMINATION PLAN" MEANS MEASURES REQUIRED BY THE STATE  
18 TREASURER UNDER THIS SECTION TO ADDRESS THE FINANCIAL CONDITIONS WITHIN A DISTRICT OR  
19 INTERMEDIATE DISTRICT AND RESOLVE ANY DEFICIT WITHIN THE TIME PERIOD PRESCRIBED BY THE  
20 STATE TREASURER.

21 (D) "PREPLAN FINANCIAL REPORT" MEANS A REPORT ON THE FINANCIAL CONDITIONS  
22 WITHIN A DISTRICT OR INTERMEDIATE DISTRICT, REQUIRED UNDER THIS SECTION AND SUBMITTED  
23 IN A FORM AND MANNER PRESCRIBED BY THE STATE TREASURER, WHICH MAY INCLUDE, BUT IS NOT  
24 LIMITED TO, FINANCIAL DATA AND OTHER INFORMATION ON LIABILITIES, PAYMENTS, ENROLLMENT,  
25 BORROWING, AND OTHER CRITERIA RELATING TO THE FINANCIAL CONDITIONS WITHIN A DISTRICT  
26 OR INTERMEDIATE DISTRICT.

27 SEC. 103A. (1) BEFORE JULY 7 OF EACH YEAR, EACH DISTRICT RECEIVING MONEY UNDER

1 THIS ARTICLE SHALL TRANSMIT TO THE CENTER THE BUDGETARY ASSUMPTIONS USED BY THE  
2 DISTRICT WHEN ADOPTING ITS ANNUAL BUDGET PURSUANT TO THE UNIFORM BUDGETING AND  
3 ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO 141.440A. THE SUBMISSION OF THE BUDGETARY  
4 ASSUMPTIONS UNDER THIS SECTION SHALL BE IN THE FORM PRESCRIBED BY THE CENTER AND SHALL  
5 INCLUDE AT LEAST ALL OF THE FOLLOWING:

6 (A) THE PROJECTED FOUNDATION ALLOWANCE USED BY THE DISTRICT WHEN ADOPTING THE  
7 DISTRICT'S BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

8 (B) THE DISTRICT'S PROJECTED MEMBERSHIP USED BY THE DISTRICT WHEN ADOPTING ITS  
9 BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

10 (C) THE DISTRICT'S EXPENDITURES PER PUPIL FOR THE IMMEDIATELY PRECEDING SCHOOL  
11 FISCAL YEAR, CALCULATED BY DIVIDING THE DISTRICT'S TOTAL GENERAL FUND OPERATING  
12 EXPENDITURES DURING THAT SCHOOL FISCAL YEAR BY THE DISTRICT'S MEMBERSHIP REPORTED BY  
13 THE DEPARTMENT IN THE MOST RECENT STATE AID FINANCIAL STATUS REPORT FOR THE MONTH OF  
14 MAY.

15 (D) THE DISTRICT'S PROJECTED EXPENDITURES PER PUPIL FOR THE CURRENT SCHOOL  
16 FISCAL YEAR, CALCULATED BY DIVIDING THE TOTAL GENERAL FUND OPERATING EXPENDITURES  
17 AUTHORIZED BY THE DISTRICT'S GOVERNING BODY WHEN ADOPTING THE DISTRICT'S BUDGET FOR  
18 THE CURRENT SCHOOL FISCAL YEAR BY THE DISTRICT'S PROJECTED MEMBERSHIP USED WHEN  
19 ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

20 (2) AN ALLOCATION TO A DISTRICT UNDER THIS ARTICLE IS CONTINGENT UPON THE  
21 DISTRICT'S COMPLIANCE WITH THIS SECTION.

22 SEC. 103B. (1) IF A DISTRICT DETERMINES THAT CONDITIONS OF FISCAL STRESS, A  
23 DEFICIT, OR CONDITIONS INDICATING A FINANCIAL EMERGENCY HAVE ARISEN OR MAY ARISE FOR  
24 THE DISTRICT, THE DISTRICT SHALL NOTIFY THE SUPERINTENDENT AND REQUEST TECHNICAL  
25 ASSISTANCE IN ADDRESSING THE FISCAL STRESS, DEFICIT, OR FINANCIAL EMERGENCY. THE  
26 SUPERINTENDENT SHALL NOTIFY THE STATE TREASURER OF ANY REQUEST FOR TECHNICAL  
27 ASSISTANCE UNDER THIS SUBSECTION.

1           (2) AFTER RECEIVING A REQUEST FOR TECHNICAL ASSISTANCE UNDER SUBSECTION (1),  
2 THE DEPARTMENT SHALL CONSULT WITH THE DEPARTMENT OF TREASURY REGARDING THE PROVISION  
3 OF TECHNICAL ASSISTANCE TO THE DISTRICT. SUBJECT TO AVAILABLE RESOURCES, THE  
4 DEPARTMENT AND THE DEPARTMENT OF TREASURY SHALL REVIEW THE FINANCIAL CONDITION AND THE  
5 BUDGET OF THE DISTRICT AND PROVIDE THE DISTRICT WITH TECHNICAL ASSISTANCE, INCLUDING,  
6 BUT NOT LIMITED TO, DATA ANALYSIS TOOLS, WITH THE OBJECTIVE OF ASSISTING THE DISTRICT  
7 IN AVOIDING OR REMEDYING CONDITIONS OF FISCAL STRESS, A DEFICIT, OR A FINANCIAL  
8 EMERGENCY BEFORE FURTHER STATE INTERVENTION.

9           (4) AN ALLOCATION TO A DISTRICT UNDER THIS ARTICLE IS CONTINGENT UPON THE  
10 DISTRICT'S COMPLIANCE WITH THIS SECTION.

11           (5) AS USED IN THIS SECTION:

12           (A) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2) OF THE UNIFORM  
13 BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL 141.435, OR UNDER SECTION 102(1). DEFICIT  
14 ALSO INCLUDES 1 OR BOTH OF THE FOLLOWING CIRCUMSTANCES FOR A DISTRICT OR INTERMEDIATE  
15 DISTRICT:

16           (i) THE TOTAL GENERAL FUND BALANCE OF THE DISTRICT OR INTERMEDIATE DISTRICT IS  
17 NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT THE END OF THE CURRENT SCHOOL FISCAL YEAR.

18           (ii) ONE OR MORE OF THE FUNDS OF THE DISTRICT OR INTERMEDIATE DISTRICT OTHER  
19 THAN THE GENERAL FUND HAVE A NEGATIVE BALANCE OR PROJECTED NEGATIVE BALANCE THAT IS  
20 GREATER THAN THE TOTAL GENERAL FUND BALANCE.

21           (B) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN  
22 SECTION 5(3)(A) TO (M) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436,  
23 MCL 141.1545, EXIST OR ARE LIKELY TO OCCUR WITHIN A DISTRICT IN THE CURRENT OR NEXT  
24 SCHOOL FISCAL YEAR AND THREATEN THE ABILITY OF THE DISTRICT TO PROVIDE PUBLIC  
25 EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH THIS ARTICLE, THE REVISED SCHOOL  
26 CODE AND ALL APPLICABLE RULES.

27           (C) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:



1           (i) THAT A DISTRICT IS UNABLE TO MEET ITS SHORT-TERM OR LONG-TERM FINANCIAL  
2 OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

3           (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION 4(1) (A) TO (S) OF  
4 THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1544, EXIST OR ARE  
5 LIKELY TO OCCUR WITHIN A DISTRICT.

6           SEC. 103C. (1) THE SUPERINTENDENT OR THE STATE TREASURER MAY REQUIRE A DISTRICT  
7 TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER THIS SECTION IF EITHER DETERMINES  
8 THAT FINANCIAL STRESS MAY EXIST WITHIN THE DISTRICT, THAT A DEFICIT IS PROJECTED TO  
9 ARISE WITHIN THE DISTRICT DURING THE CURRENT SCHOOL FISCAL YEAR OR THE FOLLOWING 2  
10 SCHOOL FISCAL YEARS, OR THAT THE DISTRICT MAY BE UNABLE TO MEET ITS FINANCIAL  
11 OBLIGATIONS WHILE ALSO SATISFYING ITS OBLIGATIONS OR ABILITY TO PROVIDE PUBLIC  
12 EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH THIS ARTICLE, THE REVISED SCHOOL  
13 CODE, AND APPLICABLE RULES BASED UPON 1 OR MORE OF THE FOLLOWING:

14           (A) THE DISTRICT HAS FAILED TO PAY A REQUIRED OBLIGATION ONCE OR MORE IN A  
15 SCHOOL FISCAL YEAR.

16           (B) THE DISTRICT HAS EXPENDED OR DISTRIBUTED TAX REVENUE IN A MANNER PROHIBITED  
17 BY LAW.

18           (C) THE DISTRICT'S PUPIL ENROLLMENT HAS DECLINED BY 5% OR MORE IN A SINGLE  
19 SCHOOL FISCAL YEAR OR BY 15% OR MORE OVER A PERIOD OF 3 OR MORE FISCAL YEARS AND THE  
20 DISTRICT FAILED TO REDUCE EXPENDITURES IN A MANNER THAT ADDRESSED THE ENROLLMENT  
21 DECLINE.

22           (D) THE SCHOOL DISTRICT'S EXPENDITURES PER PUPIL HAVE INCREASED BY 5% OR MORE  
23 IN THE MOST RECENT SCHOOL FISCAL YEAR AS COMPARED TO THE IMMEDIATELY PRECEDING SCHOOL  
24 FISCAL YEAR. AS USED IN THIS SUBDIVISION, "EXPENDITURES PER PUPIL" MEANS THE QUOTIENT  
25 OF DIVIDING THE TOTAL GENERAL FUND OPERATING EXPENDITURES FOR A SCHOOL FISCAL YEAR BY  
26 THE FINAL AUDITED NUMBER OF PUPILS IN MEMBERSHIP FOR THE STATE FISCAL YEAR IN WHICH  
27 THAT SCHOOL FISCAL YEAR ENDED.

1 (E) THE DISTRICT'S ACTUAL ENROLLMENT OR FOUNDATION ALLOWANCE FOR A SCHOOL  
2 FISCAL YEAR WAS 97% OR LESS OF THE DISTRICT'S BUDGETARY ASSUMPTIONS REPORTED UNDER  
3 SECTION 103A FOR THE SCHOOL FISCAL YEAR AND THE DISTRICT FAILED TO ADOPT AN AMENDED  
4 BUDGET REFLECTING THE ACTUAL ENROLLMENT AND FOUNDATION ALLOWANCE FOR THE SCHOOL FISCAL  
5 YEAR BY NOVEMBER 15 OF THE SCHOOL FISCAL YEAR.

6 (F) THE DISTRICT HAS APPLIED FOR A LOAN UNDER THE EMERGENCY MUNICIPAL LOAN ACT,  
7 1980 PA 243, MCL 141.931 TO 141.942.

8 (2) IF A DISTRICT IS REQUIRED TO SUBMIT PERIODIC FINANCIAL REPORTS UNDER  
9 SUBSECTION (1), THE DISTRICT SHALL DO ALL OF THE FOLLOWING:

10 (A) SUBMIT A PERIODIC FINANCIAL STATUS REPORT IN THE FORM AND MANNER AND ON THE  
11 PERIODIC BASIS PRESCRIBED BY THE DEPARTMENT OF TREASURY AFTER CONSULTATION WITH THE  
12 DEPARTMENT.

13 (B) TRANSMIT A COPY OF EACH PERIODIC FINANCIAL STATUS REPORT REQUIRED UNDER  
14 THIS SECTION TO THE MEMBERS OF ITS GOVERNING BODY FOR APPROVAL PRIOR TO SUBMISSION OF  
15 THE REPORT TO THE DEPARTMENT OF TREASURY AND THE DEPARTMENT.

16 (C) PROVIDE THE DEPARTMENT OF TREASURY OR THE DEPARTMENT WITH OTHER FINANCIAL  
17 DATA OR INFORMATION RELATING TO THE FINANCIAL CONDITIONS OF THE DISTRICT AS REQUESTED  
18 BY THE DEPARTMENT OF TREASURY OR THE DEPARTMENT.

19 (D) ALLOW THE DEPARTMENT OF TREASURY OR THE DEPARTMENT TO EXAMINE FINANCIAL  
20 RECORDS AND BOOKS OF ACCOUNT OF THE DISTRICT.

21 (E) PROMPTLY AND FULLY PROVIDE THE ASSISTANCE AND INFORMATION NECESSARY AND  
22 PROPERLY REQUESTED BY THE DEPARTMENT OF TREASURY OR THE DEPARTMENT IN THE EXERCISE OF  
23 THE DEPARTMENT OF TREASURY'S OR THE DEPARTMENT'S DUTIES UNDER THIS SECTION.

24 (3) IF A DISTRICT FAILS TO SUBMIT A PERIODIC FINANCIAL STATUS REPORT REQUIRED  
25 UNDER THIS SECTION, OR IF THE STATE TREASURER DETERMINES OR IS NOTIFIED BY THE  
26 SUPERINTENDENT THAT INFORMATION INCLUDED ON A PERIODIC FINANCIAL STATUS REPORT  
27 INDICATES THAT FINANCIAL STRESS EXISTS WITHIN A DISTRICT THAT HAS A DEFICIT, OR THAT A

1 DEFICIT IS PROJECTED TO OCCUR WITHIN A DISTRICT IN THE CURRENT SCHOOL FISCAL YEAR OR  
2 THE NEXT SCHOOL FISCAL YEAR AND THAT THE DISTRICT LACKS THE CAPACITY TO ADDRESS  
3 WITHOUT STATE ASSISTANCE, THE STATE TREASURER MAY REQUIRE THE DISTRICT TO SUBMIT AN  
4 ENHANCED DEFICIT ELIMINATION PLAN UNDER SECTION 102.

5 (4) A DISTRICT IS NOT REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS  
6 UNDER THIS SECTION IF THE DISTRICT IS REQUIRED TO SUBMIT A DEFICIT ELIMINATION PLAN OR  
7 AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SECTION 102, OR IF A FINANCIAL EMERGENCY  
8 HAS BEEN DECLARED FOR THE DISTRICT UNDER THE LOCAL FINANCIAL STABILITY AND CHOICE ACT,  
9 2012 PA 436, 6 MCL 141.1541 TO 141.1575. IF A DISTRICT IS REQUIRED TO SUBMIT PERIODIC  
10 FINANCIAL STATUS REPORTS UNDER THIS SECTION AND A LOAN IS ISSUED TO THE SCHOOL  
11 DISTRICT UNDER THE EMERGENCY LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942, THE STATE  
12 TREASURER SHALL REQUIRE THE SCHOOL DISTRICT TO SUBMIT PERIODIC FINANCIAL REPORTS UNDER  
13 THIS SECTION FOR AT LEAST 4 YEARS AFTER THE DATE OF ISSUANCE OF THE LOAN.

14 (5) A DISTRICT IS NO LONGER REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS  
15 REPORTS UNDER THIS SECTION IF THE STATE TREASURER, AFTER CONSULTATION WITH THE  
16 SUPERINTENDENT, DETERMINES THAT THE PERIODIC FINANCIAL STATUS REPORTS SUBMITTED BY THE  
17 DISTRICT INDICATE THAT POTENTIAL FINANCIAL STRESS DOES NOT EXIST WITHIN THE DISTRICT,  
18 THAT A DEFICIT IS NOT PROJECTED TO ARISE WITHIN THE DISTRICT, WITHIN THE CURRENT  
19 SCHOOL FISCAL YEAR OR THE FOLLOWING 2 SCHOOL FISCAL YEARS; AND THAT THE DISTRICT WILL  
20 BE ABLE TO MEET ITS FINANCIAL OBLIGATIONS WHILE ALSO SATISFYING THE DISTRICT'S ABILITY  
21 TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH THIS ARTICLE,  
22 THE REVISED SCHOOL CODE, AND APPLICABLE RULES.

23 (6) IF THE STATE TREASURER MAKES A DETERMINATION UNDER SUBSECTION (5) THAT THE  
24 CONDITIONS UNDER THAT SUBSECTION APPLY TO A DISTRICT, THE STATE TREASURER SHALL NOTIFY  
25 THE DISTRICT. THE SUPERINTENDENT MAY NOTIFY THE STATE TREASURER THAT THE  
26 SUPERINTENDENT HAS DETERMINED THAT CONDITIONS UNDER SUBSECTION (5) APPLY TO A  
27 DISTRICT.

1 (7) AS USED IN THIS SECTION:

2 (A) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2) OF THE UNIFORM  
3 BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL 141.435, OR UNDER SECTION 102(1). DEFICIT  
4 ALSO INCLUDES 1 OR BOTH OF THE FOLLOWING CIRCUMSTANCES FOR A DISTRICT OR INTERMEDIATE  
5 DISTRICT:

6 (i) THE TOTAL GENERAL FUND BALANCE OF THE DISTRICT OR INTERMEDIATE DISTRICT IS  
7 NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT THE END OF THE CURRENT SCHOOL FISCAL YEAR.

8 (ii) ONE OR MORE OF THE FUNDS OF THE DISTRICT OR INTERMEDIATE DISTRICT OTHER  
9 THAN THE GENERAL FUND HAVE A NEGATIVE BALANCE OR PROJECTED NEGATIVE BALANCE THAT IS  
10 GREATER THAN THE TOTAL GENERAL FUND BALANCE.

11 (B) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN  
12 SECTION 5(3)(A) TO (M) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436,  
13 MCL 141.1545, EXIST OR ARE LIKELY TO OCCUR WITHIN A DISTRICT IN THE CURRENT OR NEXT  
14 SCHOOL FISCAL YEAR AND THREATEN THE ABILITY OF THE DISTRICT TO PROVIDE PUBLIC  
15 EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH THIS ARTICLE, THE REVISED SCHOOL  
16 CODE AND ALL APPLICABLE RULES.

17 (C) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

18 (i) THAT A DISTRICT IS UNABLE TO MEET ITS SHORT-TERM OR LONG-TERM FINANCIAL  
19 OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

20 (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION 4(1)(A) TO (S) OF  
21 THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1544, EXIST OR ARE  
22 LIKELY TO OCCUR WITHIN A DISTRICT.

23 Sec. 104. (1) In order to receive state aid under this article, a district  
24 shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised  
25 school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b,  
26 and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state  
27 school aid fund money appropriated in section 11, there is allocated for ~~2014-2015~~

1 2015-2016 an amount not to exceed ~~\$41,394,400.00~~ \$43,994,400.00 for payments on behalf  
2 of districts for costs associated with complying with those provisions of law. In  
3 addition, from the federal funds appropriated in section 11, there is allocated for  
4 ~~2014-2015~~ 2015-2016 an amount estimated at \$6,250,000.00, funded from DED-OESE, title  
5 VI, state assessment funds, and from DED-OSERS, section 504 of part B of the  
6 individuals with disabilities education act, Public Law 94-142, plus any carryover  
7 federal funds from previous year appropriations, for the purposes of complying with  
8 the federal no child left behind act of 2001, Public Law 107-110.

9 (2) The results of each test administered as part of the ~~Michigan educational~~  
10 ~~assessment program~~ **MICHIGAN STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP)**, including  
11 tests administered to high school students, shall include an item analysis that lists  
12 all items that are counted for individual pupil scores and the percentage of pupils  
13 choosing each possible response.

14 (3) All federal funds allocated under this section shall be distributed in  
15 accordance with federal law and with flexibility provisions outlined in Public Law  
16 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

17 (4) Notwithstanding section 17b, payments on behalf of districts, intermediate  
18 districts, and other eligible entities under this section shall be paid on a schedule  
19 determined by the department.

20 (5) From the allocation in subsection (1), there is allocated an amount not to  
21 exceed \$8,500,000.00 for the following purposes:

22 (a) Converting existing student assessments to online assessments.

23 (b) Providing paper and pencil test versions to districts not prepared to  
24 implement online assessments.

25 (c) Expanding writing assessments to additional grade levels.

26 (d) Providing an increased number of constructed response test questions so  
27 that pupils can demonstrate higher-order skills such as problem solving and

1 communicating reasoning.

2 (6) From the allocation in subsection (1), there is allocated an amount not to  
3 exceed \$3,200,000.00 for the development or selection of an online reporting tool to  
4 provide student-level assessment data in a secure environment to educators, parents,  
5 and pupils immediately after assessments are scored. The department and the center  
6 shall ensure that any data collected by the online reporting tool do not provide  
7 individually identifiable student data to the federal government.

8 (7) From the allocation in subsection (1), there is allocated an amount not to  
9 exceed ~~\$3,000,000.00~~ \$5,600,000.00 for the purpose of implementing a summative  
10 assessment system pursuant to section 104c.

11 (8) As used in this section:

12 (a) "DED" means the United States department of education.

13 (b) "DED-OESE" means the DED office of elementary and secondary education.

14 (c) "DED-OSERS" means the DED office of special education and rehabilitative  
15 services.

16 Sec. 104b. (1) In order to receive state aid under this article, a district  
17 shall comply with this section and shall administer the Michigan merit examination,  
18 **WHICH INCLUDES A COLLEGE ENTRANCE, WORK SKILLS, AND A SUMMATIVE MICHIGAN STUDENT TEST**  
19 **OF EDUCATIONAL PROGRESS (M-STEP)**, to pupils in grade 11, and to pupils in grade 12 who  
20 did not take the complete Michigan merit examination in grade 11, as provided in this  
21 section.

22 (2) For the purposes of this section, the department of technology, management,  
23 and budget shall contract with 1 or more providers to develop, supply, and score the  
24 Michigan merit examination. The Michigan merit examination shall consist of all of the  
25 following:

26 (a) Assessment instruments that **ARE ALIGNED TO MICHIGAN'S CONTENT STANDARDS,**  
27 **AND** measure English language arts, mathematics, reading, and science and are used by

1 colleges and universities in this state for entrance or placement purposes. This ~~shall~~  
2 **MAY** include 1 or more writing components.

3 (b) One or more tests from 1 or more test developers that assess a pupil's  
4 ability to apply at least reading and mathematics skills in a manner that is intended  
5 to allow employers to use the results in making employment decisions. The department  
6 of technology, management, and budget and the superintendent shall ensure that any  
7 test or tests selected under this subdivision have all the components necessary to  
8 allow a pupil to be eligible to receive the results of a nationally recognized  
9 evaluation of workforce readiness if the pupil's test performance is adequate.

10 (c) A social studies component.

11 (d) Any other component that is necessary to obtain the approval of the United  
12 States department of education to use the Michigan merit examination for the purposes  
13 of the no child left behind act of 2001, Public Law 107-110.

14 (3) In addition to all other requirements of this section, all of the following  
15 apply to the Michigan merit examination:

16 (a) The department of technology, management, and budget and the superintendent  
17 shall ensure that any contractor used for scoring the Michigan merit examination  
18 supplies an individual report for each pupil that will identify for the pupil's  
19 parents and teachers whether the pupil met expectations or failed to meet expectations  
20 for each standard, to allow the pupil's parents and teachers to assess and remedy  
21 problems before the pupil moves to the next grade.

