STATE OF MICHIGAN
100TH LEGISLATURE
REGULAR SESSION OF 2020

Introduced by Senator Stamas

ENROLLED SENATE BILL No. 927

AN ACT to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 2, 3, 6, 11, 11a, 11d, 11j, 11k, 11m, 11p, 11s, 15, 17c, 18, 18a, 20, 20d, 20f, 21h, 22a, 22b, 22d, 22m, 22p, 24, 24a, 25f, 25g, 26a, 26b, 26c, 28, 31a, 31d, 31f, 31j, 31n, 32d, 32p, 35a, 35b, 39, 39a, 41, 51a, 51c, 51d, 51f, 53a, 54, 54b, 54d, 55, 56, 61a, 61b, 61d, 62, 65, 67, 74, 81, 94, 94a, 95b, 98, 98a, 99h, 99s, 99t, 99u, 99w, 99x, 101, 104, 105, 105c, 107, 147, 147a, 147c, 147e, 152a, 152b, 163, 201, 202a, 203, 205, 206, 207a, 207b, 207c, 209, 209a, 217, 222, 223, 226, 229, 229a, 230, 236, 236b, 236c, 237b, 238, 241, 242, 245, 245a, 256, 263, 264, 265, 265b, 267, 268, 269, 270, 275, 276, 277, 278, 279, 280, 281, 282, 289, and 296 (MCL 388.1602, 388.1603, 388.1606, 388.1611, 388.1611a, 388.1611d, 388.1611j, 388.1611k, 388.1611m, 388.1611p, 388.1611s, 388.1615, 388.1617c, 388.1618, 388.1618a, 388.1620, 388.1620d, 388.1620f, 388.1621h, 388.1622a, 388.1622b, 388.1622d, 388.1622m, 388.1622p, 388.1624, 388.1624a, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1628, 388.1631a, 388.1631d, 388.1631f, 388.1631j, 388.1631n, 388.1632d, 388.1632p, 388.1635a, 388.1635b, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1651f, 388.1653a, 388.1654, 388.1654b, 388.1654d, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1661d, 388.1662, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695b, 388.1698, 388.1698a, 388.1699h, 388.1699s, 388.1699t, 388.1699u, 388.1699w, 388.1699x, 388.1701, 388.1704, 388.1705, 388.1705c, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1747e, 388.1752a, 388.1752b, 388.1763, 388.1801, 388.1802a, 388.1803, 388.1805, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1809a, 388.1817, 388.1822, 388.1823, 388.1826, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836b, 388.1836c, 388.1837b, 388.1838, 388.1841, 388.1842, 388.1845, 388.1845a, 388.1856, 388.1863, 388.1864, 388.1865, 388.1865b, 388.1867, 388.1868, 388.1869, 388.1870, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1889, and 388.1896), section 2 as amended by 2018 PA 227, sections 3, 203, 222, 223, 237b, and 275 as amended by 2017 PA 108, sections 6, 11p, and 104 as amended by 2020 PA 149, sections 11, 11m, 20, 22a, 22b, 26c, 31j, 32d, 51a, 51c, 61a, 94a, 95b, 99h, 147c, 147e, 201, 236, and 256 as amended by 2020 PA 146, sections 11a, 11j, 11k, 11s, 15, 18, 20d, 20f, 21h, 22m, 22p, 24, 24a, 26a, 26b, 31d, 31f, 31n, 32p, 39, 39a, 41, 51d, 53a, 54, 54b, 56, 61b, 61d, 62, 65, 67, 74, 81, 94, 98, 99s, 107, 147, 147a, and 152a as amended by 2019 PA 58, section 11d as added by 2020 PA 146, sections 17c, 35b, and 99u as amended by 2018 PA 586, section 18a as amended by 2015 PA 85, sections 22d, 25f, 25g, 31a, and 35a as amended by 2019 PA 162, section 54d as amended and sections 28 and 51f as added by 2019 PA 58, sections 55, 99t, 152b, 226, and 229 as amended by 2018 PA 265, section 98a as added by 2020 PA 149, sections 99w and 99x as added by 2018 PA 586, section 101 as amended by 2020 PA 148, sections 105 and 105c as amended by 2008

PA 268, section 163 as amended by 2018 PA 266, section 202a as amended by 2016 PA 249, sections 205, 238, and 242 as amended by 2012 PA 201, sections 206, 207a, 207b, 207c, 209, 209a, 217, 229a, and 230 as amended by 2019 PA 52, sections 236b, 236c, 241, 245, 245a, 263, 264, 265, 265b, 267, 268, 269, 270, 276, 277, 278, 279, 280, 281, 282, and 289 as amended by 2019 PA 62, and section 296 as added by 2011 PA 62, and by adding sections 25i, 25j, 29a, 31k, 35d, 35e, 35f, 67a, 94b, 98d, 99i, 99z, 104f, 104g, 226a, 226b, 226d, 226e, 259, 260, 270b, 270c, 275f, 275g, 275h, 275i, and 281a; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

Sec. 2. As used in this article and article IV the words and phrases defined in sections 3 to 6 have the meanings ascribed to them in those sections.

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

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

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

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

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

(6) "Department", except as otherwise provided in this article, means the department of education.

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

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

(9) "District superintendent" means the superintendent of a district or the chief administrator of a public school academy.

Sec. 6. (1) "Center program" means a program operated by a district or by an intermediate district for special education pupils from several districts in programs for pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing impairment, pupils with visual impairment, and pupils with physical impairment or other health impairment. Programs for pupils with emotional impairment housed in buildings that do not serve regular education pupils also qualify. Unless otherwise approved by the department, a center program either serves all constituent districts within an intermediate district or serves several districts with less than 50% of the pupils residing in the operating district. In addition, special education center program pupils placed part-time in noncenter programs to comply with the least restrictive environment provisions of section 1412 of the individuals with disabilities education act, 20 USC 1412, may be considered center program pupils for pupil accounting purposes for the time scheduled in either a center program or a noncenter program.

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

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

(4) "Membership", except as otherwise provided in this subsection or this article, means for a district, a public school academy, or an intermediate district the sum of the product of .90 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance in the district, public school academy, or intermediate district on the pupil membership count day for the current school year, plus the product of.

10 times the final audited count from the supplemental count day of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance in the district, public school academy, or intermediate district for the immediately preceding school year. A district's, public school academy's, or intermediate district's membership is adjusted as provided under section 25e for pupils who enroll after the pupil membership count day in a strict discipline academy operating under sections 1311b to 1311m of the revised school code, MCL 380.1311b to 380.1311m. For 2020-2021 only, membership means for a district, a public school academy, or an intermediate district, the sum of the product of .75 times the district's, public school academy's, or intermediate district's 2019-2020 membership as calculated under this section in 2019-2020 and the product of .25 times [the sum of (the product of .90 times the number of full-time equated pupils engaged in pandemic learning for fall 2020 or, for a public school academy that operates as a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance in the public school academy on pupil membership count day for the current school year) and (the product of .10 times the final audited count from the supplemental count day of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance in the district, public school academy, or intermediate district for the immediately preceding school year)]. All pupil counts used in this subsection are as determined by the department and calculated by adding the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit. The amount of the foundation allowance for a pupil in membership is determined under section 20. In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, a public school academy, or an intermediate district:

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

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

(c) A special education pupil educated by the intermediate district is counted in membership in the intermediate district.

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

(e) A pupil enrolled in the Michigan Schools for the Deaf and Blind is counted in membership in the pupil's intermediate district of residence.

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

(g) A pupil enrolled in a public school academy is counted in membership in the public school academy.

(h) For the purposes of this section and section 6a, for a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, that is in compliance with section 553a of the revised school code, MCL 380.553a, a pupil's participation in the cyber school's educational program is considered regular daily attendance, and for a district or public school academy, a pupil's participation in a virtual course as that term is defined in section 21f is considered regular daily attendance. For the purposes of this subdivision, for a pupil enrolled in a cyber school and utilizing sequential learning, participation means that term as defined in the pupil accounting manual, section 5-o-d: requirements for counting pupils in membership-subsection 10.

(i) For a new district or public school academy beginning its operation after December 31, 1994, membership for the first 2 full or partial fiscal years of operation is determined as follows:

(*i*) Except as otherwise provided in this subparagraph, if operations begin before the pupil membership count day for the fiscal year, membership is the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year and on the supplemental count day for the current school year, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2. However, for 2020-2021 only, if operations begin before the pupil membership count day for the fiscal year, except for a public school academy that operates as a cyber school, as that term is defined in

section 551 of the revised school code, MCL 380.551, membership is the average number of full-time equated pupils engaged in pandemic learning for fall 2020 and full-time equated pupils engaged in pandemic learning for spring 2021, as that term is defined in section 6a, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(*ii*) If operations begin after the pupil membership count day for the fiscal year and not later than the supplemental count day for the fiscal year, membership is the final audited count of the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the supplemental count day for the current school year, but, for 2020-2021 only, except for a public school academy that operates as a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, membership is the final audited count of the number of full-time equated pupils engaged in pandemic learning for spring 2021, as that term is defined in section 6a.

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

(k) For an extended school year program approved by the superintendent, a pupil enrolled, but not scheduled to be in regular daily attendance, on a pupil membership count day, is counted in membership.

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

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

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

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

(B) Had dropped out of school.