22 (b) The department of technology, management, and budget and the superintendent  
23 shall ensure that any contractor used for scoring, developing, or processing the  
24 Michigan merit examination meets quality management standards commonly used in the  
25 assessment industry, including at least meeting level 2 of the capability maturity  
26 model developed by the software engineering institute of Carnegie Mellon university  
27 for the first year the Michigan merit examination is offered to all grade 11 pupils

1 and at least meeting level 3 of the capability maturity model for subsequent years.

2 (c) The department of technology, management, and budget and the superintendent  
3 shall ensure that any contract for scoring, administering, or developing the Michigan  
4 merit examination includes specific deadlines for all steps of the assessment process,  
5 including, but not limited to, deadlines for the correct testing materials to be  
6 supplied to schools and for the correct results to be returned to schools, and  
7 includes penalties for noncompliance with these deadlines.

8 (d) The superintendent shall ensure that the Michigan merit examination meets  
9 all of the following:

10 (i) Is designed to test pupils on ~~grade level content expectations or course~~  
11 ~~content expectations, as appropriate~~ **MICHIGAN CONTENT STANDARDS**, in all subjects  
12 tested.

13 (ii) Complies with requirements of the no child left behind act of 2001, Public  
14 Law 107-110.

15 (iii) Is consistent with the code of fair testing practices in education  
16 prepared by the joint committee on testing practices of the American psychological  
17 association.

18 (iv) Is factually accurate. If the superintendent determines that a question is  
19 not factually accurate and should be excluded from scoring, the state board and the  
20 superintendent shall ensure that the question is excluded from scoring.

21 (4) A district shall include on each pupil's high school transcript all of the  
22 following:

23 (a) For each high school graduate who has completed the Michigan merit  
24 examination under this section, the pupil's scaled score on each subject area  
25 component of the Michigan merit examination.

26 (b) The number of school days the pupil was in attendance at school each school  
27 year during high school and the total number of school days in session for each of



1 those school years.

2 (5) The superintendent shall work with the provider or providers of the  
3 Michigan merit examination to produce Michigan merit examination subject area scores  
4 for each pupil participating in the Michigan merit examination, ~~including scaling and~~  
5 ~~merging of test items~~ for the different subject area components. The superintendent  
6 shall design and distribute to districts, intermediate districts, and nonpublic  
7 schools a simple and concise document that describes the scoring for each subject area  
8 and indicates the scaled score ranges for each subject area.

9 (6) The Michigan merit examination shall be administered in each district  
10 during the last 12 weeks of the district's school year. The superintendent shall  
11 ensure that the Michigan merit examination is scored and the scores are returned to  
12 pupils, their parents or legal guardians, and districts not later than the beginning  
13 of the pupil's first semester of grade 12. The returned scores shall indicate at least  
14 the pupil's scaled score for each subject area component and the range of scaled  
15 scores for each subject area. In reporting the scores to pupils, parents, and schools,  
16 the superintendent shall provide standards-specific, meaningful, and timely feedback  
17 on the pupil's performance on the Michigan merit examination.

18 (7) A district shall administer the complete Michigan merit examination to a  
19 pupil only once and shall not administer the complete Michigan merit examination to  
20 the same pupil more than once. If a pupil does not take the complete Michigan merit  
21 examination in grade 11, the district shall administer the complete Michigan merit  
22 examination to the pupil in grade 12. If a pupil chooses to retake the college  
23 entrance examination component of the Michigan merit examination, as described in  
24 subsection (2)(a), the pupil may do so through the provider of the college entrance  
25 examination component and the cost of the retake is the responsibility of the pupil  
26 unless all of the following are met:

27 (a) The pupil has taken the complete Michigan merit examination.

1 (b) The pupil did not qualify for a Michigan promise grant under section 6 of  
2 the Michigan promise grant act, 2006 PA 479, MCL 390.1626, based on the pupil's  
3 performance on the complete Michigan merit examination.

4 (c) The pupil meets the income eligibility criteria for free breakfast, lunch,  
5 or milk, as determined under the Richard B. Russell national school lunch act, 42 USC  
6 1751 to 1769i.

7 (d) The pupil has applied to the provider of the college entrance examination  
8 component for a scholarship or fee waiver to cover the cost of the retake and that  
9 application has been denied.

10 (e) After taking the complete Michigan merit examination, the pupil has not  
11 already received a free retake of the college entrance examination component paid for  
12 either by this state or through a scholarship or fee waiver by the provider.

13 (8) The superintendent shall ensure that the length of the Michigan merit  
14 examination and the combined total time necessary to administer all of the components  
15 of the Michigan merit examination are the shortest possible that will still maintain  
16 the degree of reliability and validity of the Michigan merit examination results  
17 determined necessary by the superintendent. The superintendent shall ensure that the  
18 maximum total combined length of time that schools are required to set aside for  
19 pupils to answer all test questions on the Michigan merit examination does not exceed  
20 8 hours if the superintendent determines that sufficient alignment to applicable  
21 Michigan merit curriculum content standards can be achieved within that time limit.

22 (9) A district shall provide accommodations to a pupil with disabilities for  
23 the Michigan merit examination, as provided under section 504 of title V of the  
24 rehabilitation act of 1973, 29 USC 794; subtitle A of title II of the Americans with  
25 disabilities act of 1990, 42 USC 12131 to 12134; the individuals with disabilities  
26 education act amendments of 1997, Public Law 105-17; and the implementing regulations  
27 for those statutes. The provider or providers of the Michigan merit examination and

1 the superintendent shall mutually agree upon the accommodations to be provided under  
2 this subsection.

3 (10) To the greatest extent possible, the Michigan merit examination shall be  
4 based on ~~grade level content expectations or course content expectations~~ **MICHIGAN**  
5 **CONTENT STANDARDS**, as appropriate. ~~Not later than July 1, 2008, the department shall~~  
6 ~~identify specific grade level content expectations to be taught before and after the~~  
7 ~~middle of grade 11, so that teachers will know what content will be covered within the~~  
8 ~~Michigan merit examination.~~ **THE DEPARTMENT MAY AUGMENT THE COLLEGE ENTRANCE AND WORK**  
9 **SKILLS COMPONENTS OF THE MICHIGAN MERIT EXAM TO DEVELOP THE ASSESSMENT, DEPENDENT ON**  
10 **THOSE COMPONENTS' ALIGNMENT TO MICHIGAN CONTENT STANDARDS. IF ALIGNMENT IS NOT PRESENT**  
11 **IN THESE COMPONENTS, THE DEPARTMENT WILL PRODUCE ADDITIONAL COMPONENTS AS REQUIRED BY**  
12 **LAW, WHILE MINIMIZING THE AMOUNT OF TIME NEEDED FOR ASSESSMENTS.**

13 (11) A child who is a student in a nonpublic school or home school may take the  
14 Michigan merit examination under this section. To take the Michigan merit examination,  
15 a child who is a student in a home school shall contact the district in which the  
16 child resides, and that district shall administer the Michigan merit examination, or  
17 the child may take the Michigan merit examination at a nonpublic school if allowed by  
18 the nonpublic school. Upon request from a nonpublic school, the superintendent shall  
19 direct the provider or providers to supply the Michigan merit examination to the  
20 nonpublic school and the nonpublic school may administer the Michigan merit  
21 examination. If a district administers the Michigan merit examination under this  
22 subsection to a child who is not enrolled in the district, the scores for that child  
23 are not considered for any purpose to be scores of a pupil of the district.

24 (12) In contracting under subsection (2), the department of management and  
25 budget shall consider a contractor that provides electronically-scored essays with the  
26 ability to score constructed response feedback in multiple languages and provide  
27 ongoing instruction and feedback.

1           (13) The purpose of the Michigan merit examination is to assess pupil  
2 performance in mathematics, science, social studies, and English language arts for the  
3 purpose of improving academic achievement and establishing a statewide standard of  
4 competency. The assessment under this section provides a common measure of data that  
5 will contribute to the improvement of Michigan schools' curriculum and instruction by  
6 encouraging alignment with Michigan's curriculum framework standards and promotes  
7 pupil participation in higher level mathematics, science, social studies, and English  
8 language arts courses. These standards are based upon the expectations of what pupils  
9 should learn through high school and are aligned with national standards.

10           (14) For a pupil enrolled in a middle college program, other than a middle  
11 college operated as a shared educational entity or a specialized shared educational  
12 entity, if the pupil receives at least 50% of his or her instruction at the high  
13 school while in grade 11, the Michigan merit examination shall be administered to the  
14 pupil at the high school at which the pupil receives high school instruction, and the  
15 department shall include the pupil's scores on the Michigan merit examination in the  
16 scores for that high school for all purposes for which a school's or district's  
17 results are reported. The department shall allow the middle college program to use a  
18 5-year graduation rate for determining adequate yearly progress. As used in this  
19 subsection, "middle college" means a program consisting of a series of courses and  
20 other requirements and conditions, including an early college or other program created  
21 under a memorandum of understanding, that allows a pupil to graduate from high school  
22 with both a high school diploma and a certificate or degree from a community college  
23 or state public university.

24           (15) As used in this section:

25           (a) "English language arts" means reading and writing.

26           (b) "Social studies" means United States history, world history, world  
27 geography, economics, and American government.

1           Sec. 104c. (1) In order to receive state aid under this article, a district  
2 shall administer the state assessments described in this section.

3           (2) For the purposes of this section, the department shall develop for use in  
4 the spring of ~~2014-2015 new Michigan education assessment program (MEAP)~~ 2015-2016 **THE**  
5 **MICHIGAN STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP)** assessments in English language  
6 arts and mathematics. These assessments shall be aligned to state standards.

7           (3) For the purposes of this section, the department shall implement ~~beginning~~  
8 ~~in the 2015-2016 school year~~ a summative assessment system that is proven to be valid  
9 and reliable for administration to pupils as provided under this subsection. The  
10 summative assessment system shall meet all of the following requirements:

11           (a) The summative assessment system shall measure student proficiency on the  
12 current state standards, shall measure student growth for consecutive grade levels in  
13 which students are assessed in the same subject area in both grade levels, and shall  
14 be capable of measuring individual student performance.

15           (b) The summative assessments for English language arts and mathematics shall  
16 be administered to all public school pupils in grades 3 to ~~10~~ 11, including those  
17 pupils as required by the federal individuals with disabilities education act, Public  
18 Law 108-446, and by title I of the federal elementary and secondary education act.

19           (c) The summative assessments for science shall be administered to all public  
20 school pupils in at least grades 4 and 7, including those pupils as required by the  
21 federal individuals with disabilities education act, Public Law 108-446, and by title  
22 I of the federal elementary and secondary education act.

23           (d) The summative assessments for social studies shall be administered to all  
24 public school pupils in at least grades 5 and 8, including those pupils as required by  
25 the federal individuals with disabilities education act, Public Law 108-446, and by  
26 title I of the federal elementary and secondary education act.

27           (e) The content of the summative assessments shall be aligned to state

1 standards.

2 (f) The pool of questions for the summative assessments shall be subject to a  
3 transparent review process for quality, bias, and sensitive issues involving educator  
4 review and comment. The department shall post samples from tests or retired tests  
5 featuring questions from this pool for review by the public.

6 (g) The summative assessment system shall ensure that students, parents, and  
7 teachers are provided with reports that convey individual student proficiency and  
8 growth on the assessment and that convey individual student domain-level performance  
9 in each subject area, including representative questions, and individual student  
10 performance in meeting state standards.

11 (h) The summative assessment system shall be capable of providing, and the  
12 department shall ensure that students, parents, teachers, administrators, and  
13 community members are provided with, reports that convey aggregate student proficiency  
14 and growth data by teacher, grade, school, and district.

15 (i) The summative assessment system shall ensure the capability of reporting  
16 the available data to support educator evaluations.

17 (j) The summative assessment system shall ensure that the reports provided to  
18 districts containing individual student data are available within 60 days after  
19 completion of the assessments.

20 ~~(k) The assessments shall be capable of being implemented statewide in a fully  
21 operational manner no later than the 2015-2016 school year.~~

22 (K) ~~(i)~~ The summative assessment system shall ensure that access to  
23 individually identifiable student data meets all of the following:

24 (i) Is in compliance with 20 USC 1232g, commonly referred to as the family  
25 educational rights and privacy act of 1974.

26 (ii) Except as may be provided for in an agreement with a vendor to provide  
27 assessment services, as necessary to support educator evaluations pursuant to

1 subdivision (i), or for research or program evaluation purposes, is available only to  
2 the student; to the student's parent or legal guardian; and to a school administrator  
3 or teacher, to the extent that he or she has a legitimate educational interest.

4 (L) ~~(m)~~ The summative assessment system shall ensure that the assessments are  
5 pilot tested before statewide implementation.

6 (M) ~~(n)~~ The summative assessment system shall ensure that assessments are  
7 designed so that the maximum total combined length of time that schools are required  
8 to set aside for a pupil to answer all test questions on all assessments that are part  
9 of the system for the pupil's grade level does not exceed that maximum total combined  
10 length of time for the previous statewide assessment system or 9 hours, whichever is  
11 less. This subdivision does not limit the amount of time a district may allow a pupil  
12 to complete a test.

13 (N) ~~(o)~~ The total cost of executing the summative assessment system statewide  
14 each year, including, but not limited to, the cost of contracts for administration,  
15 scoring, and reporting, shall not exceed an amount equal to 2 times the cost of  
16 executing the previous statewide assessment after adjustment for inflation.

17 ~~(4) To begin the process required under subsection (3), not later than~~  
18 ~~September 1, 2014, the department shall issue a request for proposals for the~~  
19 ~~summative assessment system described in that subsection.~~

20 (4) BEGINNING IN THE 2015-2016 SCHOOL YEAR, THE DEPARTMENT SHALL FIELD TEST  
21 ADDITIONAL COMPONENTS IN THE ASSESSMENT SYSTEM DESCRIBED UNDER THIS SUBSECTION, FOR  
22 FULL IMPLEMENTATION IN THE 2016-2017 SCHOOL YEAR. THE ADDITIONAL COMPONENTS ARE  
23 NECESSARY TO DETERMINE A PUPIL'S PROFICIENCY LEVEL PRIOR TO GRADE 3. THE ADDITIONAL  
24 COMPONENTS ARE AS FOLLOWS:

25 (A) ASSESSMENTS ADMINISTERED IN THE FALL AND SPRING OF EACH YEAR TO MEASURE  
26 ENGLISH LANGUAGE ARTS AND MATHEMATICS IN EACH OF THE GRADES 1 AND 2.

27 (B) THE KINDERGARTEN ENTRY ASSESSMENT (KEA) SHALL BE ADMINISTERED IN THE FALL

1 OF THE KINDERGARTEN YEAR. THE KEA SHALL INCLUDE THE COMPONENTS UNDER SUBSECTION (4) (A)  
2 AND MAY INCLUDE OBSERVATIONAL COMPONENTS THAT MEASURE COGNITIVE, SOCIAL-EMOTIONAL, AND  
3 PHYSICAL SKILLS.

4 (5) This section does not prohibit districts from adopting interim assessments.

5 ~~(6) The department shall seek a waiver or amendment to an existing waiver for~~  
6 ~~federal approval of the assessment framework under this section and shall notify the~~  
7 ~~United States department of education about the provisions of this section and take~~  
8 ~~necessary steps to assure the United States department of education that this state is~~  
9 ~~on track to develop and implement a summative assessment system as required by federal~~  
10 ~~law.~~

11 (6) ~~(7)~~ As used in this section, "English language arts" means that term as  
12 defined in section 104b.

13 Sec. 107. (1) From the appropriation in section 11, there is allocated an  
14 amount not to exceed \$22,000,000.00 for ~~2014-2015~~ 2015-2016 for adult education  
15 programs authorized under this section. Funds allocated under this section are  
16 restricted for adult education programs as authorized under this section only. A  
17 recipient of funds under this section shall not use those funds for any other purpose.

18 (2) To be eligible for funding under this section, ~~a program~~ **AN ELIGIBLE ADULT**  
19 **EDUCATION PROVIDER** shall employ certificated teachers and qualified administrative  
20 staff and shall offer continuing education opportunities for teachers to allow them to  
21 maintain certification.

22 (3) To be eligible to be a participant funded under this section, a person  
23 shall be enrolled in an adult basic education program, an adult English as a second  
24 language program, a general educational development (G.E.D.) test preparation program,  
25 a job- or employment-related program, or a high school completion program, that meets  
26 the requirements of this section, and for which instruction is provided, and shall  
27 meet either of the following, as applicable:



1 (a) If the individual has obtained a high school diploma or a general  
2 educational development (G.E.D.) certificate, the individual meets 1 of the following:

3 ~~(i) Is less than 20 years of age on September 1 of the school year and is~~  
4 ~~enrolled in the Michigan career and technical institute.~~

5 (I) ~~(ii)~~ Is less than 20 years of age on September 1 of the school year, is not  
6 attending an institution of higher education, and is enrolled in a job- or employment-  
7 related program through a referral by an employer or by a Michigan workforce agency.

8 (II) ~~(iii)~~ Is enrolled in an English as a second language program.

9 (III) ~~(iv)~~ Is enrolled in a high school completion program.

10 (IV) IS 20 YEARS OF AGE ON SEPTEMBER 1 OF THE SCHOOL YEAR AND ENROLLED IN AN  
11 ADULT BASIC EDUCATION PROGRAM AND DETERMINED BY A DEPARTMENT-APPROVED ASSESSMENT, IN A  
12 FORM AND MANNER PRESCRIBED BY THE DEPARTMENT, TO BE BELOW NINTH GRADE LEVEL IN READING  
13 OR MATHEMATICS, OR BOTH.

14 (b) If the individual has not obtained a high school diploma or G.E.D.  
15 certificate, the individual meets 1 of the following:

16 (i) Is at least 20 years of age on September 1 of the school year.

17 (ii) Is at least 16 years of age on September 1 of the school year, has been  
18 permanently expelled from school under section 1311(2) or 1311a of the revised school  
19 code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program  
20 available through his or her district of residence.

21 (4) BY APRIL 1 OF EACH FISCAL YEAR, INTERMEDIATE DISTRICTS WITHIN A PROSPERITY  
22 REGION MUST DETERMINE WHICH INTERMEDIATE DISTRICT WILL SERVE AS THE REGION'S FISCAL  
23 AGENT FOR THE FOLLOWING FISCAL YEAR AND MUST NOTIFY THE DEPARTMENT IN A FORM AND  
24 MANNER DETERMINED BY THE DEPARTMENT. THE DEPARTMENT SHALL APPROVE OR DISAPPROVE OF THE  
25 PROSPERITY REGION'S SELECTED FISCAL AGENT. From the funds allocated under subsection  
26 (1), an amount as determined under this subsection shall be allocated to each  
27 intermediate district serving as a fiscal agent for adult education programs in each

1 of the 10 prosperity regions identified by the department. An intermediate district  
2 shall not use more than 5% of the funds allocated under this subsection for  
3 administration costs for serving as the fiscal agent. ~~The department shall ensure that~~  
4 ~~the funds allocated under this subsection for 2014-2015 will provide services in 2014-~~  
5 ~~2015 to at least the same number of individuals as the number of individuals who were~~  
6 ~~enrolled in programs funded under this section in 2013-2014.~~ For 2014-2015, 67% of the  
7 allocation provided to each intermediate district serving as a fiscal agent shall be  
8 based on the proportion of total funding formerly received by the adult education  
9 providers in that prosperity region in 2013-2014, and 33% shall be allocated based on  
10 the factors in subdivisions (a), (b), and (c). For 2015-2016, 33% of the allocation  
11 provided to each intermediate district serving as a fiscal agent shall be based upon  
12 the proportion of total funding formerly received by the adult education providers in  
13 that prosperity region in 2013-2014 and 67% of the allocation shall be based upon the  
14 factors in subdivisions (a), (b), and (c). For 2016-2017, 100% of the allocation  
15 provided to each intermediate district serving as a fiscal agent shall be based on the  
16 factors in subdivisions (a), (b), and (c). The funding factors for this section are as  
17 follows:

18 (a) Sixty percent of this portion of the funding shall be distributed based  
19 upon the proportion of the state population of individuals between the ages of 18 and  
20 24 that are not high school graduates that resides in each of the prosperity regions,  
21 as reported by the most recent 5-year estimates from the American community survey  
22 (ACS) from the United States census bureau.

23 (b) Thirty-five percent of this portion of the funding shall be distributed  
24 based upon the proportion of the state population of individuals age 25 or older who  
25 are not high school graduates that resides in each of the prosperity regions, as  
26 reported by the most recent 5-year estimates from the American community survey (ACS)  
27 from the United States census bureau.

1 (c) Five percent of this portion of the funding shall be distributed based upon  
2 the proportion of the state population of individuals age 18 or older who lack basic  
3 English language proficiency that resides in each of the prosperity regions, as  
4 reported by the most recent 5-year estimates from the American community survey (ACS)  
5 from the United States census bureau.

6 (5) To be an eligible fiscal agent, an intermediate district must agree to do  
7 the following in a form and manner determined by the department:

8 (a) Distribute funds to adult education programs in a prosperity region as  
9 described in this section.

10 (b) Collaborate with ~~education advisory groups~~ **THE TALENT DISTRICT CAREER**  
11 **COUNCIL, AN ADVISORY COUNCIL** of the workforce development boards, **OR ITS SUCCESSOR,**  
12 located in the prosperity region to develop a regional strategy that aligns adult  
13 education programs and services into an efficient and effective delivery system for  
14 adult education learners, **WITH SPECIAL CONSIDERATION FOR PROVIDING CONTEXTUALIZED**  
15 **LEARNING AND CAREER PATHWAYS.**

16 (c) Collaborate with ~~education advisory groups~~ **THE TALENT DISTRICT CAREER**  
17 **COUNCIL, AN ADVISORY COUNCIL** of the workforce development boards, **OR ITS SUCCESSOR,**  
18 located in the prosperity region to create a local process and criteria that will  
19 identify eligible adult education providers to receive funds allocated under this  
20 section based on location, demand for services, **PAST PERFORMANCE, QUALITY INDICATORS**  
21 **AS IDENTIFIED BY THE DEPARTMENT,** and cost to provide instructional services. ~~All~~ **THE**  
22 **FISCAL AGENT WILL DETERMINE ALL** local processes, criteria, and provider determinations  
23 **WHICH** must be approved by the department before funds may be distributed to the fiscal  
24 agent.

25 (D) **PROVIDE OVERSIGHT TO ITS ADULT EDUCATION PROVIDERS THROUGHOUT THE PROGRAM**  
26 **YEAR TO ENSURE COMPLIANCE WITH SECTION 107 REQUIREMENTS.**

27 (E) ~~(d)~~ Report adult education program and participant data and information as

1 prescribed by the department.

2 (6) The amount allocated under this section per full-time equated participant  
3 shall not exceed \$2,850.00 for a 450-hour program. The amount shall be proportionately  
4 reduced for a program offering less than 450 hours of instruction.

5 (7) An adult basic education program or an adult English as a second language  
6 program operated on a year-round or school year basis may be funded under this  
7 section, subject to all of the following:

8 (a) The program enrolls adults who are determined by a department-approved  
9 assessment, in a form and manner prescribed by the department, to be below ninth grade  
10 level in reading or mathematics, or both, or to lack basic English proficiency.

11 (b) The program tests individuals for eligibility under subdivision (a) before  
12 enrollment and upon completion of the program in compliance with the state-approved  
13 assessment policy.

14 (c) A participant in an adult basic education program is eligible for  
15 reimbursement until 1 of the following occurs:

16 (i) The participant's reading and mathematics proficiency are assessed at or  
17 above the ninth grade level.

18 (ii) The participant fails to show progress on 2 successive assessments after  
19 having completed at least 450 hours of instruction.

20 (d) A funding recipient enrolling a participant in an English as a second  
21 language program is eligible for funding according to subsection (11) until the  
22 participant meets 1 of the following:

23 (i) The participant is assessed as having attained basic English proficiency as  
24 determined by a department-approved assessment.

25 (ii) The participant fails to show progress on 2 successive department-approved  
26 assessments after having completed at least 450 hours of instruction. The department  
27 shall provide information to a funding recipient regarding appropriate assessment

1 instruments for this program.

2 (8) A general educational development (G.E.D.) test preparation program  
3 operated on a year-round or school year basis may be funded under this section,  
4 subject to all of the following:

5 (a) The program enrolls adults who do not have a high school diploma.

6 (b) The program shall administer a pre-test approved by the department before  
7 enrolling an individual to determine the individual's literacy levels, shall  
8 administer a G.E.D. practice test to determine the individual's potential for success  
9 on the G.E.D. test, and shall administer a post-test upon completion of the program in  
10 compliance with the state-approved assessment policy.

11 (c) A funding recipient shall receive funding according to subsection (11) for  
12 a participant, and a participant may be enrolled in the program until 1 of the  
13 following occurs:

14 (i) The participant obtains the G.E.D.

15 (ii) The participant fails to show progress on 2 successive department-approved  
16 assessments used to determine readiness to take the G.E.D. test after having completed  
17 at least 450 hours of instruction.

18 (9) A high school completion program operated on a year-round or school year  
19 basis may be funded under this section, subject to all of the following:

20 (a) The program enrolls adults who do not have a high school diploma.

21 (b) The program tests participants described in subdivision (a) before  
22 enrollment and upon completion of the program in compliance with the state-approved  
23 assessment policy.

24 (c) A funding recipient shall receive funding according to subsection (11) for  
25 a participant in a course offered under this subsection until 1 of the following  
26 occurs:

27 (i) The participant passes the course and earns a high school diploma.

1           (ii) The participant fails to earn credit in 2 successive semesters or terms in  
2 which the participant is enrolled after having completed at least 900 hours of  
3 instruction.

4           (10) A job- or employment-related adult education program operated on a year-  
5 round or school year basis may be funded under this section, subject to all of the  
6 following:

7           (a) The program enrolls adults referred by their employer who are less than 20  
8 years of age, have a high school diploma, are determined to be in need of remedial  
9 mathematics or communication arts skills and are not attending an institution of  
10 higher education.

11           (b) The program tests participants described in subdivision (a) before  
12 enrollment and upon completion of the program in compliance with the department-  
13 approved assessment policy.

14           (c) An individual may be enrolled in this program and the grant recipient shall  
15 receive funding according to subsection (11) until 1 of the following occurs:

16           (i) The individual achieves the requisite skills as determined by department-  
17 approved assessment instruments.

18           (ii) The individual fails to show progress on 2 successive assessments after  
19 having completed at least 450 hours of instruction.

20           (11) A funding recipient shall receive payments under this section in  
21 accordance with the following:

22           (a) Seventy-five percent for enrollment of eligible participants.

23           (b) Twenty-five percent for participant completion of the adult basic education  
24 objectives by achieving an educational gain as determined by the national reporting  
25 system levels; for achieving basic English proficiency, **AS DETERMINED BY THE**  
26 **DEPARTMENT**; for obtaining a G.E.D. or passage of 1 or more individual G.E.D. tests;  
27 for attainment of a high school diploma or passage of a course required for a

1 participant to attain a high school diploma; for enrollment in a postsecondary  
2 institution, or for entry into or retention of employment, as applicable.

3 (12) A person who is not eligible to be a participant funded under this section  
4 may receive adult education services upon the payment of tuition. In addition, a  
5 person who is not eligible to be served in a program under this section due to the  
6 program limitations specified in subsection (7), (8), (9), or (10) may continue to  
7 receive adult education services in that program upon the payment of tuition. The  
8 tuition level shall be determined by the local or intermediate district conducting the  
9 program.

10 (13) An individual who is an inmate in a state correctional facility shall not  
11 be counted as a participant under this section.

12 (14) A funding recipient shall not commingle money received under this section  
13 or from another source for adult education purposes with any other funds and shall  
14 establish a separate ledger account for funds received under this section. This  
15 subsection does not prohibit a district from using general funds of the district to  
16 support an adult education or community education program.

17 (15) A funding recipient receiving funds under this section may establish a  
18 sliding scale of tuition rates based upon a participant's family income. A funding  
19 recipient may charge a participant tuition to receive adult education services under  
20 this section from that sliding scale of tuition rates on a uniform basis. The amount  
21 of tuition charged per participant shall not exceed the actual operating cost per  
22 participant minus any funds received under this section per participant. A funding  
23 recipient may not charge a participant tuition under this section if the participant's  
24 income is at or below 200% of the federal poverty guidelines published by the United  
25 States department of health and human services.

26 (16) In order to receive funds under this section, a funding recipient shall  
27 furnish to the department, in a form and manner determined by the department, all

1 information needed to administer this program and meet federal reporting requirements;  
2 shall allow the department or the department's designee to review all records related  
3 to the program for which it receives funds; and shall reimburse the state for all  
4 disallowances found in the review, as determined by the department.

5 (17) All intermediate district participant audits of adult education programs  
6 shall be performed pursuant to the adult education participant auditing and accounting  
7 manuals published by the department.

8 (18) As used in this section:

9 (A) "CAREER PATHWAY" MEANS A COMBINATION OF RIGOROUS AND HIGH-QUALITY  
10 EDUCATION, TRAINING, AND OTHER SERVICES THAT COMPLY WITH ALL OF THE FOLLOWING:

11 (I) ALIGNS WITH THE SKILL NEEDS OF INDUSTRIES IN THE ECONOMY OF THE STATE OR  
12 REGIONAL ECONOMY INVOLVED.

13 (II) PREPARES AN INDIVIDUAL TO BE SUCCESSFUL IN ANY OF A FULL RANGE OF  
14 SECONDARY OR POSTSECONDARY EDUCATION OPTIONS, INCLUDING APPRENTICESHIPS REGISTERED  
15 UNDER THE ACT OF AUGUST 16, 1937 (COMMONLY KNOWN AS THE ``NATIONAL APPRENTICESHIP  
16 ACT''; 50 STAT. 664, CHAPTER 663; 29 U.S.C. 50 ET SEQ.).

17 (III) INCLUDES COUNSELING TO SUPPORT AN INDIVIDUAL IN ACHIEVING THE  
18 INDIVIDUAL'S EDUCATION AND CAREER GOALS.

19 (IV) INCLUDES, AS APPROPRIATE, EDUCATION OFFERED CONCURRENTLY WITH AND IN THE  
20 SAME CONTEXT AS WORKFORCE PREPARATION ACTIVITIES AND TRAINING FOR A SPECIFIC  
21 OCCUPATION OR OCCUPATIONAL CLUSTER.

22 (V) ORGANIZES EDUCATION, TRAINING, AND OTHER SERVICES TO MEET THE PARTICULAR  
23 NEEDS OF AN INDIVIDUAL IN A MANNER THAT ACCELERATES THE EDUCATIONAL AND CAREER  
24 ADVANCEMENT OF THE INDIVIDUAL TO THE EXTENT PRACTICABLE.

25 (VI) ENABLES AN INDIVIDUAL TO ATTAIN A SECONDARY SCHOOL DIPLOMA OR ITS  
26 RECOGNIZED EQUIVALENT, AND AT LEAST 1 RECOGNIZED POSTSECONDARY CREDENTIAL.

27 (VII) HELPS AN INDIVIDUAL ENTER OR ADVANCE WITHIN A SPECIFIC OCCUPATION OR



1 OCCUPATIONAL CLUSTER.

2 (B) ~~(a)~~ "Department" means the Michigan strategic fund.

3 (C) ~~(b)~~ "Eligible adult education provider" means a district, intermediate  
4 district, a consortium of districts, a consortium of intermediate districts, or a  
5 consortium of districts and intermediate districts that is identified as part of the  
6 local process described in subsection (5)(c) and approved by the department.

7 (D) ~~(e)~~ "Participant" means the sum of the number of full-time equated  
8 individuals enrolled in and attending a department-approved adult education program  
9 under this section, using quarterly participant count days on the schedule described  
10 in section 6(7)(b).

11 Sec. 147. (1) The allocation for ~~2014-2015~~ 2015-2016 for the public school  
12 employees' retirement system pursuant to the public school employees retirement act of  
13 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the individual  
14 projected benefit entry age normal cost method of valuation and risk assumptions  
15 adopted by the public school employees retirement board and the department of  
16 technology, management, and budget.

17 (2) The annual level percentage of payroll contribution rates for the ~~2014-2015~~  
18 2015-2016 fiscal year, as determined by the retirement system, are estimated as  
19 follows:

20 (a) For public school employees who first worked for a public school reporting  
21 unit before July 1, 2010 and who are enrolled in the health premium subsidy, the  
22 annual level percentage of payroll contribution rate is estimated at ~~33.41%~~ 36.31%,  
23 with 25.78% paid directly by the employer.

24 (b) For public school employees who first worked for a public school reporting  
25 unit on or after July 1, 2010 and who are enrolled in the health premium subsidy, the  
26 annual level percentage of payroll contribution rate is estimated at ~~32.33%~~ 35.09% ,  
27 with ~~24.70%~~ 24.56% paid directly by the employer.

1 (c) For public school employees who first worked for a public school reporting  
2 unit on or after July 1, 2010 and who participate in the personal healthcare fund, the  
3 annual level percentage of payroll contribution rate is estimated at ~~31.82%~~ **34.66%**,  
4 with ~~24.19%~~ **24.13%** paid directly by the employer.

5 (d) For public school employees who first worked for a public school reporting  
6 unit on or after September 4, 2012, who elect defined contribution, and who  
7 participate in the personal healthcare fund, the annual level percentage of payroll  
8 contribution rate is estimated at ~~28.59%~~ **31.49%**, with 20.96% paid directly by the  
9 employer.

10 (e) For public school employees who first worked for a public school reporting  
11 unit before July 1, 2010, who elect defined contribution, and who are enrolled in the  
12 health premium subsidy, the annual level percentage of payroll contribution rate is  
13 estimated at ~~29.10%~~ **31.92%**, with ~~21.47%~~ **21.39%** paid directly by the employer.

14 (f) For public school employees who first worked for a public school reporting  
15 unit before July 1, 2010, who elect defined contribution, and who participate in the  
16 personal healthcare fund, the annual level percentage of payroll contribution rate is  
17 estimated at ~~28.59%~~ **31.49%**, with 20.96% paid directly by the employer.

18 (g) For public school employees who first worked for a public school reporting  
19 unit before July 1, 2010 and who participate in the personal healthcare fund, the  
20 annual level percentage of payroll contribution rate is estimated at ~~32.90%~~ **35.88%**,  
21 with ~~25.27%~~ **25.35%** paid directly by the employer.

22 (3) In addition to the employer payments described in subsection (2), the  
23 employer shall pay the applicable contributions to the Tier 2 plan, as determined by  
24 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
25 38.1408.

26 (4) The contribution rates in subsection (2) reflect an amortization period of  
27 ~~24~~ 23 years for ~~2014-2015~~ **2015-2016**. The public school employees' retirement system

1 board shall notify each district and intermediate district by February 28 of each  
2 fiscal year of the estimated contribution rate for the next fiscal year.

3       Sec. 147a. From the appropriation in section 11, there is allocated for ~~2014-~~  
4 ~~2015~~ 2015-2016 an amount not to exceed \$100,000,000.00 for payments to participating  
5 districts. A district that receives money under this section shall use that money  
6 solely for the purpose of offsetting a portion of the retirement contributions owed by  
7 the district for the fiscal year in which it is received. The amount allocated to each  
8 participating district under this section shall be based on each participating  
9 district's percentage of the total statewide payroll for all participating districts  
10 for the immediately preceding fiscal year. As used in this section, "participating  
11 district" means a district that is a reporting unit of the Michigan public school  
12 employees' retirement system under the public school employees retirement act of 1979,  
13 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to the Michigan public  
14 school employees' retirement system for the applicable fiscal year.

15       Sec. 147c. (1) From the appropriation in section 11, there is allocated for  
16 ~~2014-2015~~ 2015-2016 an amount not to exceed ~~\$656,700,000.00~~ \$893,500,000.00 from the  
17 state school aid fund, ~~and there is appropriated for 2014-2015 an amount not to exceed~~  
18 ~~\$18,000,000.00 from the MPSERS retirement obligation reform reserve fund,~~ for payments  
19 to districts, **DISTRICT LIBRARIES**, and intermediate districts that are participating  
20 entities of the Michigan public school employees' retirement system.

21       (2) For ~~2014-2015~~ 2015-2016, the amounts allocated under subsection (1) are  
22 estimated to provide an average MPSERS rate cap per pupil amount of ~~\$441.00~~ \$601.00  
23 and are estimated to provide a rate cap per pupil for districts ranging between \$4.00  
24 and ~~\$1,400.00~~ \$2,300.00.

25       (3) Payments made under this section for ~~2014-2015~~ 2015-2016 shall be equal to  
26 the difference between the unfunded actuarial accrued liability contribution rate as  
27 calculated pursuant to section 41 of the public school employees retirement act of

1 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum  
2 employer rate of 20.96% included in section 41 of the public school employees  
3 retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of  
4 20.96% included in section 41 of the public school employees retirement act of 1979,  
5 1980 PA 300, MCL 38.1341.

6 (4) The amount allocated to each participating entity under this section shall  
7 be based on each participating entity's proportion of the total covered payroll for  
8 the immediately preceding fiscal year for the same type of participating entities. A  
9 participating entity that receives funds under this section shall use the funds solely  
10 for the purpose of retirement contributions as specified in subsection (5).

11 (5) Each participating entity receiving funds under this section shall forward  
12 an amount equal to the amount allocated under subsection (4) to the retirement system  
13 in a form, manner, and time frame determined by the retirement system.

14 (6) Funds allocated under this section should be considered when comparing a  
15 district's growth in total state aid funding from 1 fiscal year to the next.

16 (7) Not later than ~~October 20, 2014~~ **DECEMBER 20, 2015**, the department shall  
17 publish and post on its website an estimated MPSERS rate cap per pupil for each  
18 district.

19 (8) As used in this section:

20 (a) "MPSERS rate cap per pupil" means an amount equal to the quotient of the  
21 district's payment under this section divided by the district's pupils in membership.

22 (b) "Participating entity" means a district, intermediate district, or district  
23 library that is a reporting unit of the Michigan public school employees' retirement  
24 system under the public school employees retirement act of 1979, 1980 PA 300, MCL  
25 38.1301 to 38.1437, and that reports employees to the Michigan public school  
26 employees' retirement system for the applicable fiscal year.

27 (c) "Retirement board" means the board that administers the retirement system

1 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
2 38.1437.

3 (d) "Retirement system" means the Michigan public school employees' retirement  
4 system under the public school employees retirement act of 1979, 1980 PA 300, MCL  
5 38.1301 to 38.1437.

6 Sec. 152a. (1) As required by the court in the consolidated cases known as  
7 Adair v State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from  
8 the state school aid fund money appropriated in section 11 there is allocated for  
9 ~~2014-2015~~ 2015-2016 an amount not to exceed \$38,000,500.00 to be used solely for the  
10 purpose of paying necessary costs related to the state-mandated collection,  
11 maintenance, and reporting of data to this state.

12 (2) From the allocation in subsection (1), the department shall make payments  
13 to districts and intermediate districts in an equal amount per pupil based on the  
14 total number of pupils in membership in each district and intermediate district. The  
15 department shall not make any adjustment to these payments after the final installment  
16 payment under section 17b is made.

17 Sec. 163. (1) Except as provided in the revised school code, the board of a  
18 district or intermediate district shall not permit any of the following:

19 (a) A noncertificated ~~teacher~~ **EDUCATOR** to teach in an elementary or secondary  
20 school or in an adult basic education or high school completion program.

21 (b) A noncertificated ~~counselor~~ **EDUCATOR** to provide counseling services to  
22 pupils in an elementary or secondary school or in an adult basic education or high  
23 school completion program.

24 **(C) A NONCERTIFICATED EDUCATOR TO ADMINISTER INSTRUCTIONAL PROGRAMS IN AN**  
25 **ELEMENTARY OR SECONDARY SCHOOL, OR IN AN ADULT BASIC EDUCATION OR HIGH SCHOOL**  
26 **COMPLETION PROGRAM, UNLESS THAT EDUCATOR IS FULFILLING APPLICABLE CONTINUING EDUCATION**  
27 **REQUIREMENTS.**

1           (2) Except as provided in the revised school code, a district or intermediate  
2 district employing ~~teachers or counselors~~ **EDUCATORS** not legally certificated **OR**  
3 **LICENSED** shall have deducted the sum equal to the amount paid the ~~teachers or~~  
4 ~~counselors~~ **EDUCATORS** for the period of noncertificated, **NONLICENSED** or illegal  
5 employment. Each intermediate superintendent shall notify the department of the name  
6 of the noncertificated ~~teacher or counselor~~ **OR NONLICENSED EDUCATOR**, and the district  
7 employing that individual and the amount of salary the noncertificated ~~teacher or~~  
8 ~~counselor~~ **OR NONLICENSED EDUCATOR** was paid within a constituent district.

9           (3) If a school official is notified by the department that he or she is  
10 employing a nonapproved noncertificated ~~teacher or counselor~~ **OR NONLICENSED EDUCATOR**  
11 in violation of this section and knowingly continues to employ that teacher or  
12 counselor, the school official is guilty of a misdemeanor, punishable by a fine of  
13 \$1,500.00 for each incidence. This penalty is in addition to all other financial  
14 penalties otherwise specified in this article.

1 **ARTICLE II**

2 **STATE AID TO COMMUNITY COLLEGES**

3 Sec. 201. (1) Subject to the conditions set forth in this article, the amounts  
4 listed in this section are appropriated for community colleges for the fiscal year  
5 ending September 30, ~~2015, 2016~~, from the funds indicated in this section. The  
6 following is a summary of the appropriations in this section:

7 (a) The gross appropriation is ~~\$364,724,900.00~~ **\$393,825,600.00**. After  
8 deducting total interdepartmental grants and intradepartmental transfers in the amount  
9 of \$0.00, the adjusted gross appropriation is ~~\$364,724,900.00~~ **\$393,825,600.00**.

10 (b) The sources of the adjusted gross appropriation described in subdivision  
11 (a) are as follows:

12 (i) Total federal revenues, \$0.00.

13 (ii) Total local revenues, \$0.00.

14 (iii) Total private revenues, \$0.00.

15 (iv) Total other state restricted revenues, ~~\$197,614,100.00~~ **\$256,714,800.00**.

16 (v) State general fund/general purpose money, ~~\$167,110,800.00~~ **\$137,110,800.00**.

17 (2) Subject to subsection (3), the amount appropriated for community college  
18 operations is ~~\$307,191,300.00~~ **\$311,492,000.00**, allocated as follows:

19 (a) The appropriation for Alpena Community College is ~~\$5,390,700.00~~,  
20 **\$5,462,000.00**, ~~\$5,236,500.00~~ **\$5,390,700.00** for operations and ~~\$154,200.00~~ **\$71,300.00**  
21 for performance funding.

22 (b) The appropriation for Bay de Noc Community College is ~~\$5,419,500.00~~,  
23 **\$5,488,300.00**, ~~\$5,279,300.00~~ **\$5,419,500.00** for operations and ~~\$140,200.00~~ **\$68,800.00**  
24 for performance funding.

25 (c) The appropriation for Delta College is ~~\$14,498,900.00~~ **\$14,706,700.00**,  
26 ~~\$14,063,500.00~~ **\$14,498,900.00** for operations and ~~\$435,400.00~~ **\$207,800.00** for

1 performance funding.

2 (d) The appropriation for Glen Oaks Community College is ~~\$2,516,100.00,~~  
3 ~~\$2,553,400.00,~~ ~~\$2,441,500.00~~ **\$2,516,100.00** for operations and ~~\$74,600.00~~ **\$37,300.00**  
4 for performance funding.

5 (e) The appropriation for Gogebic Community College is ~~\$4,451,400.00,~~  
6 ~~\$4,506,400.00,~~ ~~\$4,330,300.00~~ **\$4,451,400.00** for operations and ~~\$121,100.00~~ **\$55,000.00**  
7 for performance funding.

8 (f) The appropriation for Grand Rapids Community College is ~~\$17,947,500.00,~~  
9 ~~\$18,176,600.00,~~ ~~\$17,454,900.00~~ **\$17,947,500.00** for operations and ~~\$492,600.00~~  
10 **\$229,100.00** for performance funding.

11 (g) The appropriation for Henry Ford Community College is ~~\$21,623,800.00,~~  
12 ~~\$21,876,700.00,~~ ~~\$21,060,000.00~~ **\$21,623,800.00** for operations and ~~\$563,800.00~~  
13 **\$252,900.00** for performance funding.

14 (h) The appropriation for Jackson College is ~~\$12,087,300.00,~~ **\$12,242,500.00,**  
15 ~~\$11,758,200.00~~ **\$12,087,300.00** for operations and ~~\$329,100.00~~ **\$155,200.00** for  
16 performance funding.

17 (i) The appropriation for Kalamazoo Valley Community College is ~~\$12,503,100.00,~~  
18 ~~\$12,694,900.00,~~ ~~\$12,122,500.00~~ **\$12,503,100.00** for operations and ~~\$380,600.00~~  
19 **\$191,800.00** for performance funding.

20 (j) The appropriation for Kellogg Community College is ~~\$9,813,500.00,~~  
21 ~~\$9,947,300.00,~~ ~~\$9,522,000.00~~ **\$9,813,500.00** for operations and ~~\$291,500.00~~ **\$133,800.00**  
22 for performance funding.

23 (k) The appropriation for Kirtland Community College is ~~\$3,167,700.00,~~  
24 ~~\$3,224,300.00,~~ ~~\$3,055,700.00~~ **\$3,167,700.00** for operations and ~~\$112,000.00~~ **\$56,600.00**  
25 for performance funding.

26 (l) The appropriation for Lake Michigan College is ~~\$5,342,900.00,~~  
27 ~~\$5,414,800.00,~~ ~~\$5,178,100.00~~ **\$5,342,900.00** for operations and ~~\$164,800.00~~ **\$71,900.00**



1 for performance funding.

2 (m) The appropriation for Lansing Community College is ~~\$30,877,600.00,~~  
3 ~~\$31,289,900.00, \$30,023,700.00~~ \$30,877,600.00 for operations and ~~\$853,900.00~~  
4 \$412,300.00 for performance funding.

5 (n) The appropriation for Macomb Community College is ~~\$32,816,600.00,~~  
6 ~~\$33,222,400.00, \$31,931,200.00~~ \$32,816,600.00 for operations and ~~\$885,400.00~~  
7 \$405,800.00 for performance funding.