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

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

(m) An individual who has achieved a high school diploma is not counted in membership. An individual who has achieved a high school equivalency certificate is not counted in membership unless the individual is a student with a disability as that term is defined in R 340.1702 of the Michigan Administrative Code. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the department of labor and economic opportunity, or participating in any successor of either of those 2 programs, is not counted in membership.

(n) If a pupil counted in membership in a public school academy is also educated by a district or intermediate district as part of a cooperative education program, the pupil is counted in membership only in the public school academy unless a written agreement signed by all parties designates the party or parties in which the pupil is counted in membership, and the instructional time scheduled for the pupil in the district or intermediate district is included in the full-time equated membership determination under subdivision (q) and section 101. However, for pupils receiving instruction in both a public school academy and in a district or intermediate district but not as a part of a cooperative education program, the following apply:

(*i*) If the public school academy provides instruction for at least 1/2 of the class hours required under section 101, the public school academy receives as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the public school academy provides divided by the number of hours required under section 101 for full-time equivalency, and the remainder of the full-time membership for each of those pupils is allocated to the district or intermediate district providing the remainder of the hours of instruction.

(*ii*) If the public school academy provides instruction for less than 1/2 of the class hours required under section 101, the district or intermediate district providing the remainder of the hours of instruction receives as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the district or intermediate district provides divided by the number of hours required under section 101 for full-time equivalency, and the remainder of the full-time membership for each of those pupils is allocated to the public school academy.

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

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

(q) The number of class hours used to calculate full-time equated memberships must be consistent with section 101. In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution or for pupils engaged in an internship or work experience under section 1279h of the revised school code, MCL 380.1279h, a pupil is not considered to be less than a full-time equated pupil solely because of the effect of his or her postsecondary enrollment or engagement in the internship or work experience, including necessary travel time, on the number of class hours provided by the district to the pupil.

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

(s) For a district or a public school academy that has pupils enrolled in a grade level that was not offered by the district or public school academy in the immediately preceding school year, the number of pupils enrolled in that grade level to be counted in membership is the average of the number of those pupils enrolled and in regular daily attendance on the pupil membership count day and the supplemental count day of the current school year, but, for 2020-2021 only, except for a public school academy that operates as a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, the number of pupils enrolled in that grade level to be counted in membership is the average of the number of those pupils engaged in pandemic learning for fall 2020 and the number of those pupils engaged in pandemic learning for spring 2021, as that term is defined in section 6a, as determined by the department. Membership is calculated by adding the number of pupils registered for attendance in that grade level on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

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

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

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

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

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

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

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

(w) For a public school academy that has been in operation for at least 2 years and that suspended operations for at least 1 semester and is resuming operations, membership is the sum of the product of .90 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of .10 times the final audited count from the most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent, but, for 2020-2021 only, except for a public school academy that operates as a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, membership is the sum of the product of .90 times the number of full-time equated pupils engaged in pandemic learning for fall 2020 or the number of full-time equated pupils engaged in pandemic learning for spring 2021, as that term is defined in section 6a, whichever applies first after operations resume, plus the product of .10 times the final audited count from the most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent.

(x) If a district's membership for a particular fiscal year, as otherwise calculated under this subsection, would be less than 1,550 pupils, the district has 4.5 or fewer pupils per square mile, as determined by the department, and the district does not receive funding under section 22d(2), the district's membership is considered to be the membership figure calculated under this subdivision. If a district educates and counts in its membership pupils in grades 9 to 12 who reside in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the affected districts request the department to use the determination allowed under this sentence, the department shall include the square mileage of both districts in determining the number of pupils per square mile for each of the districts for the purposes of this subdivision. If a district has established a community engagement advisory committee in partnership with the department of treasury, is required to submit a deficit elimination plan or an enhanced deficit elimination plan under section 1220 of the revised school code, MCL 380.1220, and is located in a city with a population between 9,000 and 11,000 that is in a county with a population between 155,000 and 160,000, the district's membership is considered to be the membership figure calculated under this subdivision. The membership figure calculated under this subdivision is the greater of the following:

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

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

(y) Full-time equated memberships for special education pupils who are not enrolled in kindergarten but are enrolled in a classroom program under R 340.1754 of the Michigan Administrative Code are determined by dividing the number of class hours scheduled and provided per year by 450. Full-time equated memberships for special education pupils who are not enrolled in kindergarten but are receiving early childhood special education services under R 340.1755 or R 340.1862 of the Michigan Administrative Code are determined by dividing the number of hours of service scheduled and provided per year per-pupil by 180.

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

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

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

(cc) A pupil enrolled in a district other than the pupil's district of residence under section 1148(2) of the revised school code, MCL 380.1148, is counted in the educating district.

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

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

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

(ee) A pupil participating in a virtual course under section 21f is counted in membership in the district enrolling the pupil.

(ff) If a public school academy that is not in its first or second year of operation closes at the end of a school year and does not reopen for the next school year, the department shall adjust the membership count of the district or other public school academy in which a former pupil of the closed public school academy enrolls and is in regular daily attendance for the next school year to ensure that the district or other public school academy receives the same amount of membership aid for the pupil as if the pupil were counted in the district or other public school academy on the supplemental count day of the preceding school year.

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

(hh) A pupil enrolled in a community district is counted in membership in the community district.

(ii) A part-time pupil enrolled in a nonpublic school in grades K to 12 in accordance with section 166b must not be counted as more than 0.75 of a full-time equated membership.

(jj) A district that borders another state or a public school academy that operates at least grades 9 to 12 and is located within 20 miles of a border with another state may count in membership a pupil who is enrolled in a course at a college or university that is located in the bordering state and within 20 miles of the border with this state if all of the following are met:

(*i*) The pupil would meet the definition of an eligible student under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, if the course were an eligible course under that act.

(*ii*) The course in which the pupil is enrolled would meet the definition of an eligible course under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, if the course were provided by an eligible postsecondary institution under that act.

(*iii*) The department determines that the college or university is an institution that, in the other state, fulfills a function comparable to a state university or community college, as those terms are defined in section 3 of the postsecondary enrollment options act, 1996 PA 160, MCL 388.513, or is an independent nonprofit degree-granting college or university.

(*iv*) The district or public school academy pays for a portion of the pupil's tuition at the college or university in an amount equal to the eligible charges that the district or public school academy would pay to an eligible postsecondary institution under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, as if the course were an eligible course under that act.

(*v*) The district or public school academy awards high school credit to a pupil who successfully completes a course as described in this subdivision.

(kk) A pupil enrolled in a middle college program may be counted for more than a total of 1.0 full-time equated membership if the pupil is enrolled in more than the minimum number of instructional days and hours required under section 101 and the pupil is expected to complete the 5-year program with both a high school diploma and at least 60 transferable college credits or is expected to earn an associate's degree in fewer than 5 years.

(*ll*) If a district's or public school academy's membership for a particular fiscal year, as otherwise calculated under this subsection, includes pupils counted in membership who are enrolled under section 166b, all of the following apply for the purposes of this subdivision:

(*i*) If the district's or public school academy's membership for pupils counted under section 166b equals or exceeds 5% of the district's or public school academy's membership for pupils not counted in membership under section 166b in the immediately preceding fiscal year, then the growth in the district's or public school academy's membership for pupils counted under section 166b must not exceed 10%.

(*ii*) If the district's or public school academy's membership for pupils counted under section 166b is less than 5% of the district's or public school academy's membership for pupils not counted in membership under section 166b in the immediately preceding fiscal year, then the district's or public school academy's membership for pupils counted under section 166b must not exceed the greater of the following:

(A) 5% of the district's or public school academy's membership for pupils not counted in membership under section 166b.

(B) 10% more than the district's or public school academy's membership for pupils counted under section 166b in the immediately preceding fiscal year.

(*iii*) If 1 or more districts consolidate or are parties to an annexation, then the calculations under subparagraphs (*i*) and (*ii*) must be applied to the combined total membership for pupils counted in those districts for the fiscal year immediately preceding the consolidation or annexation.

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

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

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

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

(c) A pupil enrolled in a public school academy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

However, if a district educates pupils who reside in another district and if the primary instructional site for those pupils is established by the educating district after 2009-2010 and is located within the boundaries of that other district, the educating district must have the approval of that other district to count those pupils in membership.

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

(a) Except as provided in subdivision (b), the first Wednesday in October each school year or, for a district or building in which school is not in session on that Wednesday due to conditions not within the control of school authorities, with the approval of the superintendent, the immediately following day on which school is in session in the district or building. A district is considered to be in session for purposes of this subdivision when the district is providing pupil instruction pursuant to an extended COVID-19 learning plan approved under section 98a.

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

(*i*) Fourth Wednesday in July.

(*ii*) First Wednesday in October.

(*iii*) Second Wednesday in February.

(*iv*) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, is not counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day is not counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, intermediate district, or public school academy before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day is only counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, or public school academy within 45 days after the pupil membership count day or supplemental count day of that particular year. A pupil not counted as 1.0 full-time equated membership due to an absence from a class is counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and an individual who is appropriately placed under a valid certificate, substitute permit, authorization, or approval issued by the department, are together and instruction is taking place.