8 (o) The appropriation for Mid Michigan Community College is ~~\$4,682,000.00,~~  
9 ~~\$4,761,500.00, \$4,517,900.00~~ \$4,682,000.00 for operations and ~~\$164,100.00~~ \$79,500.00  
10 for performance funding.

11 (p) The appropriation for Monroe County Community College is ~~\$4,492,900.00,~~  
12 ~~\$4,565,100.00, \$4,342,600.00~~ \$4,492,900.00 for operations and ~~\$150,300.00~~ \$72,200.00  
13 for performance funding.

14 (q) The appropriation for Montcalm Community College is ~~\$3,226,700.00,~~  
15 ~~\$3,281,800.00, \$3,121,200.00~~ \$3,226,700.00 for operations and ~~\$105,500.00~~ \$55,100.00  
16 for performance funding.

17 (r) The appropriation for C.S. Mott Community College is ~~\$15,686,100.00,~~  
18 ~~\$15,900,900.00, \$15,247,100.00~~ \$15,686,100.00 for operations and ~~\$439,000.00~~  
19 \$214,800.00 for performance funding.

20 (s) The appropriation for Muskegon Community College is ~~\$8,901,000.00,~~  
21 ~~\$9,013,800.00, \$8,653,500.00~~ \$8,901,000.00 for operations and ~~\$247,500.00~~ \$112,800.00  
22 for performance funding.

23 (t) The appropriation for North Central Michigan College is ~~\$3,172,400.00,~~  
24 ~~\$3,223,300.00, \$3,064,400.00~~ \$3,172,400.00 for operations and ~~\$108,000.00~~ \$50,900.00  
25 for performance funding.

26 (u) The appropriation for Northwestern Michigan College is ~~\$9,078,800.00,~~  
27 ~~\$9,195,100.00, \$8,825,300.00~~ \$9,078,800.00 for operations and ~~\$253,500.00~~ \$116,300.00

1 for performance funding.

2 (v) The appropriation for Oakland Community College is ~~\$21,123,300.00,~~  
 3 \$21,430,800.00, ~~\$20,483,100.00~~ \$21,123,300.00 for operations and ~~\$640,200.00~~  
 4 \$307,500.00 for performance funding.

5 (w) The appropriation for St. Clair County Community College is ~~\$7,061,600.00,~~  
 6 \$7,154,600.00, ~~\$6,860,100.00~~ \$7,061,600.00 for operations and ~~\$201,500.00~~ \$93,000.00  
 7 for performance funding.

8 (x) The appropriation for Schoolcraft College is ~~\$12,513,700.00,~~  
 9 \$12,716,100.00, ~~\$12,112,200.00~~ \$12,513,700.00 for operations and ~~\$401,500.00~~  
 10 \$202,400.00 for performance funding.

11 (y) The appropriation for Southwestern Michigan College is ~~\$6,576,400.00,~~  
 12 \$6,653,000.00, ~~\$6,404,300.00~~ \$6,576,400.00 for operations and ~~\$172,100.00~~ \$76,600.00  
 13 for performance funding.

14 (z) The appropriation for Washtenaw Community College is ~~\$13,077,300.00,~~  
 15 \$13,330,000.00, ~~\$12,610,800.00~~ \$13,077,300.00 for operations and ~~\$466,500.00~~  
 16 \$252,700.00 for performance funding.

17 (aa) The appropriation for Wayne County Community College is ~~\$16,727,600.00,~~  
 18 \$17,014,900.00, ~~\$16,194,300.00~~ \$16,727,600.00 for operations and ~~\$533,300.00~~  
 19 \$287,300.00 for performance funding.

20 (bb) The appropriation for West Shore Community College is ~~\$2,414,900.00,~~  
 21 \$2,444,900.00, ~~\$2,349,800.00~~ \$2,414,900.00 for operations and ~~\$65,100.00~~ \$30,000.00  
 22 for performance funding.

23 (3) The amount appropriated in subsection (2) for community college operations  
 24 is appropriated from the following:

25 (a) State school aid fund, ~~\$195,880,500.00.~~ \$230,181,200.00.

26 (b) State general fund/general purpose money, ~~\$111,310,800.00.~~ \$81,310,800.00.

27 (4) From the appropriations described in subsection (1), subject to section

1 207a, the amount appropriated for fiscal year ~~2014-2015-2015-2016~~ to offset certain  
2 fiscal year ~~2014-2015-2015-2016~~ retirement contributions is \$1,733,600.00,  
3 appropriated from the state school aid fund.

4 (5) From the appropriations described in subsection (1), subject to section  
5 207b, the amount appropriated for payments to community colleges that are  
6 participating entities of the retirement system is ~~\$69,500,000.00, \$17,200,000.00 FROM~~  
7 ~~THE STATE SCHOOL AID FUND AND~~ \$52,300,000.00, ~~appropriated~~ from general fund/general  
8 purpose money.

9 (6) From the appropriations described in subsection (1), subject to section  
10 207c, the amount appropriated for renaissance zone tax reimbursements is  
11 ~~\$5,100,000.00, \$1,600,000.00 FROM THE STATE SCHOOL AID FUND AND~~ \$3,500,000.00,  
12 ~~appropriated~~ from general fund/general purpose money.

13 (7) ~~FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), SUBJECT TO 1986 PA~~  
14 ~~102, MCL 390.1281 TO 390.1288, THE AMOUNT APPROPRIATED FOR INDEPENDENT PART-TIME~~  
15 ~~STUDENT GRANTS IS~~ \$6,000,000.00, ~~APPROPRIATED FROM THE STATE SCHOOL AID FUND.~~

16 Sec. 206. The funds appropriated in section 201 are appropriated for community  
17 colleges with fiscal years ending June 30, ~~2015-2016~~ and shall be paid out of the  
18 state treasury and distributed by the state treasurer to the respective community  
19 colleges in 11 monthly installments on the sixteenth of each month, or the next  
20 succeeding business day, beginning with October 16, ~~2014-2015~~. Each community college  
21 shall accrue its July and August ~~2015-2016~~ payments to its institutional fiscal year  
22 ending June 30, ~~2015-2016~~. However, if the state budget director determines that a  
23 community college failed to submit all verified Michigan community colleges activities  
24 classification structure data for school year ~~2013-2014-2014-2015~~ to the workforce  
25 development agency by November 1, ~~2014-2015~~, or failed to submit its longitudinal data  
26 system data set for school year ~~2013-2014-2014-2015~~ to the center for educational  
27 performance and information under section 219, the state treasurer shall withhold the

1 monthly installments from that community college until those data are submitted. The  
2 state budget director shall notify the chairs of the house and senate appropriations  
3 subcommittees on community colleges at least 10 days before withholding funds from any  
4 community college.

5           Sec. 207a. All of the following apply to the allocation of the **FISCAL YEAR**  
6 **2015-2016** appropriations described in section 201(4):

7           (a) A community college that receives money under section 201(4) shall use that  
8 money solely for the purpose of offsetting a portion of the retirement contributions  
9 owed by the college for the **CURRENT** fiscal year ~~ending September 30, 2015.~~

10           (b) The amount allocated to each participating community college under section  
11 201(4) shall be based on each ~~participating~~ college's **PERCENTAGE OF THE** total **COVERED**  
12 payroll ~~covered by the retirement system covered payroll~~ for all **COMMUNITY COLLEGES**  
13 **THAT ARE** participating colleges ~~for~~ **IN THE IMMEDIATELY PRECEDING** fiscal year ~~2013-~~  
14 ~~2014.~~

15           Sec. 207b. All of the following apply to the allocation of the **FISCAL YEAR**  
16 **2015-2016** appropriations described in section 201(5) for payments to community  
17 colleges that are participating entities of the retirement system:

18           (a) The amount of a payment under section 201(5) shall be the difference  
19 between the unfunded actuarial accrued liability contribution rate as calculated under  
20 section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL  
21 38.1341, and the maximum employer rate of 20.96% under section 41 of the public school  
22 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

23           (b) The amount allocated to each community college under section 201(5) shall  
24 be based on each community college's percentage of the total covered payroll for all  
25 community colleges that are participating colleges in the immediately preceding fiscal  
26 year. A community college that receives funds under this subdivision shall use the  
27 funds solely for the purpose of retirement contributions under section 201(5).

1 (c) Each participating college that receives funds under section 201(5) shall  
2 forward an amount equal to the amount allocated under subdivision (b) to the  
3 retirement system in a form and manner determined by the retirement system.

4 Sec. 207c. All of the following apply to the allocation of the appropriations  
5 described in section 201(6) to community colleges described in section 12(3) of the  
6 Michigan renaissance zone act, MCL 125.2692:

7 (a) The amount allocated to each community college under section 201(6) **FOR**  
8 **FISCAL YEAR 2015-2016** shall be based on that community college's proportion of total  
9 revenue lost by community colleges ~~in fiscal year 2013-2014~~ as a result of the  
10 exemption of property **TAXES LEVIED IN 2015** under the Michigan renaissance zone act.

11 (b) The appropriations described in section 201(6) shall be made to each  
12 eligible community college within 60 days after the department of treasury certifies  
13 to the state budget director that it has received all necessary information to  
14 properly determine the amounts ~~of tax revenue lost by~~ **DUE TO** each eligible community  
15 college ~~in fiscal year 2013-2014~~ under section 12 of the Michigan renaissance zone  
16 act, MCL 125.2692.

17 Sec. 209. (1) Within 30 days after the board of a community college adopts its  
18 annual operating budget for the following ~~school~~ fiscal year, or after the board  
19 adopts a subsequent revision to that budget, the community college shall make all of  
20 the following available through a link on its website homepage:

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

22 (b) A link to the most recent "Activities Classification Structure Data Book  
23 and Companion".

24 (c) General fund revenue and expenditure projections for **THE CURRENT** fiscal  
25 year ~~2014-2015~~ and **THE NEXT** fiscal year ~~2015-2016~~.

26 (d) A listing of all debt service obligations, detailed by project, anticipated  
27 ~~fiscal year 2014-2015~~ payment of each project, and total outstanding debt **FOR THE**

1 **CURRENT FISCAL YEAR.**

2 ~~(e) The estimated cost to the community college resulting from the patient~~  
3 ~~protection and affordable care act, Public Law 111 148, as amended by the health care~~  
4 ~~and education reconciliation act of 2010, Public Law 111 152.~~

5 **(E)** ~~(f)~~—Links to all of the following for the community college:

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

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

11 (iii) Audits and financial reports for the most recent fiscal year for which  
12 they are available.

13 ~~(iv) A copy of the board of trustees resolution regarding compliance with best~~  
14 ~~practices for the local strategic value component described in section 230(2).~~

15 (2) For statewide consistency and public visibility, community colleges must  
16 use the icon badge provided by the department of technology, management, and budget  
17 consistent with the icon badge developed by the department of education for K-12  
18 school districts. It must appear on the front of each community college's homepage.  
19 The size of the icon may be reduced to 150 x 150 pixels.

20 ~~(3) The state budget director shall determine whether a community college has~~  
21 ~~complied with this section. The state budget director may withhold a community~~  
22 ~~college's monthly installments described in section 206 until the community college~~  
23 ~~complies with this section. The state budget director shall notify the chairs of the~~  
24 ~~house and senate appropriations subcommittee on community colleges at least 10 days~~  
25 ~~before withholding funds from any community college.~~

26 (3) ~~(4)~~—Each community college shall report the following information to the  
27 senate and house appropriations subcommittees on community colleges, the senate and

1 house fiscal agencies, and the state budget office by November 15 of each fiscal year  
2 and post that information on the internet website required under subsection (1):

3 (a) Budgeted **CURRENT** fiscal year ~~2014-2015~~ general fund revenue from tuition  
4 and fees.

5 (b) Budgeted **CURRENT** fiscal year ~~2014-2015~~ general fund revenue from state  
6 appropriations.

7 (c) Budgeted **CURRENT** fiscal year ~~2014-2015~~ general fund revenue from property  
8 taxes.

9 (d) Budgeted **CURRENT** fiscal year ~~2014-2015~~ total general fund revenue.

10 (e) Budgeted **CURRENT** fiscal year ~~2014-2015~~ total general fund expenditures.

11 ~~(5) By November 15 of each year, a community college shall report the following~~  
12 ~~information to the center for educational performance and information and post the~~  
13 ~~information on its website under the budget transparency icon badge.~~

14 ~~(a) Opportunities for earning college credit through the following programs:~~

15 ~~(i) State approved career and technical education or a tech prep articulated~~  
16 ~~program of study.~~

17 ~~(ii) Direct college credit or concurrent enrollment.~~

18 ~~(iii) Dual enrollment.~~

19 ~~(iv) An early college/middle college program.~~

20 ~~(b) For each program described in subdivision (a) that the community college~~  
21 ~~offers, all of the following information:~~

22 ~~(i) The number of high school students participating in the program.~~

23 ~~(ii) The number of school districts that participate in the program with the~~  
24 ~~community college.~~

25 ~~(iii) Whether a college professor, qualified local school district employee, or~~  
26 ~~other individual teaches the course or courses in the program.~~

27 ~~(iv) The total cost to the community college to operate the program.~~

1 ~~(v) The cost per credit hour for the course or courses in the program.~~

2 ~~(vi) The location where the course or courses in the program are held.~~

3 ~~(vii) Instructional resources offered to the program instructors.~~

4 ~~(viii) Resources offered to the student in the program.~~

5 ~~(ix) Transportation services provided to students in the program.~~

6 Sec. 210. (1) Recognizing the critical importance of education in strengthening  
7 Michigan's workforce, ~~the legislature encourages~~ each community college **IS ENCOURAGED**  
8 to explore ways of increasing collaboration and cooperation with 4-year universities,  
9 particularly in the areas related to training, instruction, and program articulation.

10 (2) Recognizing the central role of community colleges in responding to local  
11 employment needs and challenges, community colleges shall develop and continue efforts  
12 to collaborate with local employers and students to identify local employment needs  
13 and strategies to meet them.

14 (3) Community colleges are encouraged to collaborate with each other on  
15 innovations to identify and meet local employment needs.

16 (4) Community colleges are encouraged to work with universities to develop  
17 equivalency standards of core college courses and identify equivalent courses offered  
18 by postsecondary institutions.

19 Sec. 213. ~~It is the intent of the legislature that community~~ (1) **COMMUNITY**  
20 colleges **ARE ENCOURAGED TO** work with public universities in the state to implement  
21 statewide reverse transfer agreements to increase the number of students that are  
22 awarded credentials of value upon completion of the necessary credits. These statewide  
23 agreements shall enable students who have earned a significant number of credits at a  
24 community college and transferred to a baccalaureate-granting institution before  
25 completing a degree to transfer the credits earned at the baccalaureate institution  
26 back to the community college in order to be awarded a credential of value.

27 (2) **IT IS EXPECTED THAT COMMUNITY COLLEGES SHALL WORK WITH THE MICHIGAN**



1 ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS AND PUBLIC UNIVERSITIES  
2 TO IMPLEMENT THE MICHIGAN TRANSFER AGREEMENT AS RECOMMENDED BY THE FINAL REPORT OF THE  
3 COMMITTEE ON THE TRANSFERABILITY OF CORE COLLEGE COURSES.

4 SEC. 215. IN ORDER TO INCREASE THE NUMBER OF RESIDENTS IN THIS STATE WITH A  
5 POSTSECONDARY CREDENTIAL, A COMMUNITY COLLEGE RECEIVING FUNDS FROM THE INDEPENDENT  
6 PART-TIME STUDENT GRANTS UNDER SECTION 201 IS ENCOURAGED TO PRIORITIZE THESE FUNDS FOR  
7 AID TO STUDENTS WHO HAVE ENROLLED IN AN ACADEMIC PROGRAM AFTER NOT BEING ENROLLED FOR  
8 MORE THAN A SEMESTER OR TERM, WHO HAVE PREVIOUSLY EARNED CREDITS IN AN ACADEMIC  
9 PROGRAM, AND WHO HAVE NOT YET EARNED A CERTIFICATE OR DEGREE.

10 Sec. 217. (1) The workforce development agency shall do all of the following:

11 (a) Establish, maintain, and coordinate the state community college database  
12 commonly known as the "activities classification structure" or "ACS" database.

13 (b) Collect data concerning community colleges and community college programs  
14 in this state, including data required by law.

15 (c) Establish procedures to ensure the validity and reliability of the data and  
16 the collection process.

17 (d) Develop model data collection policies, including, but not limited to,  
18 policies that ensure the privacy of any individual student data. Privacy policies  
19 shall ensure that student social security numbers are not released to the public for  
20 any purpose.

21 (e) Provide data in a useful manner to allow state policymakers and community  
22 college officials to make informed policy decisions.

23 (f) Assist community colleges in complying with audits under this section or  
24 federal law.

25 (2) There is created within the workforce development agency the activities  
26 classification structure advisory committee. The committee shall provide advice to the  
27 director of the workforce development agency regarding the management of the state

1 community college database, including, but not limited to:

2 (a) Determining what data are necessary to collect and maintain to enable state  
3 and community college officials to make informed policy decisions.

4 (b) Defining the roles of all stakeholders in the data collection system.

5 (c) Recommending timelines for the implementation and ongoing collection of  
6 data.

7 (d) Establishing and maintaining data definitions, data transmission protocols,  
8 and system specifications and procedures for the efficient and accurate transmission  
9 and collection of data.

10 (e) Establishing and maintaining a process for ensuring the accuracy of the  
11 data.

12 (f) Establishing and maintaining policies related to data collection,  
13 including, but not limited to, privacy policies related to individual student data.

14 (g) Ensuring that the data are made available to state policymakers and  
15 citizens of this state in the most useful format possible.

16 (h) Addressing other matters as determined by the director of the workforce  
17 development agency or as required by law.

18 (3) The activities classification structure advisory committee created in  
19 subsection (2) shall consist of the following members:

20 (a) One representative from the house fiscal agency, appointed by the director  
21 of the house fiscal agency.

22 (b) One representative from the senate fiscal agency, appointed by the director  
23 of the senate fiscal agency.

24 (c) One representative from the workforce development agency, appointed by the  
25 director of the workforce development agency.

26 (d) One representative from the state budget office, appointed by the state  
27 budget director.

1 (e) One representative from the governor's policy office, appointed by that  
2 office.

3 (f) Four representatives of the Michigan community colleges association,  
4 appointed by the president of the association. From the groupings of community  
5 colleges given in table 17 of the activities classification structure ~~report~~ **DATABASE**  
6 described in subsection ~~(4)~~, **(1)**, the association shall appoint 1 representative each  
7 from group 1, group 2, and group 3, and 1 representative from either group 3 or 4.

8 ~~(4) The activities classification structure advisory committee shall review the~~  
9 ~~existing activities classification structure report, data, definitions, processes, and~~  
10 ~~other items as needed and publish an initial report on their findings and~~  
11 ~~recommendations by July 30, 2015. This report shall be submitted to the senate and~~  
12 ~~house appropriations subcommittees on community colleges, the senate and house fiscal~~  
13 ~~agencies, the director of the workforce development agency, the state budget director,~~  
14 ~~and the Michigan community colleges association.~~

15 Sec. 222. Each community college shall have an annual audit of all income and  
16 expenditures performed by an independent auditor and shall furnish the independent  
17 auditor's management letter and an annual audited accounting of all general and  
18 current funds income and expenditures including audits of college foundations to the  
19 members of the senate and house appropriations subcommittees on community colleges,  
20 the senate and house fiscal agencies, the auditor general, the workforce development  
21 agency, and the state budget director before November 15 of each year. If a community  
22 college fails to furnish the audit materials, the monthly state aid installments shall  
23 be withheld from that college until the information is submitted. All reporting shall  
24 conform to the requirements set forth in the "2001 Manual for Uniform Financial  
25 Reporting, Michigan Public Community Colleges". ~~It is the intent of the legislature~~  
26 ~~that a~~ **A** community college shall make the information the community college is  
27 required to provide under this section available to the public on its internet

1 website.

2           Sec. 225. Each community college shall report to the house and senate fiscal  
3 agencies, the state budget director, and the workforce development agency by August  
4 31, ~~2014-2015~~, the tuition and mandatory fees paid by a full-time in-district student  
5 and a full-time out-of-district student as established by the college governing board  
6 for the ~~2014-2015-2015-2016~~ academic year. This report should also include the annual  
7 cost of attendance based on a full-time course load of 30 credits. Each community  
8 college shall also report any revisions to the reported ~~2014-2015-2015-2016~~ academic  
9 year tuition and mandatory fees adopted by the college governing board to the house  
10 and senate fiscal agencies, the state budget director, and the workforce development  
11 agency within 15 days of being adopted.

12           Sec. 226. Each community college shall report to the workforce development  
13 agency the numbers and type of associate degrees and other certificates awarded during  
14 the previous fiscal year. The report shall be made not later than November 15 of each  
15 year. **COMMUNITY COLLEGES SHALL WORK WITH THE WORKFORCE DEVELOPMENT AGENCY AND THE  
16 CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO DEVELOP A SYSTEMATIC APPROACH  
17 FOR ACCOMPLISHING THIS TASK.**

18           Sec. 229. (1) It is ~~the intent of the legislature-EXPECTED~~ that each community  
19 college that receives an appropriation in section 201 include in its admission  
20 application process a specific question as to whether an applicant for admission has  
21 ever served or is currently serving in the United States armed forces or is the spouse  
22 or dependent of an individual who has served or is currently serving in the United  
23 States armed forces, in order to more quickly identify potential educational  
24 assistance available to that applicant.

25           (2) It is ~~the intent of the legislature-EXPECTED~~ that each public community  
26 college that receives an appropriation in section 201 shall work with the house and  
27 senate community college subcommittees, the Michigan community college association,

1 and veterans groups to review the issue of in-district tuition for veterans of this  
2 state when determining tuition rates and fees.

3 (3) As used in this section, "veteran" means an honorably discharged veteran  
4 entitled to educational assistance under the provisions of section 5003 of the post-  
5 911 veterans educational assistance act of 2008, 38 USC 3301 to 3324.

6 Sec. 229a. Included in the fiscal year ~~2014-2015-2015-2016~~ appropriations for  
7 the department of technology, management, and budget are appropriations **TOTALING**  
8 **\$29,479,600.00** to provide funding for the state share of costs for previously  
9 constructed capital projects for community colleges. Those appropriations for state  
10 building authority rent represent additional state general fund support for community  
11 colleges, and the following is an estimate of the amount of that support to each  
12 community college:

- 13 (a) Alpena Community College, ~~\$485,400.00.~~ **\$652,700.00.**  
14 (b) Bay de Noc Community College, ~~\$636,600.00.~~ **\$685,900.00.**  
15 (c) Delta College, ~~\$2,842,800.00.~~ **\$3,510,900.00.**  
16 (d) Glen Oaks Community College, ~~\$123,300.00.~~ **\$123,100.00.**  
17 (e) Gogebic Community College, ~~\$16,900.00.~~ **\$67,600.00.**  
18 (f) Grand Rapids Community College, ~~\$1,792,400.00.~~ **\$2,126,000.00.**  
19 (g) Henry Ford Community College, ~~\$1,030,800.00.~~ **\$1,028,500.00.**  
20 (h) Jackson College, ~~\$1,787,300.00.~~ **\$1,677,800.00.**  
21 (i) Kalamazoo Valley Community College, ~~\$1,471,000.00.~~ **\$1,557,700.00.**  
22 (j) Kellogg Community College, ~~\$521,400.00.~~ **\$520,200.00.**  
23 (k) Kirtland Community College, ~~\$364,000.00.~~ **\$363,200.00.**  
24 (l) Lake Michigan College, ~~\$340,900.00.~~ **\$340,200.00.**  
25 (m) Lansing Community College, ~~\$610,100.00.~~ **\$1,282,200.00.**  
26 (n) Macomb Community College, ~~\$1,316,600.00.~~ **\$1,377,400.00.**  
27 (o) Mid Michigan Community College, ~~\$1,117,300.00.~~ **\$1,712,600.00.**

1 (p) Monroe County Community College, ~~\$1,266,500.00~~ \$1,263,600.00.