(9) "Pupils engaged in pandemic learning for fall 2020" means pupils in grades K to 12 who are enrolled in a district, excluding a district that operates as a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, or intermediate district and to which any of the following apply:

(a) For a pupil who is not learning sequentially, any of the following occurs for each of the pupil's scheduled courses:

(*i*) The pupil attends a live lesson from the pupil's teacher or at least 1 of the pupil's teachers on 2020-2021 pupil membership count day.

(*ii*) The pupil logs into an online or virtual lesson or lesson activity on 2020-2021 pupil membership count day and the login can be documented by the district or intermediate district.

(*iii*) The pupil and the pupil's teacher or at least 1 of the pupil's teachers engage in a subject-oriented telephone conversation on 2020-2021 pupil membership count day.

(*iv*) The district or intermediate district documents that an electronic mail dialogue occurred between the pupil and the pupil's teacher or at least 1 of the pupil's teachers on 2020-2021 pupil membership count day.

(b) For a pupil who is using sequential learning, any of the following occurs for each of the pupil's scheduled courses:

(*i*) The pupil attends a virtual course where synchronous, live instruction occurs with the pupil's teacher or at least 1 of the pupil's teachers on 2020-2021 pupil membership count day and the attendance is documented by the district or intermediate district.

(*ii*) The pupil completes a course assignment on 2020-2021 pupil membership count day and the completion is documented by the district or intermediate district.

(*iii*) The pupil completes a course lesson or lesson activity on 2020-2021 pupil membership count day and the completion is documented by the district or intermediate district.

(*iv*) The pupil accesses an ongoing lesson that is not a login on 2020-2021 pupil membership count day and the access is documented by the district or intermediate district.

(c) At a minimum, 1 2-way interaction has occurred between the pupil and the pupil's teacher or at least 1 of the pupil's teachers or another district employee who has responsibility for the pupil's learning, grade progression, or academic progress during the week on which 2020-2021 pupil membership count day falls and during each week for the 3 consecutive weeks after the week on which 2020-2021 pupil membership count day falls. A district may utilize 2-way interactions that occur under this subdivision toward meeting the requirement under section 101(3)(h). As used in this subdivision:

(*i*) "2-way interaction" means a communication that occurs between a pupil and the pupil's teacher or at least 1 of the pupil's teachers or another district employee who has responsibility for the pupil's learning, grade progression, or academic progress, where 1 party initiates communication and a response from the other party follows that communication, and that is relevant to course progress or course content for at least 1 of the courses in which the pupil is enrolled or relevant to the pupil's overall academic progress or grade progression. Responses, as described in this subparagraph, must be to communication initiated by the teacher, by another district employee who has responsibility for the pupil's learning, grade progression, or academic progress, or by the pupil, and not some other action taken. The communication described in this subparagraph may occur through, but is not limited to, any of the following means:

(A) Electronic mail.

(B) Telephone.

(C) Instant messaging.

(D) Face-to-face conversation.

(*ii*) "Week" means a period beginning on Wednesday and ending on the following Tuesday.

(d) The pupil has not participated in or completed an activity as described in subdivision (a), (b), or (c) and the pupil was not excused from participation or completion, but the pupil participates in or completes an activity described in subdivision (a) or (b) during the 10 consecutive school days immediately following the 2020-2021 pupil membership count day.

(e) The pupil has not participated in or completed an activity as described in subdivision (a), (b), or (c) and the pupil was excused from participation or completion, but the pupil participates in or completes an activity described in subdivision (a) or (b) during the 30 calendar days immediately following the 2020-2021 pupil membership count day.

(f) The pupil meets the criteria of pupils in grades K to 12 actually enrolled and in regular daily attendance.

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

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

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

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

(14) "State board" means the state board of education.

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

(16) "Supplemental count day" means the day on which the supplemental pupil count is conducted under section 6a or the day specified as supplemental count day under section 6a.

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

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

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

(20) "Textbook" means a book, electronic book, or other instructional print or electronic resource that is selected and approved by the governing board of a district and that contains a presentation of principles of a subject, or that is a literary work relevant to the study of a subject required for the use of classroom pupils, or another type of course material that forms the basis of classroom instruction.

(21) "Total state aid" or "total state school aid", except as otherwise provided in this article, means the total combined amount of all funds due to a district, intermediate district, or other entity under this article.

Sec. 11. (1) For the fiscal year ending September 30, 2020, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of $12,829,470,800.00 from the state school aid fund, the sum of $104,660,000.00 from the general fund, an amount not to exceed $75,900,000.00 from the community district education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not to exceed $9,717,800.00 from the talent investment fund created under section 8a of the higher education loan authority act, 1975 PA 222, MCL 390.1158a, an amount not to exceed $31,900,000.00 from the MPSERS retirement obligation reform reserve fund, and an amount not to exceed $100.00 from the water emergency reserve fund. For the fiscal year ending September 30, 2021, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of $13,589,621,600.00 from the state school aid fund, the sum of $50,964,700.00 from the general fund, an amount not to exceed $77,700,000.00 from the community district education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262, and an amount not to exceed $100.00 from the water emergency reserve fund. In addition, all available federal funds are appropriated for the fiscal years ending September 30, 2020 and September 30, 2021.

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

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

Sec. 11a. (1) The school aid stabilization fund is created as a separate account within the state school aid fund.

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

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

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

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

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

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

(5) Money in the school aid stabilization fund at the close of a fiscal year remains in the school aid stabilization fund and does not lapse to the unreserved school aid fund balance or the general fund.

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

(7) For 2020-2021, in addition to the appropriations in section 11, there is appropriated from the school aid stabilization fund to the state school aid fund the amount necessary to fully fund the allocations under this article.

Sec. 11d. (1) For 2019-2020, the department shall deduct an amount equal to $175.00 per membership pupil from each district's total state school aid. A district may choose to apply this reduction to funding the district receives under any provision of this act, other than sections 11j, 22a, 26a, 26b, 26c, 31d, 31f, 51a(2), 51a(11), 51c, 53a, 147c, 147e(2)(a), and 152a, even if the reduction chosen by the district results in a program being reduced or discontinued.

(2) If the department, after applying the deduction calculated in subsection (1), determines that this state has overpaid the amount of total state school aid to a district, the department shall establish as a receivable the amount of overpayment and shall recoup the amount from the district in subsequent monthly apportionments of total state school aid. The full amount of overpayment must be recouped within 1 fiscal year.

(3) If a district has pledged remaining total state school aid for 2019-2020 for the fulfillment of requirements related to the repayment of state aid anticipation notes or the equivalent loan instrument not offered by this state, and if the district presents evidence satisfactory to the department that the deduction calculated in subsection (1) would cause hardship for the district in fulfilling its pledged loan repayment requirements, the department shall establish as a receivable in the current fiscal year the amount of the deduction calculated in subsection (1) and shall recoup the amount from the district in subsequent monthly apportionments of total state school aid. The full amount of the deduction calculated in subsection (1) must be recouped within 1 fiscal year.

(4) From the state school aid fund money appropriated under section 11, there is allocated for 2020-2021 an amount not to exceed $95,000,000.00 to provide payments to districts as provided under this subsection. The amount of a payment under this subsection to each district must be equal to the district's 50/50 blended membership multiplied by the quotient of $95,000,000.00 divided by the statewide sum of each district's 50/50 blended membership. As used in this subsection, "50/50 blended membership" means the sum of the product of .5 times the district's 2019-2020 membership as calculated under section 6(4) in 2019-2020 and the product of .5 times [the sum of (the product of .90 times the number of full-time equated pupils engaged in pandemic learning for fall 2020 or, for a district that is a public school academy that operates as a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance in the district on pupil membership count day for the current school year) and (the product of .10 times the final audited count from the supplemental count day of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance in the district for the immediately preceding school year)].

(5) As used in this section, "total state school aid" means the total combined amount of all state funds allocated to a district under this act, except for funds allocated to a district under sections 11j, 22a, 26a, 26b, 26c, 31d, 31f, 51a(2), 51a(11), 51c, 53a, 147c, 147e(2)(a), and 152a.

Sec. 11j. From the appropriation in section 11, there is allocated an amount not to exceed $111,000,000.00 for 2020-2021 for payments to the school loan bond redemption fund in the department of treasury on behalf of districts and intermediate districts. Notwithstanding section 296 or any other provision of this act, funds allocated under this section are not subject to proration and must be paid in full.

Sec. 11k. For 2020-2021, there is appropriated from the general fund to the school loan revolving fund an amount equal to the amount of school bond loans assigned to the Michigan finance authority, not to exceed the total amount of school bond loans held in reserve as long-term assets. As used in this section, "school loan revolving fund" means that fund created in section 16c of the shared credit rating act, 1985 PA 227, MCL 141.1066c.

Sec. 11m. From the appropriation in section 11, there is allocated for 2020-2021 an amount not to exceed $11,400,000.00 for fiscal year cash-flow borrowing costs solely related to the state school aid fund established under section 11 of article IX of the state constitution of 1963.

Sec. 11p. (1) From the federal funds appropriated under section 11, for 2019-2020 only, there is allocated an amount not to exceed $512,000,000.00 from the federal funding awarded to this state from the coronavirus relief fund under the coronavirus aid, relief, and economic security act, Public Law 116-136.

(2) From the funds allocated under this section, the department shall pay to each district an amount equal to $350.00 for each pupil in membership for 2019-2020 only.

(3) A district receiving funds under this section must comply with all requirements corresponding to the receipt of funds under the coronavirus aid, relief, and economic security act, Public Law 116-136, and 2 CFR part 200, as applicable, including, but not limited to, any certifications, assurances, and accountability and transparency provisions. The department may require any documentation necessary to ensure compliance with federal requirements.

(4) A district receiving funds under this section must, to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus.

(5) Any funds received under this act and expended by a district in any manner that does not adhere to the coronavirus aid, relief, and economic security act, Public Law 116-136, or 2 CFR part 200, as applicable, must be returned to this state. If it is determined that a district receiving funds under this act expended any funds received

under this act for a purpose that is not consistent with the requirements of the coronavirus aid, relief, and economic security act, Public Law 116-136, or 2 CFR part 200, as applicable, the state budget director is authorized to withhold payment of state funds, in part or in whole, payable to that district from any state appropriation under this act.

(6) The allocation in this section from the federal funding awarded to this state from the coronavirus relief fund under the coronavirus aid, relief, and economic security act, Public Law 116-136, reduces to $0.00 the coronavirus relief fund appropriations authorized in the same amount and for the same purpose under section 302 of 2020 PA 67.

Sec. 11s. (1) From the state school aid fund money appropriated in section 11, there is allocated $5,000,000.00 for 2020-2021 and from the general fund money appropriated in section 11, there is allocated $3,075,000.00 for 2020-2021 for the purpose of providing services and programs to children who reside within the boundaries of a district with the majority of its territory located within the boundaries of a city for which an executive proclamation of emergency concerning drinking water is issued in the current or immediately preceding 5 fiscal years under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. From the funding appropriated in section 11, there is allocated for 2020-2021 $100.00 from the water emergency reserve fund for the purposes of this section.

(2) From the general fund money allocated in subsection (1), there is allocated to a district with the majority of its territory located within the boundaries of a city in which an executive proclamation of emergency is issued in the current or immediately preceding 5 fiscal years and that has at least 4,500 pupils in membership for the 2016-2017 fiscal year or has at least 3,000 pupils in membership for a fiscal year after 2016-2017, an amount not to exceed $2,425,000.00 for 2020-2021 for the purpose of employing school nurses, classroom aides, and school social workers. The district shall provide a report to the department in a form, manner, and frequency prescribed by the department. The department shall provide a copy of that report to the governor, the house and senate school aid subcommittees, the house and senate fiscal agencies, and the state budget director within 5 days after receipt. The report must provide at least the following information:

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

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

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

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

(3) For 2020-2021 only, from the state school aid fund money allocated in subsection (1), there is allocated an amount not to exceed $2,400,000.00 to an intermediate district that has a constituent district described in subsection (2) to provide state early intervention services for children described in subsection (1) who are between age 3 and age 5. The intermediate district shall use these funds to provide state early intervention services that are similar to the services described in the early on Michigan state plan, including ensuring that all children described in subsection (1) who are less than 4 years of age as of September 1, 2016 are assessed and evaluated at least twice annually.

(4) From the state school aid fund money allocated in subsection (1), there is allocated an amount not to exceed $1,000,000.00 for 2020-2021 to the intermediate district described in subsection (3) to enroll children described in subsection (1) in school-day great start readiness programs, regardless of household income eligibility requirements contained in section 32d. The department shall administer this funding consistent with all other provisions that apply to great start readiness programs under sections 32d and 39.

(5) For 2020-2021, from the general fund money allocated in subsection (1), there is allocated an amount not to exceed $650,000.00 for nutritional services to children described in subsection (1).

(6) For 2020-2021, from the state school aid fund money allocated in subsection (1), there is allocated an amount not to exceed $1,600,000.00 to the intermediate district described in subsection (3) for interventions and supports for students in K to 12 who were impacted by an executive proclamation of emergency described in subsection (1) concerning drinking water. Funds under this subsection must be used for behavioral supports, social workers, counselors, psychologists, nursing services, including, but not limited to, vision and hearing services, transportation services, parental engagement, community coordination, and other support services.

(7) In addition to other funding allocated and appropriated in this section, there is appropriated an amount not to exceed $5,000,000.00 for 2020-2021 for state restricted contingency funds. These contingency funds are not available for expenditure until they have been transferred to a section within this article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(8) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

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

(2) If the result of an audit conducted by or for the department affects the current fiscal year membership, the department shall adjust affected payments in the current fiscal year. A deduction due to an adjustment made as a result of an audit conducted by or for the department, or as a result of information obtained by the department from the district, an intermediate district, the department of treasury, or the office of auditor general, must be deducted from the district's apportionments when the adjustment is finalized. At the request of the district and upon the district presenting evidence satisfactory to the department of the hardship, the department may grant up to an additional 4 years for the adjustment and may advance payments to the district otherwise authorized under this article if the district would otherwise experience a significant hardship in satisfying its financial obligations. However, a district that presented satisfactory evidence of hardship and was undergoing an extended adjustment during 2018-2019 may continue to use the period of extended adjustment as originally granted by the department.

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

(4) If the department makes an adjustment under this section based in whole or in part on a membership audit finding that a district or intermediate district employed an educator in violation of certification requirements under the revised school code and rules promulgated by the department, the department shall prorate the adjustment according to the period of noncompliance with the certification requirements.

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

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

(7) In addition to funds appropriated in section 11 for all programs and services, there is appropriated for 2020-2021 for obligations in excess of applicable appropriations an amount equal to the collection of overpayments, but not to exceed amounts available from overpayments.

Sec. 17c. (1) Except as otherwise provided under this article, the department shall do both of the following for funds appropriated under this article for grants distributed by the department to districts, intermediate districts, and eligible entities:

(a) Open the grant application for funds appropriated for the immediately succeeding fiscal year by not later than September 1 of the current fiscal year or 30 calendar days after the state school aid budget for the immediately succeeding fiscal year is enacted into law, whichever occurs later. The department shall also provide to districts, intermediate districts, and eligible entities, and post on its publicly accessible website, the grant application and award process schedule and the list of state grants and contracts available in the immediately succeeding fiscal year.

(b) Publish grant awards for funds appropriated in the current fiscal year by not later than December 1 of the current fiscal year.

(2) Information for grants awarded from funds appropriated under this article for the immediately succeeding fiscal year must be placed on the state board agenda in August of the current fiscal year or in the month immediately following the month in which the state school aid budget for the immediately succeeding fiscal year is enacted into law, whichever occurs later.

Sec. 18. (1) Except as provided in another section of this article, each district or other entity shall apply the money received by the district or entity under this article to salaries and other compensation of teachers and other employees, tuition, transportation, lighting, heating, ventilation, water service, the purchase of textbooks, other supplies, and any other school operating expenditures defined in section 7. However, not more than 20% of the total amount received by a district under sections 22a and 22b or received by an intermediate district under section 81 may be transferred by the board to either the capital projects fund or to the debt retirement fund for debt service. A district or other entity shall not apply or take the money for a purpose other than as provided in this section. The department shall determine the reasonableness of expenditures and may withhold from a recipient of funds under this article the apportionment otherwise due upon a violation by the recipient. A district must not be prohibited or limited from using funds appropriated or allocated under this article that are permitted for use for noninstructional services to contract or subcontract with an intermediate district, third party, or vendor for the noninstructional services.

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

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

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

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

(A) Salaries and wages.

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

(C) Retirement benefit costs.

(D) All other personnel costs.

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

(A) Instruction.

(B) Support services.

(C) Business and administration.

(D) Operations and maintenance.

(c) Links to all of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) All of the following must be done not later than November 1 each year for reporting the prior fiscal year data, but, for 2020-2021 only, not later than December 1 for reporting the 2019-2020 data:

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

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

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

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

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

(5) By the first business day in November of each fiscal year, but, for submission of the 2019-2020 annual comprehensive financial data described in this subsection, by the first business day in December, each district and intermediate district shall submit to the center, in a manner prescribed by the center, annual comprehensive financial data consistent with the district's or intermediate district's audited financial statements and consistent with accounting manuals and charts of accounts approved and published by the department. For an intermediate district, the report must also contain the website address where the department can access the report required under section 620 of the revised school code, MCL 380.620. The department shall ensure that the prescribed Michigan public school accounting manual chart of accounts includes standard conventions to distinguish expenditures by allowable fund function and object. The functions must include at minimum categories for

instruction, pupil support, instructional staff support, general administration, school administration, business administration, transportation, facilities operation and maintenance, facilities acquisition, and debt service; and must include object classifications of salary, benefits, including categories for active employee health expenditures, purchased services, supplies, capital outlay, and other. A district shall report the required level of detail consistent with the manual as part of the comprehensive annual financial report.

(6) By the last business day in September of each year, each district and intermediate district shall file with the center the special education actual cost report, known as "SE-4096", on a form and in the manner prescribed by the center. An intermediate district shall certify the audit of a district's report.

(7) By not later than 1 week after the last business day in September of each year, each district and intermediate district shall file with the center the audited transportation expenditure report, known as "SE-4094", on a form and in the manner prescribed by the center. An intermediate district shall certify the audit of a district's report.