2 (q) Montcalm Community College, ~~\$973,700.00~~ \$971,500.00.

3 (r) C.S. Mott Community College, ~~\$1,808,000.00~~ \$1,803,900.00.

4 (s) Muskegon Community College, ~~\$198,500.00~~ \$267,800.00.

5 (t) North Central Michigan College, ~~\$117,600.00~~ \$469,400.00.

6 (u) Northwestern Michigan College, ~~\$1,308,600.00~~ \$1,305,600.00.

7 (v) Oakland Community College, ~~\$466,300.00~~ \$465,200.00.

8 (w) St. Clair County Community College, ~~\$357,000.00~~ \$356,200.00.

9 (x) Schoolcraft College, ~~\$1,550,300.00~~ \$1,546,700.00.

10 (y) Southwestern Michigan College, ~~\$231,100.00~~ \$286,900.00.

11 (z) Washtenaw Community College, ~~\$1,680,600.00~~ \$1,676,800.00.

12 (aa) Wayne County Community College, ~~\$1,466,000.00~~ \$1,462,700.00.

13 (bb) West Shore Community College, ~~\$578,600.00~~ \$577,300.00.

14 Sec. 230. (1) Money included in the appropriations for community college  
15 operations under section 201(2) in fiscal year ~~2014-2015~~ 2015-2016 for performance  
16 funding is distributed based on the following formula:

17 (a) Allocated proportionate to fiscal year ~~2013-2014~~ 2014-2015 base  
18 appropriations, 50%.

19 (b) Based on contact hour equated students, 10%.

20 (c) Based on administrative costs, 7.5%.

21 (d) Based on a weighted degree formula, ~~as provided for in the 2006~~  
22 ~~recommendations of the performance indicators task force, 17.5%.~~ 32.5%.

23 ~~(e) Based on the local strategic value component, as developed in cooperation~~  
24 ~~with the Michigan community college association and described in subsection (2), 15%.~~

25 ~~(2) Money included in the appropriations for community college operations under~~  
26 ~~section 201(2) for local strategic value shall be allocated to each community college~~  
27 ~~that certifies to the state budget director, through a board of trustees resolution on~~

1 ~~or before October 15, 2014, that the college has met 4 out of 5 best practices listed~~  
2 ~~in each category described in subsection (3). The resolution shall provide specifics~~  
3 ~~as to how the community college meets each best practice measure within each category.~~  
4 ~~One third of funding available under the strategic value component shall be allocated~~  
5 ~~to each category described in subsection (3). Amounts distributed under local~~  
6 ~~strategic value shall be on a proportionate basis to each college's fiscal year 2013-~~  
7 ~~2014 operations funding. Payments to community colleges that qualify for local~~  
8 ~~strategic value funding shall be distributed with the November installment payment~~  
9 ~~described in section 206.~~

10 ~~(3) For purposes of subsection (2), the following categories of best practices~~  
11 ~~reflect functional activities of community colleges that have strategic value to the~~  
12 ~~local communities and regional economies:~~

13 ~~(a) For Category A, economic development and business or industry partnerships,~~  
14 ~~the following:~~

15 ~~(i) The community college has active partnerships with local employers~~  
16 ~~including hospitals and health care providers.~~

17 ~~(ii) The community college provides customized on-site training for area~~  
18 ~~companies, employees, or both.~~

19 ~~(iii) The community college supports entrepreneurship through a small business~~  
20 ~~assistance center or other training or consulting activities targeted toward small~~  
21 ~~businesses.~~

22 ~~(iv) The community college supports technological advancement through industry~~  
23 ~~partnerships, incubation activities, or operation of a Michigan technical education~~  
24 ~~center or other advanced technology center.~~

25 ~~(v) The community college has active partnerships with local or regional~~  
26 ~~workforce and economic development agencies.~~

27 ~~(b) For Category B, educational partnerships, the following:~~

1           ~~(i) The community college has active partnerships with regional high schools,~~  
2 ~~intermediate school districts, and career tech centers to provide instruction through~~  
3 ~~dual enrollment, concurrent enrollment, direct credit, middle college, or academy~~  
4 ~~programs.~~

5           ~~(ii) The community college hosts, sponsors, or participates in enrichment~~  
6 ~~programs for area K 12 students, such as college days, summer or after school~~  
7 ~~programming, or science Olympiad.~~

8           ~~(iii) The community college provides, supports, or participates in programming~~  
9 ~~to promote successful transitions to college for traditional age students, including~~  
10 ~~grant programs such as talent search, upward bound, or other activities to promote~~  
11 ~~college readiness in area high schools and community centers.~~

12           ~~(iv) The community college provides, supports, or participates in programming~~  
13 ~~to promote successful transitions to college for new or reentering adult students,~~  
14 ~~such as adult basic education, general education development certificate preparation~~  
15 ~~and testing, or recruiting, advising, or orientation activities specific to adults.~~

16           ~~(v) The community college has active partnerships with regional 4 year colleges~~  
17 ~~and universities to promote successful transfer, such as articulation, 2+2, or reverse~~  
18 ~~transfer agreements or operation of a university center.~~

19           ~~(c) For Category C, community services, the following:~~

20           ~~(i) The community college provides continuing education programming for~~  
21 ~~leisure, wellness, personal enrichment, or professional development.~~

22           ~~(ii) The community college operates or sponsors opportunities for community~~  
23 ~~members to engage in activities that promote leisure, wellness, cultural or personal~~  
24 ~~enrichment such as community sports teams, theater or musical ensembles, or artist~~  
25 ~~guilds.~~

26           ~~(iii) The community college operates public facilities to promote cultural,~~  
27 ~~educational, or personal enrichment for community members, such as libraries, computer~~



1 ~~labs, performing arts centers, museums, art galleries, or television or radio~~  
2 ~~stations.~~

3 ~~(iv) The community college operates public facilities to promote leisure or~~  
4 ~~wellness activities for community members, including gymnasiums, athletic fields,~~  
5 ~~tennis courts, fitness centers, hiking or biking trails, or natural areas.~~

6 ~~(v) The community college promotes, sponsors, or hosts community service~~  
7 ~~activities for students, staff, or community members.~~

8 (2) PAYMENTS FOR PERFORMANCE FUNDING UNDER SECTION 201(2) SHALL BE MADE TO A  
9 COMMUNITY COLLEGE ONLY IF THAT COMMUNITY COLLEGE ACTIVELY PARTICIPATES IN AND SUBMITS  
10 TIMELY UPDATES TO THE MICHIGAN TRANSFER NETWORK SPONSORED BY THE MICHIGAN ASSOCIATION  
11 OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS. THE STATE BUDGET DIRECTOR SHALL  
12 DETERMINE IF A COMMUNITY COLLEGE HAS NOT SATISFIED THIS REQUIREMENT. THE STATE BUDGET  
13 DIRECTOR MAY WITHHOLD PAYMENTS FOR PERFORMANCE FUNDING UNTIL A COMMUNITY COLLEGE IS IN  
14 COMPLIANCE WITH THIS SECTION.

## ARTICLE III

## STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, ~~2015,~~ 2016, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$1,516,496,300.00.~~ \$1,541,219,200.00. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,516,496,300.00.~~ \$1,541,219,200.00.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, \$97,026,400.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$204,567,900.00.~~ \$205,279,500.00.

(v) State general fund/general purpose money, ~~\$1,214,902,000.00.~~

\$1,238,913,300.00.

(2) Amounts appropriated for public universities are as follows:

(a) The appropriation for Central Michigan University is ~~\$79,115,000.00,~~ ~~\$73,540,100.00-~~\$81,502,900.00, \$79,164,800.00 for operations and ~~\$5,574,900.00~~ \$2,338,100.00 for performance funding.

(b) The appropriation for Eastern Michigan University is ~~\$71,771,100.00,~~ ~~\$67,275,400.00-~~\$73,196,700.00, \$71,782,500.00 for operations and ~~\$4,495,700.00~~ \$1,414,200.00 for performance funding.

(c) The appropriation for Ferris State University is ~~\$49,087,000.00,~~ ~~\$45,636,500.00~~ \$50,606,700.00, \$49,119,100.00 for operations and ~~\$3,450,500.00~~

1 \$1,487,600.00 for performance funding.

2 (d) The appropriation for Grand Valley State University is ~~\$63,136,000.00,~~  
3 ~~\$57,823,500.00~~-\$65,680,200.00, \$63,156,500.00 for operations and ~~\$5,312,500.00~~  
4 \$2,523,700.00 for performance funding.

5 (e) The appropriation for Lake Superior State University is ~~\$12,782,500.00,~~  
6 ~~\$12,231,000.00~~-\$13,247,300.00, \$12,997,500.00 for operations and ~~\$551,500.00~~  
7 \$249,800.00 for performance funding.

8 (f) The appropriation for Michigan State University is ~~\$324,038,100.00,~~  
9 ~~\$249,597,800.00~~-\$330,391,700.00, \$264,437,900.00 for operations, ~~\$14,831,300.00~~  
10 \$5,152,600.00 for performance funding, ~~\$32,027,900.00~~-\$32,668,500.00 for MSU  
11 AgBioResearch, and ~~\$27,581,100.00~~-\$28,132,700.00 for MSU extension.

12 (g) The appropriation for Michigan Technological University is ~~\$45,923,100.00,~~  
13 ~~\$43,473,800.00~~-\$46,908,000.00, \$45,938,000.00 for operations and ~~\$2,449,300.00~~  
14 \$970,000.00 for performance funding.

15 (h) The appropriation for Northern Michigan University is ~~\$44,277,200.00,~~  
16 ~~\$41,741,400.00~~-\$45,254,400.00, \$44,338,300.00 for operations and ~~\$2,535,800.00~~  
17 \$916,100.00 for performance funding.

18 (i) The appropriation for Oakland University is ~~\$48,364,100.00,~~ ~~\$45,651,600.00~~  
19 \$50,021,000.00, \$48,371,900.00 for operations and ~~\$2,712,500.00~~-\$1,649,100.00 for  
20 performance funding.

21 (j) The appropriation for Saginaw Valley State University is ~~\$27,610,200.00,~~  
22 ~~\$25,991,000.00~~-\$28,120,400.00, \$27,621,600.00 for operations and ~~\$1,619,200.00~~  
23 \$498,800.00 for performance funding.

24 (k) The appropriation for University of Michigan - Ann Arbor is  
25 ~~\$295,174,100.00,~~ ~~\$279,232,700.00~~-\$300,874,900.00, \$295,178,500.00 for operations and  
26 ~~\$15,941,400.00~~-\$5,696,400.00 for performance funding.

27 (l) The appropriation for University of Michigan - Dearborn is ~~\$23,689,300.00,~~

1 ~~\$22,510,400.00~~ ~~\$24,095,700.00~~, \$23,701,000.00 for operations and ~~\$1,178,900.00~~  
 2 \$394,700.00 for performance funding.

3 (m) The appropriation for University of Michigan - Flint is ~~\$21,337,700.00~~,  
 4 ~~\$19,938,200.00~~ ~~\$21,901,700.00~~, \$21,359,600.00 for operations and ~~\$1,399,500.00~~  
 5 \$542,100.00 for performance funding.

6 (n) The appropriation for Wayne State University is ~~\$190,519,800.00~~,  
 7 ~~\$183,398,300.00~~ \$191,623,200.00, \$190,529,900.00 for operations and ~~\$7,121,500.00~~  
 8 \$1,093,300.00 for performance funding.

9 (o) The appropriation for Western Michigan University is ~~\$102,742,000.00~~,  
 10 ~~\$97,279,000.00~~ ~~\$104,633,700.00~~, \$102,761,100.00 for operations and ~~\$5,463,000.00~~  
 11 \$1,872,600.00 for performance funding.

12 (3) The amount appropriated in subsection (2) for public universities is  
 13 appropriated from the following:

14 (a) State school aid fund, \$200,019,500.00.

15 (b) State general fund/general purpose money, ~~\$1,199,547,700.00~~.  
 16 \$1,228,039,000.00.

17 (4) The amount appropriated for Michigan public school employees' retirement  
 18 system reimbursement is ~~\$2,446,200.00~~, ~~\$446,200.00~~ ~~\$5,160,000.00~~, appropriated from  
 19 the state school aid fund and ~~\$2,000,000.00~~ appropriated from general fund/general  
 20 purpose money.

21 (5) For fiscal year 2014 2015 only, in addition to the amount appropriated  
 22 under subsection (4), ~~\$4,002,200.00~~ is appropriated for Michigan public school  
 23 employees' retirement system reimbursement, appropriated from the state school aid  
 24 fund.

25 (5) ~~(6)~~ The amount appropriated for state and regional programs is  
 26 ~~\$2,295,000.00~~ \$315,000.00 appropriated from general fund/general purpose money and  
 27 allocated as follows:

1 ~~(a) College access program, \$2,000,000.00.~~

2 (A) ~~(b)~~ Higher education database modernization and conversion, \$200,000.00.

3 (B) ~~(c)~~ Midwestern higher education compact, ~~\$95,000.00.~~ **\$115,000.00.**

4 (6) ~~(7)~~ The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez  
5 - Rosa Parks program is \$2,691,500.00, appropriated from general fund/general purpose  
6 money and allocated as follows:

7 (a) Select student support services, \$1,956,100.00.

8 (b) Michigan college/university partnership program, \$586,800.00.

9 (c) Morris Hood, Jr. educator development program, \$148,600.00.

10 (7) ~~(8)~~ Subject to subsection ~~(9)~~, (8), the amount appropriated for grants and  
11 financial aid is ~~\$105,494,200.00.~~ **\$104,994,200.00**, allocated as follows:

12 (a) State competitive scholarships, \$18,361,700.00.

13 (b) Tuition grants, \$33,532,500.00.

14 (c) Tuition incentive program, \$48,500,000.00.

15 (d) Children of veterans and officer's survivor tuition grant programs,  
16 \$1,400,000.00.

17 (e) Project GEAR-UP, \$3,200,000.00.

18 ~~(f) North American Indian tuition waivers, \$500,000.00.~~

19 (8) ~~(9)~~ The money appropriated in subsection ~~(8)~~ (7) for grants and financial  
20 aid is appropriated from the following:

21 (a) Federal revenues under the United States department of education, office of  
22 elementary and secondary education, GEAR-UP program, \$3,200,000.00.

23 (b) Federal revenues under the social security act, temporary assistance for  
24 needy families, \$93,826,400.00.

25 (c) Contributions to children of veterans tuition grant program, \$100,000.00.

26 (d) State general fund/general purpose money, ~~\$8,367,800.00.~~ **\$7,867,800.00.**

27 Sec. 236b. In addition to the funds appropriated in section 236, there is

1 appropriated for grants and financial aid in fiscal year ~~2014-2015-2015-2016~~ an amount  
 2 not to exceed \$6,000,000.00 for federal contingency funds. These funds are not  
 3 available for expenditure until they have been transferred under section 393(2) of the  
 4 management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this  
 5 article.

6       Sec. 236c. In addition to the funds appropriated for fiscal year ~~2014-2015~~  
 7 ~~2015-2016~~ in section 236, appropriations to the department of technology, management,  
 8 and budget in the act providing general appropriations for fiscal year ~~2014-2015-2015-~~  
 9 ~~2016~~ for state building authority rent, totaling an estimated ~~\$124,825,300.00,~~  
 10 ~~\$135,995,300.00,~~ provide funding for the state share of costs for previously  
 11 constructed capital projects for state universities. These appropriations for state  
 12 building authority rent represent additional state general fund support provided to  
 13 public universities, and the following is an estimate of the amount of that support to  
 14 each university:

- 15       (a) Central Michigan University, ~~\$9,103,200.00.~~ **\$9,551,800.00.**
- 16       (b) Eastern Michigan University, ~~\$4,861,700.00.~~ **\$4,860,900.00.**
- 17       (c) Ferris State University, ~~\$6,252,200.00.~~ **\$6,251,200.00.**
- 18       (d) Grand Valley State University, ~~\$4,252,500.00.~~ **\$6,952,300.00.**
- 19       (e) Lake Superior State University, ~~\$1,112,900.00.~~ **\$1,720,300.00.**
- 20       (f) Michigan State University, ~~\$16,101,200.00.~~ **\$16,549,200.00.**
- 21       (g) Michigan Technological University, ~~\$7,444,600.00.~~ **\$7,443,400.00.**
- 22       (h) Northern Michigan University, ~~\$8,016,400.00.~~ **\$9,706,200.00.**
- 23       (i) Oakland University, ~~\$10,969,800.00.~~ **\$12,993,400.00.**
- 24       (j) Saginaw Valley State University, ~~\$9,777,400.00.~~ **\$9,865,800.00.**
- 25       (k) University of Michigan - Ann Arbor, ~~\$9,159,200.00.~~ **\$9,607,800.00.**
- 26       (l) University of Michigan - Dearborn, ~~\$6,296,200.00.~~ **\$6,745,200.00.**
- 27       (m) University of Michigan - Flint, ~~\$2,855,000.00.~~ **\$3,104,000.00.**

1 (n) Wayne State University, ~~\$13,679,800.00~~ \$15,703,000.00.

2 (o) Western Michigan University, ~~\$14,943,200.00~~ \$14,940,800.00.

3 Sec. 241. (1) Subject to ~~section~~ **SECTIONS 244 AND** 265a, the funds appropriated  
4 in section 236 to public universities shall be paid out of the state treasury and  
5 distributed by the state treasurer to the respective institutions in 11 equal monthly  
6 installments on the sixteenth of each month, or the next succeeding business day,  
7 beginning with October 16, ~~2014-2015~~. Except for Wayne State University, each  
8 institution shall accrue its July and August ~~2015~~ 2016 payments to its institutional  
9 fiscal year ending June 30, ~~2015-2016~~.

10 (2) All public universities shall submit higher education institutional data  
11 inventory (HEIDI) data and associated financial and program information requested by  
12 and in a manner prescribed by the state budget director. For public universities with  
13 fiscal years ending June 30, ~~2014-2015~~, these data shall be submitted to the state  
14 budget director by October 15, ~~2014-2015~~. Public universities with a fiscal year  
15 ending September 30, ~~2014-2015~~ shall submit preliminary HEIDI data by November 15,  
16 ~~2014-2015~~ and final data by December 15, ~~2014-2015~~. If a public university fails to  
17 submit HEIDI data and associated financial aid program information in accordance with  
18 this reporting schedule, the state treasurer may withhold the monthly installments  
19 under subsection (1) to the public university until those data are submitted.

20 Sec. 242. Funds received by the state from the federal government or private  
21 sources for the use of a college or university are appropriated for the purposes for  
22 which they are provided. ~~The acceptance and use of federal or private funds do not~~  
23 ~~place an obligation on the legislature to continue the purposes for which the funds~~  
24 ~~are made available.~~

25 Sec. 245. (1) A public university shall maintain a public transparency website  
26 available through a link on its website homepage. The public university shall update  
27 this website within 30 days after the university's governing board adopts its annual

1 operating budget for the next academic year, or after the governing board adopts a  
2 subsequent revision to that budget.

3 (2) The website required under subsection (1) shall include all of the  
4 following concerning the public university:

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

6 (b) A summary of current expenditures for the most recent fiscal year for which  
7 they are available, expressed as pie charts in the following 2 categories:

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

9 (A) Earnings and wages.

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

12 (C) Retirement benefit costs.

13 (D) All other personnel costs.

14 (ii) A chart of all current expenditures the public university reported as part  
15 of its higher education institutional data inventory data under section 241(2), broken  
16 into the same subcategories in which it reported those data.

17 (c) Links to all of the following for the public university:

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

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

23 (iii) Audits and financial reports for the most recent fiscal year for which  
24 they are available.

25 (iv) Campus security policies and crime statistics pursuant to the student  
26 right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381. Information  
27 shall include all material prepared pursuant to the public information reporting



1 requirements under the crime awareness and campus security act of 1990, title II of  
2 the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381.

3 (d) A list of all positions funded partially or wholly through institutional  
4 general fund revenue that includes the position title and annual salary or wage amount  
5 for each position.

6 (e) General fund revenue and expenditure projections for the current fiscal  
7 year and the next fiscal year.

8 (f) A listing of all debt service obligations, detailed by project, anticipated  
9 fiscal year payment for each project, and total outstanding debt for the current  
10 fiscal year.

11 (g) The institution's policy regarding the transferability of core college  
12 courses between community colleges and the university.

13 (h) A listing of all community colleges that have entered into reverse transfer  
14 agreements with the university.

15 (3) On the website required under subsection (1), a public university shall  
16 provide a dashboard or report card demonstrating the university's performance in  
17 several "best practice" measures. The dashboard or report card shall include at least  
18 all of the following for the 3 most recent academic years for which the data are  
19 available:

20 (a) Enrollment.

21 (b) Student retention rate.

22 (c) Six-year graduation rates.

23 (d) Number of Pell grant recipients and graduating Pell grant recipients.

24 (e) Geographic origination of students, categorized as in-state, out-of-state,  
25 and international.

26 (f) Faculty to student ratios and total university employee to student ratios.

27 (g) Teaching load by faculty classification.

1 (h) Graduation outcome rates, including employment and continuing education.

2 (4) For statewide consistency and public visibility, public universities must  
3 use the icon badge provided by the department of technology, management, and budget  
4 consistent with the icon badge developed by the department of education for K-12  
5 school districts. It must appear on the front of each public university's homepage.  
6 The size of the icon may be reduced to 150 x 150 pixels. The font size and style for  
7 this reporting must be consistent with other documents on each university's website.