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

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

(10) If a district or intermediate district does not comply with subsections (4), (5), (6), (7), and (12), or if the department determines that the financial data required under subsection (5) are not consistent with audited financial statements, the department shall withhold all state school aid due to the district or intermediate district under this article, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsections (4), (5), (6), (7), and (12). If the district or intermediate district does not comply with subsections (4), (5), (6), (7), and (12) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

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

(12) By November 1 of each year, if a district or intermediate district offers virtual learning under section 21f, or for a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, the district or intermediate district shall submit to the department a report that details the per-pupil costs of operating the virtual learning by vendor type and virtual learning model. The report must include information concerning the operation of virtual learning for the immediately preceding school fiscal year, including information concerning summer programming. Information must be collected in a form and manner determined by the department and must be collected in the most efficient manner possible to reduce the administrative burden on reporting entities.

(13) By March 31 of each year, the department shall submit to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a report summarizing the per-pupil costs by vendor type of virtual courses available under section 21f and virtual courses provided by a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551.

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

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

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

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

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

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

(16) Beginning October 1, 2020, and annually thereafter, the department shall submit to the senate and house subcommittees on state school aid and to the senate and house standing committees on education an itemized list of allocations under this article to any association or consortium consisting of associations in the immediately preceding fiscal year. The report must detail the recipient or recipients, the amount allocated, and the purpose for which the funds were distributed.

Sec. 18a. Except as otherwise provided in this article, grant funds awarded and allotted to a district, intermediate district, or other entity, unless otherwise specified in this article, must be expended by the grant recipient before the end of the fiscal year immediately following the fiscal year in which the funds are received. Except as otherwise provided in this article, if a grant recipient does not expend the funds received under this article before the end of the fiscal year in which the funds are received, the grant recipient shall submit a report to the department not later than November 1 after the fiscal year in which the funds are received indicating whether it expects to expend those funds during the fiscal year in which the report is submitted. Except as otherwise provided in this article, a recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 after the fiscal year in which the funds are received.

Sec. 20. (1) For 2020-2021, both of the following apply:

(a) The target foundation allowance is $8,529.00.

(b) The minimum foundation allowance is $8,111.00.

(2) The department shall calculate the amount of each district's foundation allowance as provided in this section, using a target foundation allowance in the amount specified in subsection (1).

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

(a) Except as otherwise provided in this subdivision, for a district that had a foundation allowance for the immediately preceding fiscal year that was at least equal to the minimum foundation allowance for the immediately preceding fiscal year, but less than the target foundation allowance for the immediately preceding fiscal year, the district receives a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding fiscal year to the current fiscal year made in the target foundation allowance and [(the difference between the target foundation allowance for the current fiscal year and target foundation allowance for the immediately preceding fiscal year minus $40.00) times (the difference between the district's foundation allowance for the immediately preceding fiscal year and the minimum foundation allowance for the immediately preceding fiscal year) divided by the difference between the target foundation allowance for the current fiscal year and the minimum foundation allowance for the immediately preceding fiscal year.] However, the foundation allowance for a district that had less than the target foundation allowance for the immediately preceding fiscal year must not exceed the target foundation allowance for the current fiscal year.

(b) Except as otherwise provided in this subsection, for a district that in the immediately preceding fiscal year had a foundation allowance in an amount equal to the amount of the target foundation allowance for the immediately preceding fiscal year, the district receives a foundation allowance for 2020-2021 in an amount equal to the target foundation allowance for 2020-2021.

(c) For a district that had a foundation allowance for the immediately preceding fiscal year that was greater than the target foundation allowance for the immediately preceding fiscal year, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding fiscal year plus the lesser of the increase in the target foundation allowance for the current fiscal year, as compared to the immediately preceding fiscal year, or the product of the district's foundation allowance for the immediately preceding fiscal year times the percentage increase in the United States Consumer Price Index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

(d) For a district that has a foundation allowance that is not a whole dollar amount, the department shall round the district's foundation allowance up to the nearest whole dollar.

(4) Except as otherwise provided in this subsection, beginning in 2014-2015, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or the target foundation allowance for the current fiscal year, whichever is less, minus the local portion of the district's foundation allowance. For a district described in subsection (3)(c), beginning in 2014-2015, the state portion of the district's foundation allowance is an amount equal to $6,962.00 plus the difference between the district's foundation allowance for the current fiscal year and the district's foundation allowance for 1998-99, minus the local portion of the district's foundation allowance. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the department shall calculate the state portion of the district's foundation allowance as if that reduction did not occur. For a receiving district, if school operating taxes continue to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, the taxable value per membership pupil of property in the receiving district used for the purposes of this subsection does not include the taxable value of property within the geographic area of the dissolved district. For a community district, if school operating taxes continue to be levied by a qualifying school district under section 12b of the revised school code,

MCL 380.12b, with the same geographic area as the community district, the taxable value per membership pupil of property in the community district to be used for the purposes of this subsection does not include the taxable value of property within the geographic area of the community district.

(5) The allocation calculated under this section for a pupil is based on the foundation allowance of the pupil's district of residence. For a pupil enrolled pursuant to section 105 or 105c in a district other than the pupil's district of residence, the allocation calculated under this section is based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation calculated under this section is based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence.

(6) Except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy equal to the minimum foundation allowance specified in subsection (1). Notwithstanding section 101, for a public school academy that begins operations after the pupil membership count day, the amount per membership pupil calculated under this subsection must be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation must not exceed the amount per membership pupil otherwise calculated under this subsection.

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

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

(9) The department shall round each fraction used in making calculations under this section to the fourth decimal place and shall round the dollar amount of an increase in the target foundation allowance to the nearest whole dollar.

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

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

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

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

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

(12) Payments to districts and public school academies are not made under this section. Rather, the calculations under this section are used to determine the amount of state payments under section 22b.

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

(14) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(p) "Tax increment financing acts" means parts 2, 3, 4, and 6 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4201 to 125.4420 and 125.4602 to 125.4629, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

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

Sec. 20d. In making the final determination required under former section 20a of a district's combined state and local revenue per membership pupil in 1993-94 and in making calculations under section 20 for 2020-2021, the department and the department of treasury shall comply with all of the following:

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

(b) If a district had an adjustment made to its 1993-94 total state school aid that excluded payments made under former section 146 and under section 147 on behalf of the district's employees who provided direct services for intermediate district center programs operated by the district under sections 51 to 56, if nonresident pupils attending the center programs were included in the district's membership for purposes of calculating the combined state and local revenue per membership pupil for 1993-94, and if there is a signed agreement by all constituent districts of the intermediate district agreeing to an adjustment under this subdivision, the department shall calculate the foundation allowances for 1995-96 and 1996-97 of all districts that had pupils attending the intermediate district center program operated by the district that had the adjustment as if their combined state and local revenue per membership pupil for 1993-94 included resident pupils attending the center program and excluded nonresident pupils attending the center program.

Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed $18,000,000.00 for 2020-2021 for payments to eligible districts under this section.

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

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

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

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

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

(4) The funding under this subsection is from the allocation under subsection (1). A district is eligible for funding under this subsection if the sum of the following is less than $25.00:

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

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

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

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

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

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

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

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

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

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

Sec. 21h. (1) From the appropriation in section 11, there is allocated $6,137,400.00 for 2020-2021 for assisting districts assigned by the superintendent to participate in a partnership and districts that have established a community engagement advisory committee in partnership with the department of treasury, are required to submit a deficit elimination plan or an enhanced deficit elimination plan under section 1220 of the revised school code, MCL 380.1220, and are located in a city with a population between 9,000 and 11,000 that is in a county with a population between 155,000 and 160,000 to improve student achievement and district financial stability. The superintendent shall collaborate with the state treasurer to identify any conditions that may be contributing to low academic performance within a district being considered for assignment to a partnership. The purpose of the partnership is to identify district needs, develop intervention plans, and partner with public, private, and nonprofit organizations to coordinate resources and improve student achievement. Assignment of a district to a partnership is made by the superintendent in consultation with the state treasurer.

(2) A district described in subsection (1) is eligible for funding under this section if the district includes at least 1 school that has been identified as low performing under the approved federal accountability system or the state accountability system. A district described in this subsection must do all of the following to be eligible for funding under this section:

(a) For a partnership district under this section, within 90 days of assignment to the partnership described in this section, and for a district described in subsection (1) that is not a partnership district under this section, by October 15 of each year, complete a comprehensive needs assessment or evaluation in collaboration with an intermediate district, community members, education organizations, and postsecondary institutions, as applicable, that is approved by the superintendent. The comprehensive needs assessment or evaluation must include at least all of the following:

(*i*) A review of the district's implementation and utilization of a multi-tiered system of supports to ensure that it is used to appropriately inform instruction.

(*ii*) A review of the district and school building leadership and educator capacity to substantially improve student outcomes.

(*iii*) A review of classroom, instructional, and operational practices and curriculum to ensure alignment with research-based instructional practices and state curriculum standards.

(b) Develop an academic and financial operating or intervention plan that has been approved by the superintendent and that addresses the needs identified in the comprehensive needs assessment or evaluation completed under subdivision (a). The intervention plan must include at least all of the following:

(*i*) Specific actions that will be taken by the district and each of its partners to improve student achievement.

(*ii*) Specific measurable benchmarks that will be met within 18 months to improve student achievement and identification of expected student achievement outcomes to be attained within 3 years after assignment to the partnership.

(c) Craft academic goals that put pupils on track to meet or exceed grade level proficiency.

(3) Upon approval of the academic and financial operating or intervention plan developed under subsection (2), the department, in collaboration with the department of treasury, shall assign a team of individuals with expertise in comprehensive school and district reform to partner with the district, the intermediate district, community organizations, education organizations, and postsecondary institutions identified in the academic and financial operating or intervention plan to review the district's use of existing financial resources to ensure that those resources are being used as efficiently and effectively as possible to improve student academic achievement and to ensure district financial stability. The superintendent of public instruction may waive burdensome administrative rules for a partnership district for the duration of the partnership agreement and for a district described in subsection (1) that is not a partnership district under this section and that receives funding under this section in the current fiscal year.

(4) Funds allocated under this section, excluding funds allocated under subsection (5), may be used to pay for district expenditures approved by the superintendent to improve student achievement. Funds may be used for professional development for teachers or district or school leadership, increased instructional time, teacher mentors, or other expenditures that directly impact student achievement and cannot be paid from existing district financial resources. An eligible district must not receive funds under this section for more than 3 years. Notwithstanding section 17b, the department shall make payments to districts under this section on a schedule determined by the department.

(5) From the funds allocated under subsection (1), there is allocated for 2020-2021 an amount not to exceed $137,400.00 for the purchase of a data analytics tool to be used by districts described in subsection (1). The superintendent of public instruction shall require districts described in subsection (1) to purchase a data analytics tool funded under this subsection as part of the agreements described in this section.

(6) The department, in consultation with the department of treasury, shall annually report to the legislature on the activities funded under this section and how those activities impacted student achievement in districts that received funds under this section. To the extent possible, participating districts receiving funding under this section shall participate in the report.

Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount not to exceed $4,916,000,000.00 for 2019-2020 and there is allocated an amount not to exceed $4,880,500,000.00 for 2020-2021 for payments to districts and qualifying public school academies to guarantee each district and qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. Funds allocated under this section that are not expended in the fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c to fully fund those allocations for the same fiscal year. For each fund transfer as described in the immediately preceding sentence that occurs, the state budget director shall send notification of the transfer to the house and senate appropriations subcommittees on state school aid and the house and senate fiscal agencies by not later than 14 calendar days after the transfer occurs.

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

(a) Except as otherwise provided in this subsection, the state portion of a district's 1994-95 foundation allowance is an amount equal to the district's 1994-95 foundation allowance or $6,500.00, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the district that is nonexempt property times the district's certified mills and, for a district with certified mills exceeding 12, the product of the taxable value per membership pupil of property in the district that is commercial personal property times the certified mills minus 12 mills and the quotient of the ad valorem property tax revenue of the district captured under tax increment financing acts divided by the district's membership. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the department shall calculate the state portion of the district's foundation allowance as if that reduction did not occur. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, taxable value per membership pupil of all property in the receiving district that is nonexempt property and taxable value per membership pupil of property in the receiving district that is commercial personal property do not include property within the geographic area of the dissolved district; ad valorem property tax revenue of the receiving district captured under tax increment financing acts does not include ad valorem property tax revenue captured within the geographic boundaries of the dissolved district under tax increment financing acts; and certified mills do not include the certified mills of the dissolved district. For a community district, the department shall reduce the allocation as otherwise calculated under this section by an amount equal to the amount of local school operating tax revenue that would otherwise be due to the community district if not for the operation of section 386 of the revised school code, MCL 380.386, and the amount of this reduction is offset by the increase in funding under section 22b(2).

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

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

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

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

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

(7) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

(m) "Tax increment financing acts" means parts 2, 3, 4, and 6 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4201 to 125.4420 and 125.4602 to 125.4629, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

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

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

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

Sec. 22b. (1) For discretionary nonmandated payments to districts under this section, there is allocated for 2019-2020 an amount not to exceed $4,499,100,000.00 from the state school aid fund and general fund appropriations in section 11 and an amount not to exceed $75,900,000.00 from the community district education trust fund appropriation in section 11, and there is allocated for 2020-2021 an amount not to exceed $4,488,800,000.00 from the state school aid fund and general fund appropriations in section 11 and an amount not to exceed $77,700,000.00 from the community district education trust fund appropriation in section 11. Except for money allocated under this section from the community district education trust fund appropriation in section 11, funds allocated under this section that are not expended in the fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c to fully fund those allocations for the same fiscal year. For each fund transfer as described in the immediately preceding sentence that occurs, the state budget director shall send notification of the transfer to the house and senate appropriations subcommittees on state school aid and the house and senate fiscal agencies by not later than 14 calendar days after the transfer occurs.

(2) Subject to subsection (3) and section 296, the allocation to a district under this section is an amount equal to the sum of the amounts calculated under sections 20, 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the district under sections 22a and 51c. For a community district, the allocation as otherwise calculated under this section is increased by an amount equal to the amount of local school operating tax revenue that would otherwise be due to the community district if not for the operation of section 386 of the revised school code, MCL 380.386, and this increase must be paid from the community district education trust fund allocation in subsection (1) in order to offset the absence of local school operating revenue in a community district in the funding of the state portion of the foundation allowance under section 20(4).

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

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

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

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

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

(e) Comply with section 21f.

(f) For a district that has entered into a partnership agreement with the department, comply with section 22p.

(g) For a district that offers kindergarten, comply with section 104(4).

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

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

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

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

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

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

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

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

Sec. 22d. (1) From the state school aid fund money appropriated under section 11, an amount not to exceed $7,000,000.00 is allocated for 2020-2021 for supplemental payments to rural districts under this section.

(2) From the allocation under subsection (1), there is allocated for 2020-2021 an amount not to exceed $957,300.00 for payments under this subsection to districts that meet all of the following:

(a) Operates grades K to 12.

(b) Has fewer than 250 pupils in membership.

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

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

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

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

(4) Subject to subsection (6), from the allocation in subsection (1), there is allocated for 2020-2021 an amount not to exceed $6,042,700.00 for payments under this subsection to districts that have fewer than 10.0 pupils per square mile as determined by the department.

(5) The funds allocated under subsection (4) are allocated as follows:

(a) An amount equal to $5,200,000.00 is allocated to districts with fewer than 8.0 pupils per square mile, as determined by the department, on an equal per-pupil basis.

(b) The balance of the funding under subsection (4) is allocated as follows:

(*i*) For districts with at least 8.0 but fewer than 9.0 pupils per square mile, as determined by the department, the allocation is an amount per pupil equal to 75% of the per-pupil amount allocated to districts under subdivision (a).

(*ii*) For districts with at least 9.0 but fewer than 10.0 pupils per square mile, as determined by the department, the allocation is an amount per pupil equal to 50% of the per-pupil amount allocated to districts under subdivision (a).

(c) If the total funding allocated under subdivision (b) is not sufficient to fully fund payments as calculated under that subdivision, the department shall prorate payments to districts under subdivision (b) on an equal per-pupil basis.

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

Sec. 22m. (1) From the appropriations in section 11, there is allocated for 2020-2021 an amount not to exceed $2,200,000.00 for supporting the integration of local data systems into the Michigan data hub network based on common standards and applications that are in compliance with section 19(6).

(2) An entity that is the fiscal agent for no more than 5 consortia of intermediate districts that previously received funding from the technology readiness infrastructure grant under former section 22i for the purpose of establishing regional data hubs that are part of the Michigan data hub network is eligible for funding under this section.

(3) The center shall work with an advisory committee composed of representatives from intermediate districts within each of the data hub regions to coordinate the activities of the Michigan data hub network.

(4) The center, in collaboration with the Michigan data hub network, shall determine the amount of funds distributed under this section to each participating regional data hub within the network, based upon a competitive grant process. The center shall ensure that the entities receiving funding under this section represent geographically diverse areas in this state.

(5) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the center.

(6) To receive funding under this section, a regional data hub must have a governance model that ensures local control of data, data security, and student privacy issues. The integration of data within each of the regional data hubs must provide for the actionable use of data by districts and intermediate districts through common reports and dashboards and for efficiently providing information to meet state and federal reporting purposes.

(7) Participation in a data hub region in the Michigan data hub network under this section is voluntary and is not required.

(8) Entities receiving funding under this section shall use the funds for all of the following:

(a) Creating an infrastructure that effectively manages the movement of data between data systems used by intermediate districts, districts, and other educational organizations in Michigan based on common data standards to improve student achievement.

(b) Utilizing the infrastructure to put in place commonly needed integrations, reducing cost and effort to do that work while increasing data accuracy and usability.

(c) Promoting the use of a more common set of applications by promoting systems that integrate with the Michigan data hub network.

(d) Promoting 100% district adoption of the Michigan data hub network by September 30, 2021.

(e) Ensuring local control of data, data security, and student data privacy.

(f) Utilizing the infrastructure to promote the actionable use of data through common reports and dashboards that are consistent statewide.

(g) Creating a governance model to facilitate sustainable operations of the infrastructure in the future, including administration, legal agreements, documentation, staffing, hosting, and funding.

(h) Evaluating future data initiatives at all levels to determine whether the initiatives can be enhanced by using the standardized environment in the Michigan data hub network.

(9) Not later than January 1 of each fiscal year, the center shall prepare a summary report of information provided by each entity that received funds under this section that includes measurable outcomes based on the objectives described under this section and a summary of compiled data from each entity to provide a means to evaluate the effectiveness of the project. The center shall submit the report to the house and senate appropriations subcommittees on state school aid and to the house and senate fiscal agencies.