8 ~~(5) The state budget director shall determine whether a public university has~~  
9 ~~complied with this section. The state budget director may withhold a public~~  
10 ~~university's monthly installments described in section 241 until the public university~~  
11 ~~complies with this section.~~

12 ~~(6) By November 15 of each year, a public university shall report the following~~  
13 ~~information to the center for educational performance and information and post the~~  
14 ~~information on its website under the budget transparency icon badge.~~

15 ~~(a) Opportunities for earning college credit through the following programs:~~

16 ~~(i) State approved career and technical education or a tech prep articulated~~  
17 ~~program of study.~~

18 ~~(ii) Direct college credit or concurrent enrollment.~~

19 ~~(iii) Dual enrollment.~~

20 ~~(iv) An early college/middle college program.~~

21 ~~(b) For each program described in subdivision (a) that the public university~~  
22 ~~offers, all of the following information:~~

23 ~~(i) The number of high school students participating in the program.~~

24 ~~(ii) The number of school districts that participate in the program with the~~  
25 ~~public university.~~

26 ~~(iii) Whether a university professor, qualified local school district employee,~~  
27 ~~or other individual teaches the course or courses in the program.~~

- 1       ~~(iv) The total cost to the public university to operate the program.~~  
 2       ~~(v) The cost per credit hour for the course or courses in the program.~~  
 3       ~~(vi) The location where the course or courses in the program are held.~~  
 4       ~~(vii) Instructional resources offered to the program instructors.~~  
 5       ~~(viii) Resources offered to the student in the program.~~  
 6       ~~(ix) Transportation services provided to students in the program.~~

7       Sec. 246. (1) **ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF THE FISCAL YEAR**  
 8       **2015-2016 APPROPRIATIONS DESCRIBED IN SECTION 236(4) FOR PAYMENTS TO UNIVERSITIES THAT**  
 9       **ARE PARTICIPATING ENTITIES OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM:**

10       (A) The funds appropriated in section 236(4) for Michigan public school  
 11       employees' retirement system reimbursement shall be allocated to each participating  
 12       public university under this section based on each participating public university's  
 13       percentage of the total combined payrolls of the universities' employees who are  
 14       members of the retirement system and who were hired before January 1, 1996 and the  
 15       universities' employees who would have been members of the retirement system on or  
 16       after January 1, 1996, but for the enactment of 1995 PA 272 for all public  
 17       universities that are participating public universities for the immediately preceding  
 18       state fiscal year.

19       (B) **THE AMOUNT OF A PAYMENT UNDER SECTION 236(4) SHALL BE EQUAL TO THE**  
 20       **DIFFERENCE BETWEEN THE UNFUNDED ACTUARIAL ACCRUED LIABILITY CONTRIBUTION RATE FOR**  
 21       **UNIVERSITY REPORTING UNITS AS CALCULATED UNDER SECTION 41 OF THE PUBLIC SCHOOL**  
 22       **EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, AS CALCULATED WITHOUT**  
 23       **TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 25.73% INCLUDED IN SECTION 41 OF THE**  
 24       **PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, AND THE**  
 25       **MAXIMUM EMPLOYER RATE FOR UNIVERSITY REPORTING UNITS OF 25.73% UNDER SECTION 41 OF THE**  
 26       **PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341.** Payments  
 27       shall be made in a form and manner determined by the office of retirement services.

1 (C) A public university that receives money under ~~this~~ section 236(4) shall use  
2 that money solely for the purpose of ~~offsetting a portion of the~~ retirement  
3 contributions ~~owed by the university~~. **EACH PARTICIPATING UNIVERSITY THAT RECEIVES**  
4 **FUNDS UNDER SECTION 236(4) SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT RECEIVED UNDER**  
5 **SECTION 236(4) TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM IN A FORM AND**  
6 **MANNER DETERMINED BY THE OFFICE OF RETIREMENT SERVICES.**

7 (2) As used in this section, "participating public university" means a public  
8 university that is a reporting unit of the Michigan public school employees'  
9 retirement system under the public school employees retirement act of 1979, 1980 PA  
10 300, MCL 38.1301 to 38.1408, and that pays contributions to the Michigan public school  
11 employees' retirement system for the state fiscal year.

12 Sec. 252. (1) The amounts appropriated in section 236 for the state tuition  
13 grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

14 (2) Tuition grant awards shall be made to all eligible Michigan residents  
15 enrolled in undergraduate degree programs who are qualified and who apply before July  
16 1, 2014 **FOR THE 2014-2015 ACADEMIC YEAR AND MARCH 1** of each year ~~for the next~~  
17 **THEREAFTER BEGINNING WITH THE 2015-2016** academic year.

18 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to  
19 subsections ~~(7)~~ (6) and ~~(8)~~, (7), the department of treasury shall determine an actual  
20 maximum tuition grant award per student, which shall be no less than \$1,512.00, that  
21 ensures that the aggregate payments for the tuition grant program do not exceed the  
22 appropriation contained in section 236 for the state tuition grant program. If the  
23 department determines that insufficient funds are available to establish a maximum  
24 award amount equal to at least \$1,512.00, the department shall immediately report to  
25 the house and senate appropriations subcommittees on higher education, the house and  
26 senate fiscal agencies, and the state budget director regarding the estimated amount  
27 of additional funds necessary to establish a \$1,512.00 maximum award amount. If the

1 department determines that sufficient funds are available to establish a maximum award  
2 amount equal to at least \$1,512.00, the department shall immediately report to the  
3 house and senate appropriations subcommittees on higher education, the house and  
4 senate fiscal agencies, and the state budget director regarding the maximum award  
5 amount established. ~~and the projected amount of any projected year-end appropriation~~  
6 ~~balance based on that maximum award amount. By December 15, and again by~~ **BY** February  
7 18 of each fiscal year, the department shall analyze the status of award commitments,  
8 shall make any necessary adjustments, and shall confirm that those award commitments  
9 will not exceed the appropriation contained in section 236 for the tuition grant  
10 program. The determination and actions shall be reported to the state budget director  
11 and the house and senate fiscal agencies no later than the final day of February of  
12 each year. If award adjustments are necessary, the students shall be notified of the  
13 adjustment by March 4 of each year.

14 ~~(4) Any unexpended and unencumbered funds remaining on September 30, 2015 from~~  
15 ~~the amounts appropriated in section 236 for the tuition grant program for fiscal year~~  
16 ~~2014 2015 shall not lapse on September 30, 2015, but shall continue to be available~~  
17 ~~for expenditure for tuition grants provided in the 2015 2016 fiscal year under a work~~  
18 ~~project account. The use of these unexpended fiscal year 2014 2015 funds shall~~  
19 ~~terminate at the end of the 2015 2016 fiscal year.~~

20 (4) ~~(5)~~ The department of treasury shall continue a proportional tuition grant  
21 maximum award level for recipients enrolled less than full-time in a given semester or  
22 term.

23 (5) ~~(6)~~ If the department of treasury increases the maximum award per eligible  
24 student from that provided in the previous fiscal year, it shall not have the effect  
25 of reducing the number of eligible students receiving awards in relation to the total  
26 number of eligible applicants. Any increase in the maximum grant shall be proportional  
27 for all eligible students receiving awards for that fiscal year.

1           (6) ~~(7) Except as provided in subsection (4), the~~ **THE** department of treasury  
2 shall not award more than ~~\$3,200,000.00~~ **\$3,000,000.00** in tuition grants to eligible  
3 students enrolled in the same independent nonprofit college or university in this  
4 state. Any decrease in the maximum grant shall be proportional for all eligible  
5 students enrolled in that college or university, as determined by the department.

6           (7) ~~(8) The department of treasury shall not award tuition grants to otherwise~~  
7 eligible students enrolled in an independent college or university that does not  
8 report, in a form and manner directed by and satisfactory to the department of  
9 treasury, by ~~August 31~~ **SEPTEMBER 30** of each year, ~~beginning with August 31, 2015,~~ all  
10 of the following:

11           (a) The number of students in the most recently completed academic year that  
12 **EVER** received a state tuition grant **AT THE REPORTING INSTITUTION** and successfully  
13 completed a program or graduated.

14           (b) The number of students in the most recently completed academic year that  
15 **EVER** received a state tuition grant **AT THE REPORTING INSTITUTION** and took a remedial  
16 education class.

17           (c) The number of students in the most recently completed academic year that  
18 **EVER** received a Pell grant **AT THE REPORTING INSTITUTION** and successfully completed a  
19 program or graduated.

20           (8) **THE DEPARTMENT OF TREASURY SHALL NOT AWARD TUITION GRANTS TO OTHERWISE**  
21 **ELIGIBLE STUDENTS ENROLLED IN AN INDEPENDENT COLLEGE OR UNIVERSITY THAT DOES NOT**  
22 **SUBMIT THE ANNUAL P-20 LONGITUDINAL DATA SYSTEM DATA SETS TO THE CENTER FOR**  
23 **EDUCATIONAL PERFORMANCE AND INFORMATION, IN A FORM AND MANNER DIRECTED BY AND**  
24 **SATISFACTORY TO THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION, BY SEPTEMBER**  
25 **30 OF EACH YEAR, BEGINNING WITH SEPTEMBER 30, 2016.**

26           Sec. 254. The sums appropriated in **SECTION 201 AND** section 236 for ~~the state~~  
27 ~~competitive scholarship, tuition incentive, and tuition grant programs~~ **STUDENT**

1 **FINANCIAL AID PROGRAMS** shall be paid out of the state treasury and shall be  
2 distributed to the respective institutions under a quarterly payment system as  
3 follows: 50% shall be paid at the beginning of the state's first fiscal quarter, 30%  
4 during the state's second fiscal quarter, 10% during the state's third fiscal quarter,  
5 and 10% during the state's fourth fiscal quarter.

6 Sec. 255. The department of treasury shall determine the needs analysis  
7 criteria for students to qualify for the state competitive scholarship program, ~~and~~  
8 tuition grant program, **AND INDEPENDENT PART-TIME STUDENT GRANTS PROGRAM**. To be  
9 consistent with federal requirements, the department of treasury may take student  
10 wages into consideration when determining the amount of the award.

11 Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive  
12 program shall be distributed as provided in this section and pursuant to the  
13 administrative procedures for the tuition incentive program of the department of  
14 treasury.

15 (2) As used in this section:

16 (a) "Phase I" means the first part of the tuition incentive assistance program  
17 defined as the academic period of 80 semester or 120 term credits, or less, leading to  
18 an associate degree or certificate.

19 (b) "Phase II" means the second part of the tuition incentive assistance  
20 program which provides assistance in the third and fourth year of 4-year degree  
21 programs.

22 (c) "Department" means the department of treasury.

23 (3) An individual shall meet the following basic criteria and financial  
24 thresholds to be eligible for tuition incentive benefits:

25 (a) To be eligible for phase I, an individual shall meet all of the following  
26 criteria:

27 (i) Apply for certification to the department any time after he or she begins

1 the sixth grade but before August 31 of the school year in which he or she graduates  
2 from high school or before completing a general education development certificate.

3 (ii) Be less than 20 years of age at the time he or she graduates from high  
4 school with a diploma or certificate of completion or completes a general education  
5 development certificate.

6 (iii) Be a United States citizen and a resident of Michigan according to  
7 institutional criteria.

8 (iv) Be at least a half-time student, earning less than 80 semester or 120 term  
9 credits at a participating educational institution within 4 years of high school  
10 graduation or completion of a general education development certificate.

11 (v) Request information on filing a FAFSA.

12 (vi) Must meet the satisfactory academic progress policy of the educational  
13 institution he or she attends.

14 (b) To be eligible for phase II, an individual shall meet either of the  
15 following criteria in addition to the criteria in subdivision (a):

16 (i) Complete at least 56 transferable semester or 84 transferable term credits.

17 (ii) Obtain an associate degree or certificate at a participating institution.

18 (c) To be eligible for phase I or phase II, an individual must not be  
19 incarcerated and must be financially eligible as determined by the department. An  
20 individual is financially eligible for the tuition incentive program if he or she was  
21 eligible for Medicaid from the state of Michigan for 24 months within the 36 months  
22 before application. The department shall accept certification of Medicaid eligibility  
23 only from the department of human services for the purposes of verifying if a person  
24 is Medicaid eligible for 24 months within the 36 months before application.

25 Certification of eligibility may begin in the sixth grade. As used in this  
26 subdivision, "incarcerated" does not include detention of a juvenile in a state-  
27 operated or privately operated juvenile detention facility.



1 (4) For phase I, the department shall provide payment on behalf of a person  
2 eligible under subsection (3). The department shall reject billings that are excessive  
3 or outside the guidelines for the type of educational institution.

4 (5) For phase I, all of the following apply:

5 (a) Payments for associate degree or certificate programs shall not be made for  
6 more than 80 semester or 120 term credits for any individual student at any  
7 participating institution.

8 (b) For persons enrolled at a Michigan community college, the department shall  
9 pay the current in-district tuition and mandatory fees. For persons residing in an  
10 area that is not included in any community college district, the out-of-district  
11 tuition rate may be authorized.

12 (c) For persons enrolled at a Michigan public university, the department shall  
13 pay lower division resident tuition and mandatory fees for the current year.

14 (d) For persons enrolled at a Michigan independent, nonprofit degree-granting  
15 college or university, or a Michigan federal tribally controlled community college, or  
16 Focus: HOPE, the department shall pay mandatory fees for the current year and a per-  
17 credit payment that does not exceed the average community college in-district per-  
18 credit tuition rate as reported on August 1, for the immediately preceding academic  
19 year.

20 (6) A person participating in phase II may be eligible for additional funds not  
21 to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00  
22 subject to the following conditions:

23 (a) Credits are earned in a 4-year program at a Michigan degree-granting ~~4-year~~  
24 college or university.

25 (b) The tuition reimbursement is for coursework completed within 30 months of  
26 completion of the phase I requirements.

27 (7) The department shall work closely with participating institutions to

1 develop an application and eligibility determination process that will provide the  
2 highest level of participation and ensure that all requirements of the program are  
3 met.

4 (8) Applications for the tuition incentive program may be approved at any time  
5 after the student begins the sixth grade. If a determination of financial eligibility  
6 is made, that determination is valid as long as the student meets all other program  
7 requirements and conditions.

8 (9) Each institution shall ensure that all known available restricted grants  
9 for tuition and fees are used prior to billing the tuition incentive program for any  
10 portion of a student's tuition and fees.

11 (10) The department shall ensure that the tuition incentive program is well  
12 publicized and that eligible Medicaid clients are provided information on the program.  
13 The department shall provide the necessary funding and staff to fully operate the  
14 program.

15 Sec. 258. By February 15 of each year, the department of treasury shall post to  
16 its publicly available website a report for the preceding fiscal year on all student  
17 financial aid programs for which funds are appropriated in **SECTION 201 OR** section 236.  
18 For each student financial aid program, the report shall include, but is not limited  
19 to, the total number of awards paid in the preceding fiscal year, the total dollar  
20 amount of those awards, and the number of students receiving awards and the total  
21 amount of those awards at each eligible postsecondary institution. To the extent  
22 information is available, the report shall also include information on household  
23 income and other demographic characteristics of students receiving awards under each  
24 program and historical information on the number of awards and total award amounts for  
25 each program.

26 **SEC. 260. A PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236 IS ENCOURAGED TO**  
27 **ADOPT THE COMMON APPLICATION, MANAGED BY THE COMMON APPLICATION, INCORPORATED, TO MAKE**

1 **POSTSECONDARY EDUCATION MORE ACCESSIBLE TO STUDENTS IN THIS STATE.**

2           Sec. 263. (1) Included in the appropriation in section 236 for fiscal year  
3 ~~2014-2015~~ **2015-2016** for MSU AgBioResearch is \$2,982,900.00 and included in the  
4 appropriation in section 236 for MSU extension is \$2,645,200.00 for project GREEN.  
5 Project GREEN is intended to address critical regulatory, food safety, economic, and  
6 environmental problems faced by this state's plant-based agriculture, forestry, and  
7 processing industries. "GREEN" is an acronym for generating research and extension to  
8 meet environmental and economic needs.

9           (2) The department of agriculture and rural development and Michigan State  
10 University, in consultation with agricultural commodity groups and other interested  
11 parties, shall develop project GREEN and its program priorities.

12           Sec. 263a. (1) Not later than September 30 of each year, Michigan State  
13 University shall submit a report on MSU AgBioResearch and MSU extension to the house  
14 and senate appropriations subcommittees on agriculture and on higher education, the  
15 house and senate standing committees on agriculture, the house and senate fiscal  
16 agencies, and the state budget director for the preceding academic fiscal year.

17           (2) The report required under subsection (1) shall include all of the  
18 following:

19           (a) Total funds expended by MSU AgBioResearch and by MSU extension service  
20 identified by state, local, private, federal, and university fund sources.

21           (b) The metric goals that were used to evaluate the impacts of programs  
22 operated by MSU extension and MSU AgBioResearch. ~~It is the intent of the legislature~~  
23 ~~that the~~ **THE** following metric goals will be used to evaluate the impacts of those  
24 programs:

25           (i) Increasing the number of agriculture and food-related firms collaborating  
26 with and using services of research and extension faculty and staff by 3% per year.

27           (ii) Increasing the number of individuals utilizing MSU extension's educational

1 services by 5% per year.

2 (iii) Increasing external funds generated in support of research and extension,  
3 beyond state appropriations, by 10% over the amounts generated in the past 3 state  
4 fiscal years.

5 (iv) Increasing the sector's total economic impact ~~from today's~~  
6 ~~\$71,000,000,000.00~~ to **AT LEAST** \$100,000,000,000.00.

7 (v) ~~Doubling~~**INCREASING** Michigan's agricultural exports ~~from \$1,750,000,000.00~~  
8 to **AT LEAST** \$3,500,000,000.00.

9 (vi) Increasing jobs in the food and agriculture sector by 10%.

10 (vii) Improving access by Michigan consumers to healthy foods by 20%.

11 (c) A review of major programs within both MSU AgBioResearch and MSU extension  
12 with specific reference to accomplishments, impacts, and the metrics described in  
13 subdivision (b), including a specific accounting of Project GREEN expenditures and  
14 the impact of those expenditures.

15 Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2014-~~  
16 ~~2015-2015-2016~~ for Michigan State University is \$80,000.00 for the Michigan future  
17 farmers of America association. This \$80,000.00 allocation shall not supplant any  
18 existing support that Michigan State University provides to the Michigan future  
19 farmers of America association.

20 Sec. 265. (1) Payments under section 265a for performance funding shall only be  
21 made to a public university that certifies to the state budget director by August 31,  
22 ~~2014-2015~~ that its board did not adopt an increase in tuition and fee rates for  
23 resident undergraduate students after September 1, ~~2013-2014~~ for the ~~2013-2014~~ **2014-**  
24 **2015** academic year and that its board will not adopt an increase in tuition and fee  
25 rates for resident undergraduate students for the ~~2014-2015~~ **2015-2016** academic year  
26 that is greater than ~~3.2%~~ **2.8%**. As used in this subsection:

27 (a) ~~Subject to subdivision (c), "fee"~~**"FEE"** means any board-authorized fee that

1 will be paid by more than 1/2 of all resident undergraduate students at least once  
2 during their enrollment at a public university. A university increasing a fee that  
3 applies to a specific subset of students or courses shall provide sufficient  
4 information to prove that the increase applied to that subset will not cause the  
5 increase in the average amount of board-authorized total tuition and fees paid by  
6 resident undergraduate students in the ~~2014-2015~~ 2015-2016 academic year to exceed the  
7 limit established in this subsection.

8 (b) "Tuition and fee rate" means the average of full-time rates for all  
9 undergraduate classes, based on an average of the rates authorized by the university  
10 board and actually charged to students, deducting any uniformly-rebated or refunded  
11 amounts, for the 2 semesters with the highest levels of full-time equated resident  
12 undergraduate enrollment during the academic year.

13 ~~(c) For purposes of subdivision (a), for a public university that compels~~  
14 ~~resident undergraduate students to be covered by health insurance as a condition to~~  
15 ~~enroll at the university, "fee" includes the annual amount a student is charged for~~  
16 ~~coverage by the university affiliated group health insurance policy if he or she does~~  
17 ~~not provide proof that he or she is otherwise covered by health insurance. This~~  
18 ~~subdivision does not apply to limited subsets of resident undergraduate students to be~~  
19 ~~covered by health insurance for specific reasons other than general enrollment at the~~  
20 ~~university.~~

21 (2) The state budget director shall implement uniform reporting requirements to  
22 ensure that a public university receiving a payment under section 265a for performance  
23 funding has satisfied the tuition restraint requirements of this section. The state  
24 budget director shall have the sole authority to determine if a public university has  
25 met the requirements of this section. Information reported by a public university to  
26 the state budget director under this subsection shall also be reported to the house  
27 and senate appropriations subcommittees on higher education and the house and senate

1 fiscal agencies.

2           Sec. 265a. (1) Appropriations to public universities in section 236 for fiscal  
3 year ~~2014-2015~~ **2015-2016** for performance funding shall be paid only to a public  
4 university that complies with section 265 and certifies to the state budget director,  
5 the house and senate appropriations subcommittees on higher education, and the house  
6 and senate fiscal agencies by August 31, ~~2014~~ **2015** that it complies with all of the  
7 following requirements:

8           (a) The university participates in reverse transfer agreements described in  
9 section 286 with at least 3 Michigan community colleges or has made a good-faith  
10 effort to enter into reverse transfer agreements.

11           (b) The university does not and will not consider whether dual enrollment  
12 credits earned by an incoming student were utilized towards his or her high school  
13 graduation requirements when making a determination as to whether those credits may be  
14 used by the student toward completion of a university degree or certificate program.

15           (c) The university **ACTIVELY** participates in **AND SUBMITS TIMELY UPDATES TO** the  
16 Michigan transfer network created as part of the Michigan association of collegiate  
17 registrars and admissions officers transfer agreement.

18           (2) Any performance funding amounts under section 236 that are not paid to a  
19 public university because it did not comply with 1 or more requirements under  
20 subsection (1) are unappropriated and reappropriated for performance funding to those  
21 public universities that meet the requirements under subsection (1), distributed in  
22 proportion to their performance funding appropriation amounts under section 236.

23           (3) The state budget director shall report to the house and senate  
24 appropriations subcommittees on higher education and the house and senate fiscal  
25 agencies by September ~~17, 2014,~~ **30, 2015**, regarding any performance funding amounts  
26 that are not paid to a public university because it did not comply with 1 or more  
27 requirements under subsection (1) and any reappropriation of funds under subsection

1 (2).

2 (4) Performance funding amounts described in section 236 are distributed based  
3 on the following formula:

4 (a) ~~Proportional to each university's share of total operations funding~~  
5 ~~appropriated in fiscal year 2010-2011, 50.0%.~~

6 ~~(b) Based on weighted undergraduate completions in critical skills areas, 11.1%.~~  
7 ~~22.2%.~~

8 (B) ~~(e) Based on research and development expenditures, for universities~~  
9 ~~classified in Carnegie classifications as doctoral/research universities, research~~  
10 ~~universities (high research activity), or research universities (very high research~~  
11 ~~activity) only, 5.6%. 11.1%.~~

12 (C) ~~(d) Based on 6-year graduation rate, total degree completions, and~~  
13 ~~institutional support as a percentage of core expenditures, and **THE PERCENTAGE OF**~~  
14 ~~students receiving Pell grants, scored against national Carnegie classification peers~~  
15 ~~and weighted by total undergraduate fiscal year equated students, 33.3%. 66.7%.~~

16 (5) For purposes of determining the score of a university under subsection  
17 ~~(4)(d), (4)(C),~~ 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 of 2.

20 (c) A university classified as improving, a score of 2. ~~It is the intent of the~~  
21 ~~legislature that, beginning in the 2015-2016 state fiscal year, a university~~  
22 ~~classified as improving is assigned a score of 1.~~

23 (d) A university that is not included in subdivision (a), (b), or (c), a score  
24 of 0.

25 (6) For purposes of this section, "Carnegie classification" shall mean the  
26 basic classification of the university according to the most recent version of the  
27 Carnegie classification of institutions of higher education, published by the Carnegie

1 foundation for the advancement of teaching.

2           Sec. 267. All public universities shall submit the amount of tuition and fees  
3 actually charged to a full-time resident undergraduate student for academic year ~~2014-~~  
4 ~~2015~~ 2015-2016 as part of their higher education institutional data inventory (HEIDI)  
5 data by August 31 of each year. A public university shall report any revisions for any  
6 semester of the reported academic year ~~2014-2015-2015-2016~~ tuition and fee charges to  
7 HEIDI within 15 days of being adopted.

8           Sec. 268. (1) ~~For the fiscal year ending September 30, 2014, it is the intent~~  
9 ~~of the legislature that funds be allocated for unfunded North American Indian tuition~~  
10 ~~waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to~~  
11 ~~390.1253, from the general fund.~~

12           ~~(2) Appropriations in section 236(8)(f) for North American Indian tuition~~  
13 ~~waivers shall be paid to universities under section 2a of 1976 PA 174, MCL 390.1252a.~~  
14 ~~Allocations shall be adjusted for amounts included in university operations~~  
15 ~~appropriations. If funds are insufficient to support the entire cost of waivers,~~  
16 ~~amounts shall be prorated.~~

17           ~~(3)~~ By February 15 of each year, the department of civil rights shall annually  
18 submit to the state budget director, the house and senate appropriations subcommittees  
19 on higher education, and the house and senate fiscal agencies a report on North  
20 American Indian tuition waivers for the preceding fiscal year that includes, but is  
21 not limited to, all of the following information for each postsecondary institution:

- 22           (a) The total number of waiver applications.  
23           (b) The total number of waivers granted and the monetary value of each waiver.  
24           (c) The number of students who withdraw from classes.  
25           (d) The number of students who successfully complete a degree or certificate  
26 program and the 6-year graduation rate.

27           (2) A PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236 SHALL PROVIDE TO THE



1 DEPARTMENT OF CIVIL RIGHTS ANY INFORMATION NECESSARY FOR PREPARING THE REPORT DETAILED  
2 IN SUBSECTION (1).

3 Sec. 269. For fiscal year ~~2014-2015-2015-2016~~, from the amount appropriated in  
4 section 236 to Central Michigan University for operations, \$29,700.00 shall be paid to  
5 Saginaw Chippewa Tribal College for the costs of waiving tuition for North American  
6 Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

7 Sec. 270. For fiscal year ~~2014-2015-2015-2016~~, from the amount appropriated in  
8 section 236 to Lake Superior State University for operations, \$100,000.00 shall be  
9 paid to Bay Mills Community College for the costs of waiving tuition for North  
10 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

11 Sec. 275. (1) ~~It is the intent of the legislature that each~~ EACH public  
12 university that receives an appropriation in section 236 IS ENCOURAGED TO do all of  
13 the following:

14 (a) Meet the provisions of section 5003 of the post-911 veterans educational  
15 assistance act of 2008, 38 USC 3301 to 3324, including voluntary participation in the  
16 yellow ribbon GI education enhancement program established in that act in 38 USC 3317.  
17 ~~By October 1 of each year, each public university shall report to the house and senate~~  
18 ~~appropriations subcommittees on higher education, the house and senate fiscal~~  
19 ~~agencies, and the presidents council, state universities of Michigan on whether or not~~  
20 ~~it has chosen to participate in the yellow ribbon GI education enhancement program. If~~  
21 ~~at any time during the fiscal year a university participating in the yellow ribbon~~  
22 ~~program chooses to leave the yellow ribbon program, it shall notify the house and~~  
23 ~~senate appropriations subcommittees on higher education, the house and senate fiscal~~  
24 ~~agencies, and the presidents council, state universities of Michigan.~~

25 (b) Establish an on-campus veterans' liaison to provide information and  
26 assistance to all student veterans.

27 (c) Provide flexible enrollment application deadlines for all veterans.

1 (d) Include in its admission application process a specific question as to  
2 whether an applicant for admission is a veteran, an active member of the military, a  
3 member of the national guard or military reserves, or the spouse or dependent of a  
4 veteran, active member of the military, or member of the national guard or military  
5 reserves, in order to more quickly identify potential educational assistance available  
6 to that applicant.

7 (e) Consider all veterans residents of this state for determining their tuition  
8 rates and fees.

9 (f) Waive enrollment fees for all veterans.

10 ~~(2) By October 1 of each year, each public university shall report to the house~~  
11 ~~and senate appropriations subcommittees on higher education, the house and senate~~  
12 ~~fiscal agencies, and the department of military and veterans affairs regarding~~  
13 ~~services provided specifically to veterans and active military duty personnel,~~  
14 ~~including, but not limited to, the services described in subsection (1).~~

15 (2) ~~(3)~~As used in this section, "veteran" means an honorably discharged  
16 veteran entitled to educational assistance under the provisions of section 5003 of the  
17 post-911 veterans educational assistance act of 2008, 38 USC 3301 to 3324.

18 Sec. 276. (1) Included in the appropriation for fiscal year ~~2014-2015-2015-2016~~  
19 for each public university in section 236 is funding for the Martin Luther King, Jr. -  
20 Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool  
21 of academically or economically disadvantaged candidates pursuing faculty teaching  
22 careers in postsecondary education. Preference may not be given to applicants on the  
23 basis of race, color, ethnicity, gender, or national origin. Institutions should  
24 encourage applications from applicants who would otherwise not adequately be  
25 represented in the graduate student and faculty populations. Each public university  
26 shall apply the percentage change applicable to every public university in the  
27 calculation of appropriations in section 236 to the amount of funds allocated to the

1 future faculty program.

2 (2) The program shall be administered by each public university in a manner  
3 prescribed by the workforce development agency. The workforce development agency shall  
4 use a good faith effort standard to evaluate whether a fellowship is in default.

5 Sec. 277. (1) Included in the appropriation for fiscal year ~~2014-2015-2015-2016~~  
6 for each public university in section 236 is funding for the Martin Luther King, Jr. -  
7 Cesar Chavez - Rosa Parks college day program that is intended to introduce  
8 academically or economically disadvantaged schoolchildren to the potential of a  
9 college education. Preference may not be given to participants on the basis of race,  
10 color, ethnicity, gender, or national origin. Public universities should encourage  
11 participation from those who would otherwise not adequately be represented in the  
12 student population.

13 (2) Individual program plans of each public university shall include a budget  
14 of equal contributions from this program, the participating public university, the  
15 participating school district, and the participating independent degree-granting  
16 college. College day funds shall not be expended to cover indirect costs. Not more  
17 than 20% of the university match shall be attributable to indirect costs. Each public  
18 university shall apply the percentage change applicable to every public university in  
19 the calculation of appropriations in section 236 to the amount of funds allocated to  
20 the college day program.

21 (3) The program described in this section shall be administered by each public  
22 university in a manner prescribed by the workforce development agency.

23 Sec. 278. (1) Included in section 236 for fiscal year ~~2014-2015-2015-2016~~ is  
24 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student  
25 support services program for developing academically or economically disadvantaged  
26 student retention programs for 4-year public and independent educational institutions  
27 in this state. Preference may not be given to participants on the basis of race,

1 color, ethnicity, gender, or national origin. Institutions should encourage  
2 participation from those who would otherwise not adequately be represented in the  
3 student population.

4 (2) An award made under this program to any 1 institution shall not be greater  
5 than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college  
6 or university basis.

7 (3) The program described in this section shall be administered by the  
8 workforce development agency.

9 Sec. 279. (1) Included in section 236 for fiscal year ~~2014-2015-2015-2016~~ is  
10 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university  
11 partnership program between 4-year public and independent colleges and universities  
12 and public community colleges, which is intended to increase the number of  
13 academically or economically disadvantaged students who transfer from community  
14 colleges into baccalaureate programs. Preference may not be given to participants on  
15 the basis of race, color, ethnicity, gender, or national origin. Institutions should  
16 encourage participation from those who would otherwise not adequately be represented  
17 in the transfer student population.

18 (2) The grants shall be made under the program described in this section to  
19 Michigan public and independent colleges and universities. An award to any 1  
20 institution shall not be greater than \$150,000.00, and the amount awarded shall be  
21 matched on a 70% state, 30% college or university basis.

22 (3) The program described in this section shall be administered by the  
23 workforce development agency.

24 Sec. 280. (1) Included in the appropriation for fiscal year ~~2014-2015-2015-2016~~  
25 for each public university in section 236 is funding for the Martin Luther King, Jr. -  
26 Cesar Chavez - Rosa Parks visiting professors program which is intended to increase  
27 the number of instructors in the classroom to provide role models for academically or

1 economically disadvantaged students. Preference may not be given to participants on  
2 the basis of race, color, ethnicity, gender, or national origin. Public universities  
3 should encourage participation from those who would otherwise not adequately be  
4 represented in the student population.

5 (2) The program described in this section shall be administered by the  
6 workforce development agency.

7 Sec. 281. (1) Included in the appropriation for fiscal year ~~2014-2015-2015-2016~~  
8 in section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa  
9 Parks initiative for the Morris Hood, Jr. educator development program which is  
10 intended to increase the number of academically or economically disadvantaged students  
11 who enroll in and complete K-12 teacher education programs at the baccalaureate level.  
12 Preference may not be given to participants on the basis of race, color, ethnicity,  
13 gender, or national origin. Institutions should encourage participation from those who  
14 would otherwise not adequately be represented in the teacher education student  
15 population.

16 (2) The program described in this section shall be administered by each state-  
17 approved teacher education institution in a manner prescribed by the workforce  
18 development agency.

19 (3) Approved teacher education institutions may and are encouraged to use  
20 student support services funding in coordination with the Morris Hood, Jr. funding to  
21 achieve the goals of the program described in this section.

22 Sec. 282. Each institution receiving funds **FOR FISCAL YEAR 2015-2016** under  
23 section 278, 279, or 281 shall notify the workforce development agency by April 15, ~~of~~  
24 ~~each year~~ 2016 as to whether it will expend by the end of its fiscal year the funds  
25 received under section 278, 279, or 281. Notwithstanding the award limitations in  
26 sections 278 and 279, the amount of funding reported as not being expended will be  
27 reallocated to the institutions that intend to expend all funding received under

1 section 278, 279, or 281.

2 Sec. 283. (1) From the amount appropriated in section 236, the public  
3 universities shall **USE THE P-20 LONGITUDINAL DATA SYSTEM TO** systematically inform  
4 Michigan high schools regarding the academic status of students from each high school  
5 in a manner prescribed by the presidents council, state universities of Michigan in  
6 cooperation with the Michigan association of secondary school principals. Public  
7 universities shall also work with the center for educational performance and  
8 information to maintain a systematic approach for accomplishing this task.

9 (2) Michigan high schools shall systematically inform the public universities  
10 about the use of information received under this section in a manner prescribed by the  
11 Michigan association of secondary school principals in cooperation with the presidents  
12 council, state universities of Michigan.

13 Sec. 284. From the amount appropriated in section 236, the public universities  
14 shall **USE THE P-20 LONGITUDINAL DATA SYSTEM TO** inform Michigan community colleges  
15 regarding the academic status of community college transfer students in a manner  
16 prescribed by the presidents council, state universities of Michigan in cooperation  
17 with the Michigan community college association. Public universities shall also work  
18 with the center for educational performance and information to maintain a systematic  
19 approach for accomplishing this task.

20 Sec. 286. ~~It is the intent of the legislature that public~~ **PUBLIC** universities  
21 **SHALL** work with community colleges in the state to implement statewide reverse  
22 transfer agreements to increase the number of students that are awarded credentials of  
23 value upon completion of the necessary credits. ~~It is the intent of the legislature~~  
24 ~~that these~~ **THESE** statewide agreements shall enable students who have earned a  
25 significant number of credits at a community college and transfer to a baccalaureate  
26 granting institution before completing a degree to transfer the credits earned at the  
27 baccalaureate institution back to the community college in order to be awarded a

1 credential of value.

ARTICLE IV

GENERAL PROVISIONS

SEC. 298. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ACT, THE AMOUNTS LISTED IN THIS SECTION FOR THE PUBLIC SCHOOLS, INTERMEDIATE SCHOOL DISTRICTS, COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES OF THIS STATE, AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION ARE A SUMMARY OF APPROPRIATIONS CONTAINED IN THIS ACT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2016 AND ANTICIPATED APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017, FROM THE FUNDS INDICATED IN THIS ACT:

(2) SUMMARY OF EDUCATION OMNIBUS APPROPRIATIONS

GROSS APPROPRIATION .....	\$ 15,894,008,700	\$ 15,694,442,500
TOTAL INTERDEPARTMENTAL GRANTS AND		
INTRADepartmental Transfers .....	0	0
ADJUSTED GROSS APPROPRIATION .....	\$ 15,894,008,700	\$ 15,694,442,500
TOTAL FEDERAL REVENUES .....	1,872,795,600	1,872,795,600
TOTAL LOCAL REVENUES .....	0	0
TOTAL PRIVATE REVENUES .....	0	0
TOTAL OTHER STATE RESTRICTED REVENUES .....	12,599,189,000	12,475,559,000
STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 1,421,924,100	\$ 1,433,024,100

SEC. 298A. (1) SUMMARY OF APPROPRIATIONS FOR SCHOOL AID (ARTICLE I)

APPROPRIATION SUMMARY

GROSS APPROPRIATION .....	\$ 13,958,963,900	\$ 13,839,253,900
TOTAL INTERDEPARTMENTAL GRANTS AND		
INTRADepartmental Transfers .....	0	0
ADJUSTED GROSS APPROPRIATION .....	\$ 13,958,963,900	\$ 13,839,253,900
TOTAL FEDERAL REVENUES .....	1,775,769,200	1,775,769,200
TOTAL LOCAL REVENUES .....	0	0



1	TOTAL PRIVATE REVENUES .....	0	0
2	TOTAL OTHER STATE RESTRICTED REVENUES .....	12,137,294,700	12,006,484,700
3	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 45,900,000	\$ 57,000,000
4	(2) BASIC OPERATIONS		
5	PROPOSAL A OBLIGATION PAYMENT .....	\$ 5,277,000,000	\$ 5,144,000,000
6	DISCRETIONARY PAYMENT .....	3,662,000,000	3,666,000,000
7	ISD GENERAL OPERATIONS .....	67,108,000	67,108,000
8	HOLD HARMLESS PROVISION .....	6,000,000	6,000,000
9	DISTRICT DISSOLUTION TRANSITION COSTS .....	2,200,000	0
10	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM		
11	REFORM COSTS .....	993,500,000	1,081,600,000
12	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM		
13	RESERVE FUND DEPOSIT .....	0	0
14	ISOLATED DISTRICT FUNDING .....	<u>2,584,600</u>	<u>2,584,600</u>
15	GROSS APPROPRIATION .....	\$ 10,010,392,600	\$ 9,967,292,600
16	APPROPRIATED FROM:		
17	STATE RESTRICTED REVENUES .....	9,988,822,100	9,933,422,100
18	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 21,570,500	\$ 33,870,500
19	(3) SPECIAL EDUCATION		
20	SPECIAL EDUCATION HEADLEE OBLIGATION .....	\$ 621,000,000	\$ 633,000,000
21	SPECIAL EDUCATION FOUNDATIONS .....	257,200,000	261,600,000
22	SPECIAL EDUCATION HOLD HARMLESS PAYMENT .....	1,000,000	1,000,000
23	SPECIAL EDUCATION NON-SEC. 52 PAYMENT .....	3,200,000	3,200,000
24	SPECIAL EDUCATION RULE CHANGE .....	2,200,000	2,200,000
25	SPECIAL EDUCATION COURT PLACED FTES .....	10,500,000	10,500,000
26	MICHIGAN SCHOOLS FOR THE DEAF AND BLIND .....	1,688,000	1,688,000
27	SPECIAL EDUCATION MILLAGE EQUALIZATION .....	37,758,100	37,758,100

1	SPECIAL EDUCATION FEDERAL PROGRAMS .....	<u>441,000,000</u>	<u>441,000,000</u>
2	GROSS APPROPRIATION .....	\$ 1,375,546,100	\$ 1,391,946,100
3	APPROPRIATED FROM:		
4	FEDERAL REVENUES .....	441,000,000	441,000,000
5	STATE RESTRICTED REVENUES .....	934,546,100	950,946,100
6	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
7	(4) SUPPORT SERVICES		
8	COURT-PLACED CHILDREN .....	\$ 8,000,000	\$ 8,000,000
9	JUVENILE DETENTION FACILITIES .....	2,189,800	2,189,800
10	YOUTH CHALLENGE PROGRAM .....	1,497,400	1,497,400
11	AT-RISK PROGRAM .....	408,988,200	408,988,200
12	CHILD AND ADOLESCENT HEALTH CENTERS .....	3,557,300	3,557,300
13	HEARING AND VISION SCREENING .....	5,150,000	5,150,000
14	MATH AND SCIENCE CENTERS .....	8,474,300	8,474,300
15	BILINGUAL EDUCATION .....	1,200,000	1,200,000
16	STRICT DISCIPLINE ACADEMIES PUPIL TRANSFERS .....	1,000,000	0
17	GANG PREVENTION AND INTERVENTION PROGRAMS .....	1,000,000	0
18	THIRD GRADE READING INITIATIVE .....	18,400,000	16,900,000
19	DISTRESSED DISTRICT REHABILITATION FUND .....	75,000,000	0
20	FEDERAL PROGRAMS .....	<u>809,876,400</u>	<u>809,876,400</u>
21	GROSS APPROPRIATION .....	\$ 1,344,333,400	\$ 1,265,833,400
22	APPROPRIATED FROM:		
23	FEDERAL REVENUES .....	815,125,700	815,125,700
24	STATE RESTRICTED REVENUES .....	528,732,700	450,232,700
25	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 475,000	\$ 475,000
26	(5) SCHOOL MEAL PROGRAMS		
27	SCHOOL LUNCH .....	\$ 535,695,100	\$ 535,695,100

1	SCHOOL BREAKFAST .....		<u>5,625,000</u>		<u>5,625,000</u>
2	GROSS APPROPRIATION .....	\$	541,320,100	\$	541,320,100
3	APPROPRIATED FROM:				
4	FEDERAL REVENUES .....		513,200,000		513,200,000
5	STATE RESTRICTED REVENUES .....		28,120,100		28,120,100
6	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	0	\$	0
7	(6) EARLY CHILDHOOD EDUCATION				
8	GREAT START READINESS PROGRAM .....	\$	239,575,000	\$	239,575,000
9	GREAT START EARLY CHILDHOOD BLOCK GRANTS .....		<u>15,900,000</u>		<u>15,900,000</u>
10	GROSS APPROPRIATION .....	\$	255,475,000	\$	255,475,000
11	APPROPRIATED FROM:				
12	STATE RESTRICTED REVENUES .....		255,175,000		255,175,000
13	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	300,000	\$	300,000
14	(7) PERFORMANCE INITIATIVES				
15	BEST PRACTICES GRANTS .....	\$	30,000,000	\$	30,000,000
16	CONSOLIDATION INNOVATION GRANTS .....		<u>2,000,000</u>		<u>0</u>
17	GROSS APPROPRIATION .....	\$	32,000,000	\$	30,000,000
18	APPROPRIATED FROM:				
19	STATE RESTRICTED REVENUES .....		32,000,000		30,000,000
20	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	0	\$	0
21	(8) STUDENT ASSESSMENT AND ACCOUNTABILITY				
22	CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION ....		12,160,500		12,160,500
23	STUDENT ASSESSMENTS .....		50,244,400		50,244,400
24	DATA COLLECTION AND REPORTING COSTS .....		38,000,500		38,000,500
25	UPDATE TEACHER CERTIFICATION TESTS .....		<u>1,800,000</u>		<u>0</u>
26	GROSS APPROPRIATION .....	\$	102,205,400	\$	100,405,400
27	APPROPRIATED FROM:				

1	FEDERAL REVENUES .....	6,443,500	6,443,500
2	STATE RESTRICTED REVENUES .....	83,794,900	81,994,900
3	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 11,967,000	\$ 11,967,000
4	(9) TECHNOLOGY INITIATIVES		
5	MICHIGAN VIRTUAL HIGH SCHOOL .....	\$ 7,987,500	\$ 7,387,500
6	FIRST ROBOTICS .....	2,000,000	0
7	TECHNOLOGY INFRASTRUCTURE IMPROVEMENT GRANTS .....	<u>25,000,000</u>	<u>0</u>
8	GROSS APPROPRIATION .....	\$ 34,987,500	\$ 7,387,500
9	APPROPRIATED FROM:		
10	STATE RESTRICTED REVENUES .....	27,000,000	0
11	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 7,987,500	\$ 7,387,500
12	(10) COLLEGE AND CAREER READINESS		
13	VOCATIONAL EDUCATION .....	\$ 26,611,300	\$ 26,611,300
14	VOCATIONAL EDUCATION MILLAGE REIMBURSEMENT .....	9,190,000	9,190,000
15	DUAL ENROLLMENT INCENTIVE .....	1,750,000	0
16	ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE		
17	TESTING .....	250,000	0
18	MICHIGAN COLLEGE ACCESS NETWORK .....	3,000,000	3,000,000
19	SKILLED TRADES / DUAL ENROLLMENT INITIATIVE .....	17,800,000	17,800,000
20	COLLEGE AND CAREER PREPARATION .....	<u>600,000</u>	<u>0</u>
21	GROSS APPROPRIATION .....	\$ 59,201,300	\$ 56,601,300
22	APPROPRIATED FROM:		
23	STATE RESTRICTED REVENUES .....	55,601,300	53,601,300
24	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 3,600,000	\$ 3,000,000
25	(11) ADULT EDUCATION		
26	ADULT EDUCATION .....	\$ <u>22,000,000</u>	\$ <u>22,000,000</u>
27	GROSS APPROPRIATION .....	\$ 22,000,000	\$ 22,000,000

1	APPROPRIATED FROM:		
2	STATE RESTRICTED REVENUES .....	22,000,000	22,000,000
3	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
4	(12) TRANSPORTATION SAFETY		
5	BUS DRIVER SAFETY .....	\$ 1,625,000	\$ 1,625,000
6	SCHOOL BUS INSPECTIONS .....	<u>1,690,700</u>	<u>1,690,700</u>
7	GROSS APPROPRIATION .....	\$ 3,315,700	\$ 3,315,700
8	APPROPRIATED FROM:		
9	STATE RESTRICTED REVENUES .....	3,315,700	3,315,700
10	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
11	(13) DEBT SERVICE AND OTHER REQUIRED PAYMENTS		
12	SCHOOL BOND LOAN REDEMPTION FUND .....	\$ 143,000,000	\$ 161,000,000
13	SCHOOL AID FUND BORROWING COSTS .....	4,000,000	5,000,000
14	RENAISSANCE ZONE REIMBURSEMENT .....	26,300,000	26,300,000
15	PAYMENT IN LIEU OF TAXES REIMBURSEMENT .....	4,276,800	4,276,800
16	PROMISE ZONE PAYMENTS .....	<u>610,000</u>	<u>1,100,000</u>
17	GROSS APPROPRIATION .....	\$ 178,186,800	\$ 197,676,800
18	APPROPRIATED FROM:		
19	STATE RESTRICTED REVENUES .....	178,186,800	197,676,800
20	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
21	SEC. 298B. (1) SUMMARY OF APPROPRIATIONS FOR COMMUNITY COLLEGES (ARTICLE II)		
22	APPROPRIATION SUMMARY		
23	GROSS APPROPRIATION .....	\$ 393,825,600	\$ 400,725,600
24	TOTAL INTERDEPARTMENTAL GRANTS AND		
25	INTRADPARTMENTAL TRANSFERS .....	0	0
26	ADJUSTED GROSS APPROPRIATION .....	\$ 393,825,600	\$ 400,725,600
27	TOTAL FEDERAL REVENUES .....	0	0