Sec. 22p. (1) Subject to subsection (2), in order to receive funding under section 22b, a district or public school academy that is assigned by the superintendent of public instruction as a partnership district must have a signed 3-year partnership agreement with the department that includes all of the following:

(a) Measurable academic outcomes that the district or public school academy will achieve for each school operated by the district or public school academy that is subject to the partnership agreement after 18 months and after 36 months from the date the agreement was originally signed. Measurable academic outcomes under this subdivision must include all of the following:

(*i*) Outcomes that put pupils on track to meet or exceed grade level proficiency and that are based on district or public school academy needs identified as required under section 21h.

(*ii*) Either of the following, as applicable:

(A) At least 1 proficiency or growth outcome based on state assessments described in section 104b or 104c.

(B) For 2020-2021 only, at least 1 proficiency or growth outcome based on a benchmark assessment described in section 104.

(b) Accountability measures to be imposed if the district or public school academy does not achieve the measurable academic outcomes described in subdivision (a) for each school operated by the district or public school academy that is subject to the partnership agreement. For a district assigned as a partnership district as described in this subsection, accountability measures under this subdivision must include the reconstitution of the school. For a public school academy assigned as a partnership district as described in this subsection, accountability measures under this subdivision may include the reconstitution of the school.

(c) For a public school academy assigned as a partnership district as described in this subsection, a requirement that, if reconstitution is imposed on a school that is operated by the public school academy and that is subject to the partnership agreement, the school must be reconstituted as described in section 507, 528, or 561, as applicable, of the revised school code, MCL 380.507, 380.528, and 380.561.

(d) For a district assigned as a partnership district as described in this subsection, a provision that, if reconstitution is imposed on a school that is operated by the district and that is subject to the partnership agreement, reconstitution may require closure of the school building, but, if the school building remains open, reconstitution must include, but is not limited to, all of the following:

(*i*) The district shall make significant changes to the instructional and noninstructional programming of the school based on the needs identified through a comprehensive review of data in compliance with section 21h.

(*ii*) The district shall review whether the current principal of the school should remain as principal or be replaced.

(*iii*) The reconstitution plan for the school must require the adoption of goals similar to the goals included in the partnership agreement, with a limit of 3 years to achieve the goals. If the goals are not achieved within 3 years, the superintendent of public instruction shall impose a second reconstitution plan.

(2) If a district or public school academy is assigned as a partnership district as described in subsection (1) during the current fiscal year, it shall ensure that it has a signed partnership agreement as described in subsection (1) in place by not later than 90 days after the date that it is assigned as a partnership district. If a district or public school academy described in this subsection does not comply with this subsection, the department shall withhold funding under section 22b for that district or public school academy until the district or public school academy has a signed partnership agreement as described in subsection (1) in place.

Sec. 24. (1) From the appropriation in section 11, there is allocated for 2020-2021 an amount not to exceed $7,150,000.00 for payments to the educating district or intermediate district for educating pupils assigned by a court or the department of health and human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of health and human services and approved by the department to provide an on-grounds education program. The amount of the payment under this section to a district or intermediate district is calculated as prescribed under subsection (2).

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

(a) "Added cost" means 100% of the added cost each fiscal year for educating all pupils assigned by a court or the department of health and human services to reside in or to attend a juvenile detention facility or child caring

institution licensed by the department of health and human services or the department of licensing and regulatory affairs and approved by the department to provide an on-grounds education program. Added cost is computed by deducting all other revenue received under this article for pupils described in this section from total costs, as approved by the department, in whole or in part, for educating those pupils in the on-grounds education program or in a program approved by the department that is located on property adjacent to a juvenile detention facility or child caring institution. Costs reimbursed by federal funds are not included.

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

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

(4) Special education pupils funded under section 53a are not funded under this section.

Sec. 24a. From the appropriation in section 11, there is allocated an amount not to exceed $1,355,700.00 for 2020-2021 for payments to intermediate districts for pupils who are placed in juvenile justice service facilities operated by the department of health and human services. The amount of the payment to each intermediate district is an amount equal to the state share of those costs that are clearly and directly attributable to the educational programs for pupils placed in facilities described in this section that are located within the intermediate district's boundaries. The intermediate districts receiving payments under this section shall cooperate with the department of health and human services to ensure that all funding allocated under this section is utilized by the intermediate district and department of health and human services for educational programs for pupils described in this section. Pupils described in this section are not eligible to be funded under section 24. However, a program responsibility or other fiscal responsibility associated with these pupils must not be transferred from the department of health and human services to a district or intermediate district unless the district or intermediate district consents to the transfer.

Sec. 25f. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $1,600,000.00 for 2020-2021 for payments to strict discipline academies established under sections 1311b to 1311m of the revised school code, MCL 380.1311b to 380.1311m, as provided under this section.

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

(3) The total amount allocated to a strict discipline academy under this section must first be distributed as the lesser of the strict discipline academy's added cost or the department's approved per-pupil allocation for the strict discipline academy. Any funds remaining after the first distribution must be distributed by prorating on an equal per-pupil membership basis, not to exceed a strict discipline academy's added cost. However, the sum of the amounts received by a strict discipline academy under this section and under section 24 must not exceed the product of the strict discipline academy's per-pupil allocation calculated under section 20 multiplied by the strict discipline academy's full-time equated membership. The department shall allocate funds to strict discipline academies under this section on a monthly basis. For the purposes of this subsection:

(a) "Added cost" means 100% of the added cost each fiscal year for educating all pupils enrolled and in regular daily attendance at a strict discipline academy. Added cost must be computed by deducting all other revenue received under this article for pupils described in this subsection from total costs, as approved by the department, in whole or in part, for educating those pupils in a strict discipline academy. The department shall include all costs including, but not limited to, educational costs, insurance, management fees, technology costs, legal fees, auditing fees, interest, pupil accounting costs, and any other administrative costs necessary to operate the program or to comply with statutory requirements. Costs reimbursed by federal funds are not included.

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

(4) Special education pupils funded under section 53a are not funded under this section.

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

(6) The department shall make payments to districts under this section according to the payment schedule under section 17b.

Sec. 25g. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $750,000.00 for 2020-2021 for the purposes of this section. Except as otherwise provided in this section, if the operation of the special membership counting provisions under section 6(4)(dd) and the other membership counting provisions under section 6(4) result in a pupil being counted as more than 1.0 FTE in a fiscal year, then the payment made for the pupil under sections 22a and 22b must not be based on more than 1.0 FTE for that pupil, and that portion of the FTE that exceeds 1.0 is paid under this section in an amount equal to that portion multiplied by the educating district's foundation allowance or per-pupil payment calculated under section 20.

(2) Special education pupils funded under section 53a are not funded under this section.

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

(4) The department shall make payments to districts under this section according to the payment schedule under section 17b.

Sec. 25i. (1) From the general fund money appropriated in section 11, there is allocated for 2020-2021 an amount not to exceed $2,000,000.00 for an eligible attendance recovery program as described in subsection (3). The funds allocated under this section must be used to administer an eligible attendance recovery program for all districts that opt into the program to serve eligible pupils described in subsection (2).

(2) A pupil who meets any of the following and who is enrolled in a district that opts into the attendance recovery program funded under this section is an eligible pupil under this section:

(a) The pupil did not engage in the district's remote continuous education offerings in spring 2020.

(b) The pupil needs intervention based on his or her absences or consistent disengagement in classes.

(c) The pupil is in danger of failing 1 or more classes.

(d) The pupil is eligible under the McKinney-Vento homelessness assistance act, Public Law 100-77, or is in foster care.

(e) The pupil's family requires financial or social support.

(f) The pupil has disengaged in his or her education, is attending school irregularly, or is not progressing in his or her coursework.

(3) An attendance recovery program that meets all of the following is an eligible attendance recovery program under this section:

(a) Reflects experience and successful outcomes running statewide student recovery programs.

(b) Has, at a minimum, 2 years of experience working with this state's local education agencies.

(c) Has multimodal contact capabilities that include, but are not limited to, a call center, electronic mail, text, social-media matching, and public service announcements.

(d) Reflects experience in assisting at-risk students in overcoming learning barriers in a remote or online learning environment.

(e) Has the ability to scale to provide outreach to at least 20,000 students before the end of 2020.

(4) The department shall choose and designate the provider of the eligible attendance recovery program under this section by not later than November 1, 2020. The provider chosen and designated by the department under this subsection must do all of the following:

(a) Work with the department to notify districts about the program and provide technical assistance to districts interested in opting in.

(b) Work with each district to obtain contact information for each eligible pupil.

(c) Provide outreach using differentiated treatment strategies to pupils and families using multiple modalities that may include phone, text, social media, electronic mail, and traditional mail, to find and engage eligible pupils.

(d) Implement a culturally and linguistically responsive outreach and support plan. Elements of the plan must include differentiated outreach and ongoing coaching strategies to families to ensure cultural and linguistic relevance.

(e) Use information about barriers to engagement gathered from pupils and families to assign eligible pupils to an ongoing support level. Ongoing support levels described in this subdivision must include a minimum of 3 support tiers following the general design of response to intervention (RTI) models.