1	TOTAL LOCAL REVENUES .....		0		0
2	TOTAL PRIVATE REVENUES .....		0		0
3	TOTAL OTHER STATE RESTRICTED REVENUES .....		256,714,800		263,614,800
4	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	137,110,800	\$	137,110,800
5	(2) OPERATIONS				
6	(A) ALPENA COMMUNITY COLLEGE				
7	OPERATIONS .....	\$	5,390,700	\$	5,462,000
8	PERFORMANCE FUNDING .....		<u>71,300</u>		<u>0</u>
9	GROSS APPROPRIATION .....	\$	5,462,000	\$	5,462,000
10	(B) BAY DE NOC COMMUNITY COLLEGE				
11	OPERATIONS .....	\$	5,419,500	\$	5,488,300
12	PERFORMANCE FUNDING .....		<u>68,800</u>		<u>0</u>
13	GROSS APPROPRIATION .....	\$	5,488,300	\$	5,488,300
14	(C) DELTA COLLEGE				
15	OPERATIONS .....	\$	14,498,900	\$	14,706,700
16	PERFORMANCE FUNDING .....		<u>207,800</u>		<u>0</u>
17	GROSS APPROPRIATION .....	\$	14,706,700	\$	14,706,700
18	(D) GLEN OAKS COMMUNITY COLLEGE				
19	OPERATIONS .....	\$	2,516,100	\$	2,553,400
20	PERFORMANCE FUNDING .....		<u>37,300</u>		<u>0</u>
21	GROSS APPROPRIATION .....	\$	2,553,400	\$	2,553,400
22	(E) GOGEBIC COMMUNITY COLLEGE				
23	OPERATIONS .....	\$	4,451,400	\$	4,506,400
24	PERFORMANCE FUNDING .....		<u>55,000</u>		<u>0</u>
25	GROSS APPROPRIATION .....	\$	4,506,400	\$	4,506,400
26	(F) GRAND RAPIDS COMMUNITY COLLEGE				
27	OPERATIONS .....	\$	17,947,500	\$	18,176,600

1	PERFORMANCE FUNDING .....		<u>229,100</u>		<u>0</u>
2	GROSS APPROPRIATION .....	\$	18,176,600	\$	18,176,600
3	(G) HENRY FORD COMMUNITY COLLEGE				
4	OPERATIONS .....	\$	21,623,800	\$	21,876,700
5	PERFORMANCE FUNDING .....		<u>252,900</u>		<u>0</u>
6	GROSS APPROPRIATION .....	\$	21,876,700	\$	21,876,700
7	(H) JACKSON COMMUNITY COLLEGE				
8	OPERATIONS .....	\$	12,087,300	\$	12,242,500
9	PERFORMANCE FUNDING .....		<u>155,200</u>		<u>0</u>
10	GROSS APPROPRIATION .....	\$	12,242,500	\$	12,242,500
11	(I) KALAMAZOO VALLEY COMMUNITY COLLEGE				
12	OPERATIONS .....	\$	12,503,100	\$	12,694,900
13	PERFORMANCE FUNDING .....		<u>191,800</u>		<u>0</u>
14	GROSS APPROPRIATION .....	\$	12,694,900	\$	12,694,900
15	(J) KELLOGG COMMUNITY COLLEGE				
16	OPERATIONS .....	\$	9,813,500	\$	9,947,300
17	PERFORMANCE FUNDING .....		<u>133,800</u>		<u>0</u>
18	GROSS APPROPRIATION .....	\$	9,947,300	\$	9,947,300
19	(K) KIRTLAND COMMUNITY COLLEGE				
20	OPERATIONS .....	\$	3,167,700	\$	3,224,300
21	PERFORMANCE FUNDING .....		<u>56,600</u>		<u>0</u>
22	GROSS APPROPRIATION .....	\$	3,224,300	\$	3,224,300
23	(L) LAKE MICHIGAN COLLEGE				
24	OPERATIONS .....	\$	5,342,900	\$	5,414,800
25	PERFORMANCE FUNDING .....		<u>71,900</u>		<u>0</u>
26	GROSS APPROPRIATION .....	\$	5,414,800	\$	5,414,800
27	(M) LANSING COMMUNITY COLLEGE				

1	OPERATIONS .....	\$	30,877,600	\$	31,289,900	
2	PERFORMANCE FUNDING .....		<u>412,300</u>		<u>0</u>	
3	GROSS APPROPRIATION .....	\$	31,289,900	\$	31,289,900	
4	(N) MACOMB COMMUNITY COLLEGE					
5	OPERATIONS .....	\$	32,816,600	\$	33,222,400	
6	PERFORMANCE FUNDING .....		<u>405,800</u>		<u>0</u>	
7	GROSS APPROPRIATION .....	\$	33,222,400	\$	33,222,400	
8	(O) MID MICHIGAN COMMUNITY COLLEGE					
9	OPERATIONS .....	\$	4,682,000	\$	4,761,500	
10	PERFORMANCE FUNDING .....		<u>79,500</u>		<u>0</u>	
11	GROSS APPROPRIATION .....	\$	4,761,500	\$	4,761,500	
12	(P) MONROE COUNTY COMMUNITY COLLEGE					
13	OPERATIONS .....	\$	4,492,900	\$	4,565,100	
14	PERFORMANCE FUNDING .....		<u>72,200</u>		<u>0</u>	
15	GROSS APPROPRIATION .....	\$	4,565,100	\$	4,565,100	
16	(Q) MONTCALM COMMUNITY COLLEGE					
17	OPERATIONS .....	\$	3,226,700	\$	3,281,800	
18	PERFORMANCE FUNDING .....		<u>55,100</u>		<u>0</u>	
19	GROSS APPROPRIATION .....	\$	3,281,800	\$	3,281,800	
20	(R) C. S. MOTT COMMUNITY COLLEGE					
21	OPERATIONS .....	\$	15,686,100	\$	15,900,900	
22	PERFORMANCE FUNDING .....		<u>214,800</u>		<u>0</u>	
23	GROSS APPROPRIATION .....	\$	15,900,900	\$	15,900,900	
24	(S) MUSKEGON COMMUNITY COLLEGE					
25	OPERATIONS .....	\$	8,901,000	\$	9,013,800	
26	PERFORMANCE FUNDING .....		<u>112,800</u>		<u>0</u>	
27	GROSS APPROPRIATION .....	\$	9,013,800	\$	9,013,800	



1	(T) NORTH CENTRAL MICHIGAN COLLEGE			
2	OPERATIONS .....	\$	3,172,400	\$ 3,223,300
3	PERFORMANCE FUNDING .....		<u>50,900</u>	<u>0</u>
4	GROSS APPROPRIATION .....	\$	3,223,300	\$ 3,223,300
5	(U) NORTHWESTERN MICHIGAN COLLEGE			
6	OPERATIONS .....	\$	9,078,800	\$ 9,195,100
7	PERFORMANCE FUNDING .....		<u>116,300</u>	<u>0</u>
8	GROSS APPROPRIATION .....	\$	9,195,100	\$ 9,195,100
9	(V) OAKLAND COMMUNITY COLLEGE			
10	OPERATIONS .....	\$	21,123,300	\$ 21,430,800
11	PERFORMANCE FUNDING .....		<u>307,500</u>	<u>0</u>
12	GROSS APPROPRIATION .....	\$	21,430,800	\$ 21,430,800
13	(W) ST. CLAIR COUNTY COMMUNITY COLLEGE			
14	OPERATIONS .....	\$	7,061,600	\$ 7,154,600
15	PERFORMANCE FUNDING .....		<u>93,000</u>	<u>0</u>
16	GROSS APPROPRIATION .....	\$	7,154,600	\$ 7,154,600
17	(X) SCHOOLCRAFT COLLEGE			
18	OPERATIONS .....	\$	12,513,700	\$ 12,716,100
19	PERFORMANCE FUNDING .....		<u>202,400</u>	<u>0</u>
20	GROSS APPROPRIATION .....	\$	12,716,100	\$ 12,716,100
21	(Y) SOUTHWESTERN MICHIGAN COLLEGE			
22	OPERATIONS .....	\$	6,576,400	\$ 6,653,000
23	PERFORMANCE FUNDING .....		<u>76,600</u>	<u>0</u>
24	GROSS APPROPRIATION .....	\$	6,653,000	\$ 6,653,000
25	(Z) WASHTENAW COMMUNITY COLLEGE			
26	OPERATIONS .....	\$	13,077,300	\$ 13,330,000
27	PERFORMANCE FUNDING .....		<u>252,700</u>	<u>0</u>

1	GROSS APPROPRIATION .....	\$	13,330,000	\$	13,330,000
2	(AA) WAYNE COUNTY COMMUNITY COLLEGE				
3	OPERATIONS .....	\$	16,727,600	\$	17,014,900
4	PERFORMANCE FUNDING .....		<u>287,300</u>		<u>0</u>
5	GROSS APPROPRIATION .....	\$	17,014,900	\$	17,014,900
6	(BB) WEST SHORE COMMUNITY COLLEGE				
7	OPERATIONS .....	\$	2,414,900	\$	2,444,900
8	PERFORMANCE FUNDING .....		<u>30,000</u>		<u>0</u>
9	GROSS APPROPRIATION .....	\$	2,444,900	\$	2,444,900
10	(CC) OPERATIONS FUNDING SOURCES				
11	GROSS APPROPRIATION .....	\$	311,492,000	\$	311,492,000
12	APPROPRIATED FROM:				
13	STATE SCHOOL AID FUND .....		230,181,200		230,181,200
14	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	81,310,800	\$	81,310,800
15	(3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT				
16	SYSTEM (MPSERS)				
17	MPSERS COST OFFSET .....	\$	1,733,600	\$	1,733,600
18	MPSERS UAL CAP REIMBURSEMENT .....		<u>69,500,000</u>		<u>76,400,000</u>
19	GROSS APPROPRIATION .....	\$	71,233,600	\$	78,133,600
20	APPROPRIATED FROM:				
21	STATE SCHOOL AID FUND .....		18,933,600		25,833,600
22	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	52,300,000	\$	52,300,000
23	(4) RENAISSANCE ZONE REIMBURSEMENTS				
24	RENAISSANCE ZONE REIMBURSEMENTS .....	\$	<u>5,100,000</u>	\$	<u>5,100,000</u>
25	GROSS APPROPRIATION .....	\$	5,100,000	\$	5,100,000
26	APPROPRIATED FROM:				
27	STATE SCHOOL AID FUND .....		1,600,000		1,600,000

1	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	3,500,000	\$	3,500,000
2	(5) STUDENT FINANCIAL AID				
3	INDEPENDENT PART-TIME STUDENT GRANTS .....	\$	<u>6,000,000</u>	\$	<u>6,000,000</u>
4	GROSS APPROPRIATION .....	\$	6,000,000	\$	6,000,000
5	APPROPRIATED FROM:				
6	STATE SCHOOL AID FUND .....		6,000,000		6,000,000
7	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	0	\$	0
8	SEC. 298C. (1) SUMMARY OF APPROPRIATIONS FOR UNIVERSITIES AND STUDENT FINANCIAL				
9	AID (ARTICLE III)				
10	APPROPRIATION SUMMARY				
11	GROSS APPROPRIATION .....	\$	1,541,219,200	\$	1,541,399,200
12	TOTAL INTERDEPARTMENTAL GRANTS AND				
13	INTRADepartmental Transfers .....		0		0
14	ADJUSTED GROSS APPROPRIATION .....	\$	1,541,219,200	\$	1,541,399,200
15	TOTAL FEDERAL REVENUES .....		97,026,400		97,026,400
16	TOTAL LOCAL REVENUES .....		0		0
17	TOTAL PRIVATE REVENUES .....		0		0
18	TOTAL OTHER STATE RESTRICTED REVENUES .....		205,279,500		205,459,500
19	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	1,238,913,300	\$	1,238,913,300
20	(2) UNIVERSITY OPERATIONS				
21	(A) CENTRAL MICHIGAN UNIVERSITY				
22	OPERATIONS .....	\$	79,164,800	\$	81,502,900
23	PERFORMANCE FUNDING .....		<u>2,338,100</u>		<u>0</u>
24	GROSS APPROPRIATION .....	\$	81,502,900	\$	81,502,900
25	(B) EASTERN MICHIGAN UNIVERSITY				
26	OPERATIONS .....	\$	71,782,500	\$	73,196,700
27	PERFORMANCE FUNDING .....		<u>1,414,200</u>		<u>0</u>

1	GROSS APPROPRIATION .....	\$	73,196,700	\$	73,196,700
2	(C) FERRIS STATE UNIVERSITY				
3	OPERATIONS .....	\$	49,119,100	\$	50,606,700
4	PERFORMANCE FUNDING .....		<u>1,487,600</u>		<u>0</u>
5	GROSS APPROPRIATION .....	\$	50,606,700	\$	50,606,700
6	(D) GRAND VALLEY STATE UNIVERSITY				
7	OPERATIONS .....	\$	63,156,500	\$	65,680,200
8	PERFORMANCE FUNDING .....		<u>2,523,700</u>		<u>0</u>
9	GROSS APPROPRIATION .....	\$	65,680,200	\$	65,680,200
10	(E) LAKE SUPERIOR STATE UNIVERSITY				
11	OPERATIONS .....	\$	12,997,500	\$	13,247,300
12	PERFORMANCE FUNDING .....		<u>249,800</u>		<u>0</u>
13	GROSS APPROPRIATION .....	\$	13,247,300	\$	13,247,300
14	(F) MICHIGAN STATE UNIVERSITY				
15	OPERATIONS .....	\$	264,437,900	\$	269,590,500
16	PERFORMANCE FUNDING .....		5,152,600		0
17	MSU AGBIORESEARCH .....		32,668,500		32,668,500
18	MSU EXTENSION .....		<u>28,132,700</u>		<u>28,132,700</u>
19	GROSS APPROPRIATION .....	\$	330,391,700	\$	330,391,700
20	(G) MICHIGAN TECHNOLOGICAL UNIVERSITY				
21	OPERATIONS .....	\$	45,938,000	\$	46,908,000
22	PERFORMANCE FUNDING .....		<u>970,000</u>		<u>0</u>
23	GROSS APPROPRIATION .....	\$	46,908,000	\$	46,908,000
24	(H) NORTHERN MICHIGAN UNIVERSITY				
25	OPERATIONS .....	\$	44,338,300	\$	45,254,400
26	PERFORMANCE FUNDING .....		<u>916,100</u>		<u>0</u>
27	GROSS APPROPRIATION .....	\$	45,254,400	\$	45,254,400

1	(I) OAKLAND UNIVERSITY		
2	OPERATIONS .....	\$ 48,371,900	\$ 50,021,000
3	PERFORMANCE FUNDING .....	<u>1,649,100</u>	<u>0</u>
4	GROSS APPROPRIATION .....	\$ 50,021,000	\$ 50,021,000
5	(J) SAGINAW VALLEY STATE UNIVERSITY		
6	OPERATIONS .....	\$ 27,621,600	\$ 28,120,400
7	PERFORMANCE FUNDING .....	<u>498,800</u>	<u>0</u>
8	GROSS APPROPRIATION .....	\$ 28,120,400	\$ 28,120,400
9	(K) UNIVERSITY OF MICHIGAN - ANN ARBOR		
10	OPERATIONS .....	\$ 295,178,500	\$ 300,874,900
11	PERFORMANCE FUNDING .....	<u>5,696,400</u>	<u>0</u>
12	GROSS APPROPRIATION .....	\$ 300,874,900	\$ 300,874,900
13	(L) UNIVERSITY OF MICHIGAN - DEARBORN		
14	OPERATIONS .....	\$ 23,701,000	\$ 24,095,700
15	PERFORMANCE FUNDING .....	<u>394,700</u>	<u>0</u>
16	GROSS APPROPRIATION .....	\$ 24,095,700	\$ 24,095,700
17	(M) UNIVERSITY OF MICHIGAN - FLINT		
18	OPERATIONS .....	\$ 21,359,600	\$ 21,901,700
19	PERFORMANCE FUNDING .....	<u>542,100</u>	<u>0</u>
20	GROSS APPROPRIATION .....	\$ 21,901,700	\$ 21,901,700
21	(N) WAYNE STATE UNIVERSITY		
22	OPERATIONS .....	\$ 190,529,900	\$ 191,623,200
23	PERFORMANCE FUNDING .....	<u>1,093,300</u>	<u>0</u>
24	GROSS APPROPRIATION .....	\$ 191,623,200	\$ 191,623,200
25	(O) WESTERN MICHIGAN UNIVERSITY		
26	OPERATIONS .....	\$ 102,761,100	\$ 104,633,700
27	PERFORMANCE FUNDING .....	<u>1,872,600</u>	<u>0</u>

1	GROSS APPROPRIATION .....	\$	104,633,700	\$	104,633,700
2	(P) OPERATIONS FUNDING SOURCES				
3	GROSS APPROPRIATION .....	\$	1,428,058,500	\$	1,428,058,500
4	APPROPRIATED FROM:				
5	STATE SCHOOL AID FUND .....		200,019,500		200,019,500
6	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	1,228,039,000	\$	1,228,039,000
7	(3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT				
8	SYSTEM (MPSERS)				
9	MPSERS UAL CAP REIMBURSEMENT .....	\$	<u>5,160,000</u>	\$	<u>5,340,000</u>
10	GROSS APPROPRIATION .....	\$	5,160,000	\$	5,340,000
11	APPROPRIATED FROM:				
12	STATE SCHOOL AID FUND .....		5,160,000		5,340,000
13	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	0	\$	0
14	(4) STATE AND REGIONAL PROGRAMS				
15	HIGHER EDUCATION DATABASE MODERNIZATION AND CONVERSION	\$	200,000	\$	200,000
16	MIDWESTERN HIGHER EDUCATION COMPACT .....		<u>115,000</u>		<u>115,000</u>
17	GROSS APPROPRIATION .....	\$	315,000	\$	315,000
18	APPROPRIATED FROM:				
19	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	315,000	\$	315,000
20	(5) MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA				
21	PARKS PROGRAM				
22	SELECT STUDENT SUPPORT SERVICES .....	\$	1,956,100	\$	1,956,100
23	MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM .....		586,800		586,800
24	MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM .....		<u>148,600</u>		<u>148,600</u>
25	GROSS APPROPRIATION .....	\$	2,691,500	\$	2,691,500
26	APPROPRIATED FROM:				
27	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	2,691,500	\$	2,691,500

1	(6) GRANTS AND FINANCIAL AID		
2	STATE COMPETITIVE SCHOLARSHIPS .....	\$ 18,361,700	\$ 18,361,700
3	TUITION GRANTS .....	33,532,500	33,532,500
4	TUITION INCENTIVE PROGRAM .....	48,500,000	48,500,000
5	CHILDREN OF VETERANS AND OFFICER'S SURVIVOR		
6	TUITION PROGRAM .....	1,400,000	1,400,000
7	PROJECT GEAR-UP .....	<u>3,200,000</u>	<u>3,200,000</u>
8	GROSS APPROPRIATION .....	\$ 104,994,200	\$ 104,994,200
9	APPROPRIATED FROM:		
10	UNITED STATES DEPARTMENT OF EDUCATION, OFFICE OF		
11	ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP PROGRAM..	3,200,000	3,200,000
12	SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR NEEDY		
13	FAMILIES .....	93,826,400	93,826,400
14	CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT		
15	PROGRAM .....	100,000	100,000
16	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 7,867,800	\$ 7,867,800

17 Enacting section 1. (1) In accordance with section 30 of article I of the state  
18 constitution of 1963, total state spending on school aid under article I as amended by  
19 this amendatory act from state sources for fiscal year 2015-2016 is estimated at  
20 \$12,183,194,700.00 and state appropriations for school aid to be paid to local units  
21 of government for fiscal year 2015-2016 are estimated at \$12,022,427,700.00; and total  
22 state spending on school aid under article I as amended by this amendatory act from  
23 state sources for fiscal year 2016-2017 is estimated at \$12,063,484,700.00 and state  
24 appropriations for school aid to be paid to local units of government for fiscal year  
25 2016-2017 are estimated at \$11,885,517,700.00.

26 (2) In accordance with section 30 of article IX of the state constitution of  
27 1963, total state spending from state sources for community colleges for fiscal year

1 2015-2016 under article II as amended by this amendatory act is estimated at  
2 \$393,825,600.00 and the amount of that state spending from state sources to be paid to  
3 local units of government for fiscal year 2015-2016 is estimated at \$393,825,600.00;  
4 and total state spending from state sources for community colleges for fiscal year  
5 2016-2017 under article II as amended by this amendatory act is estimated at  
6 \$400,725,600.00 and the amount of that state spending from state sources to be paid to  
7 local units of government for fiscal year 2016-2017 is estimated at \$400,725,600.00.

8 (3) In accordance with section 30 of article IX of the state constitution of  
9 1963, total state spending from state sources for higher education for fiscal year  
10 2015-2016 under article III as amended by this amendatory act is estimated at  
11 \$1,444,192,800.00 and the amount of that state spending from state sources to be paid  
12 to local units of government for fiscal year 2015-2016 is estimated at \$0; and total  
13 state spending from state sources for higher education for fiscal year 2016-2017 under  
14 article III as amended by this amendatory act is estimated at \$1,444,372,800.00 and  
15 the amount of that state spending from state sources to be paid to local units of  
16 government for fiscal year 2016-2017 is estimated at \$0.

17 Enacting section 2. Sections 12, 22c, 22j, 31b, 32r, 64c, 64d, 74a, 99b, 147d,  
18 166, 201a, 208, 210b, 212, 227, 228, 236a, 239a, 259, 261, 262a, 271a, 273, 274, 274a,  
19 275a, and 293 of the state school aid act of 1979, 1979 PA 94, MCL 388.1612,  
20 388.1622c, 388.1622j, 388.1631b, 388.1632r, 388.1664c, 388.1664d, 388.1674a,  
21 388.1699b, 388.1747d, 388.1766, 388.1801a, 388.1808, 388.1810b, 388.1812, 388.1827,  
22 388.1828, 388.1836a, 388.1839a, 388.1859, 388.1861, 388.1862a, 388.1871a, 388.1873,  
23 388.1874, 388.1874a, 388.1875a, and 388.1893 are repealed effective October 1, 2015.

24 Enacting section 3. (1) Except as otherwise provided in subsection (2), this  
25 amendatory act takes effect October 1, 2015.

26 (2) Sections 18a, 95a and 252 of the state school aid act of 1979, 1979 PA 94,  
27 MCL 388.1618a, 388.1695a, 388.1852, as amended by this amendatory act take effect upon



1 enactment of this amendatory act.