(f) For eligible pupils and their families, provide a coach to deliver interventions in accordance with the pupil's needs and the framework of his or her assigned ongoing support level.

(g) Report weekly to each district that has opted into the program and to the department with metrics agreed upon by the provider and the department.

(5) Notwithstanding section 17b, the department shall make payments under this section by not later than December 1, 2020.

Sec. 25j. (1) From the state school aid fund money appropriated in section 11, there is allocated $2,000,000.00 to intermediate districts for 2020-2021 to be used for the purposes described in subsection (3).

(2) The funding provided to each intermediate district under this section must be based on the number of pupils within the intermediate district who are economically disadvantaged in proportion to the number of economically disadvantaged pupils statewide.

(3) An intermediate district that receives a payment from funds allocated under subsection (1) shall use the funding to support districts that offered in-person instruction at the beginning of the 2019-2020 fiscal year but that began the 2020-2021 fiscal year utilizing a virtual-only mode of instruction or a hybrid of in-person and a virtual mode of instruction. Funds allocated under subsection (1) must be used for the following purposes:

(a) To meet the unique needs of students with an individualized education program.

(b) To address increased numbers of chronically absent pupils, as applicable.

(c) To offer child care solutions for elementary-aged students.

(4) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

(5) As used in this section, "economically disadvantaged" means that term as defined in section 31a.

Sec. 26a. From the funds appropriated in section 11, there is allocated an amount not to exceed $15,300,000.00 for 2020-2021 to reimburse districts and intermediate districts under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2020. The department shall pay the allocations not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

Sec. 26b. (1) From the appropriation in section 11, there is allocated an amount not to exceed $4,645,000.00 for 2020-2021 for payments to districts, intermediate districts, and community college districts for the portion of the payment in lieu of taxes obligation that is attributable to districts, intermediate districts, and community college districts under section 2154 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

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

Sec. 26c. (1) From the state school aid fund money appropriated under section 11, there is allocated an amount not to exceed $9,700,000.00 for 2020-2021 to the promise zone fund created in subsection (3). The funds allocated under this section reflect the amount of revenue from the collection of the state education tax captured under section 17 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1677.

(2) Funds allocated to the promise zone fund under this section must be used solely for payments to eligible districts and intermediate districts, in accordance with section 17 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1677, that have a promise zone development plan approved by the department of treasury under section 7 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1667. Eligible districts and intermediate districts shall use payments made under this section for reimbursement for qualified educational expenses as defined in section 3 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1663.

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

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

(b) Money in the promise zone fund at the close of a fiscal year remains in the promise zone fund and does not lapse to the general fund.

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

(5) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

Sec. 28. (1) To recognize differentiated instructional costs for different types of pupils in 2020-2021, the following sections provide a weighted foundation allocation or an additional payment of some type in the following amounts, as allocated under those sections:

(a) Section 22d, isolated and rural districts, $7,000,000.00.

(b) Section 31a, at risk, standard programming, $510,000,000.00.

(c) Section 31a, at risk, additional payment, $12,000,000.00.

(d) Section 41, bilingual education for English language learners, $13,000,000.00.

(e) Section 51c, special education, mandated percentages, $713,400,000.00.

(f) Section 51f, special education, additional percentages, $60,207,000.00.

(g) Section 61a, career and technical education, standard reimbursement, $37,611,300.00.

(h) Section 61d, career and technical education incentives, $5,000,000.00.

(2) The funding described in subsection (1) is not a separate allocation of any funding but is instead a listing of funding allocated in the sections listed in subsection (1).

Sec. 29a. (1) From the state school aid fund money appropriated under section 11, there is allocated for 2020-2021 an amount not to exceed $66,000,000.00 for payments as provided under this section to eligible districts described in subsection (2).

(2) A district for which its 2020-2021 pupils in membership exceeds the calculation of membership for that district under section 6(4) for 2020-2021 is an eligible district under this section.

(3) The payment to each eligible district under this section must be equal to the lesser of the eligible district's foundation allowance or the target foundation allowance multiplied by the difference between the eligible district's 2020-2021 pupils in membership and the eligible district's membership for 2020-2021 as calculated under section 6(4).

(4) If funds allocated under this section are insufficient to fully fund the calculations under this section, the department shall apply proration of an equal dollar amount per pupil.

(5) As used in this section, "2020-2021 pupils in membership" means the sum of (the product of .90 times the number of full-time equated pupils engaged in pandemic learning for fall 2020 or, for a district that is a public school academy that operates as a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance in the district on pupil membership count day for the current school year) and (the product of .10 times the final audited count from the supplemental count day of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance in the district for the immediately preceding school year).

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2020-2021 an amount not to exceed $535,150,000.00 for payments to eligible districts and eligible public school academies for the purposes of ensuring that pupils are proficient in English language arts by the end of grade 3, that pupils are proficient in mathematics by the end of grade 8, that pupils are attending school regularly, that high school graduates are career and college ready, and for the purposes under subsections (7) and (8).

(2) For a district that has combined state and local revenue per membership pupil under section 20 that is greater than the target foundation allowance under section 20 for the current fiscal year and that, for the immediately preceding fiscal year, had combined state and local revenue per membership pupil under section 20 that was greater than the target foundation allowance under section 20 that was in effect for that fiscal year, the allocation under this section is an amount equal to 30% of the allocation for which it would otherwise be eligible under this section before any proration under subsection (14). It is the intent of the legislature that, if revenues are sufficient and if districts with combined state and local revenue per membership pupil under section 20 that is below the target foundation allowance are receiving nonprorated payments under this section, the percentage in the immediately preceding sentence must be increased annually until it reaches 100%. If a district has combined state and local revenue per membership pupil under section 20 that is greater than the target foundation allowance under section 20 for the current fiscal year, but for the 2018-2019 fiscal year had combined

state and local revenue per membership pupil under section 20 that was less than the basic foundation allowance under section 20 that was in effect for the 2018-2019 fiscal year, the district shall receive an amount per pupil equal to 11.5% of the statewide weighted average foundation allowance, as applied under subsection (4), and before any proration under subsection (14).

(3) For a district or public school academy to be eligible to receive funding under this section, other than funding under subsection (7) or (8), the district or public school academy, for grades K to 12, must comply with the requirements under section 1280f of the revised school code, MCL 380.1280f, and shall use resources to address early literacy and numeracy, and for at least grades K to 12 or, if the district or public school academy does not operate all of grades K to 12, for all of the grades it operates, must implement a multi-tiered system of supports that is an evidence based framework that uses data driven problem solving to integrate academic and behavioral instruction and that uses intervention delivered to all pupils in varying intensities based on pupil needs. The multi-tiered system of supports described in this subsection must provide at least all of the following essential components:

(a) Team-based leadership.

(b) A tiered delivery system.

(c) Selection and implementation of instruction, interventions, and supports.

(d) A comprehensive screening and assessment system.

(e) Continuous data-based decision making.

(4) From the funds allocated under subsection (1), there is allocated for 2020-2021 an amount not to exceed $510,000,000.00 to continue a weighted foundation per pupil payment for districts and public school academies enrolling economically disadvantaged pupils. The department shall pay under this section to each eligible district or eligible public school academy an amount per pupil equal to 11.5% of the statewide weighted average foundation allowance for the following, as applicable:

(a) Except as otherwise provided under subdivision (b), (c), or (d) the greater of the following:

(*i*) The number of membership pupils in the district or public school academy who are determined to be economically disadvantaged, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year.

(*ii*) If the district or public school academy is in the community eligibility program, the number of pupils determined to be eligible based on the product of the identified student percentage multiplied by the total number of pupils in the district or public school academy, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year. These calculations must be made at the building level. This subparagraph only applies to an eligible district or eligible public school academy for the fiscal year immediately following the first fiscal year in which it is in the community eligibility program. As used in this subparagraph, "identified student percentage" means the quotient of the number of pupils in an eligible district or eligible public school academy who are determined to be economically disadvantaged, as reported to the center in a form and manner prescribed by the center, not later than the fifth Wednesday after the pupil membership count day in the fiscal year preceding the first fiscal year in which the eligible district or eligible public school academy is in the community eligibility program, divided by the total number of pupils counted in an eligible district or eligible public school academy on the pupil membership count day in the fiscal year preceding the first fiscal year in which the eligible district or eligible public school academy is in the community eligibility program.

(b) If the district or public school academy began operations as a district or public school academy after the pupil membership count day of the immediately preceding school year, the number of membership pupils in the district or public school academy who are determined to be economically disadvantaged, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the pupil membership count day of the current fiscal year.

(c) If the district or public school academy began operations as a district or public school academy after the pupil membership count day of the current fiscal year, the number of membership pupils in the district or public school academy who are determined to be economically disadvantaged, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the supplemental count day of the current fiscal year.

(d) If, for a particular fiscal year, the number of membership pupils in a district or public school academy who are determined under subdivision (a) to be economically disadvantaged or to be eligible based on the identified student percentage varies by more than 20 percentage points from the number of those pupils in the district or public school academy as calculated under subdivision (a) for the immediately preceding fiscal year caused by an egregious reporting error by the district or public school academy, the department may choose to have the

calculations under subdivision (a) instead be made using the number of membership pupils in the district or public school academy who are determined to be economically disadvantaged, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the supplemental count day of the immediately preceding fiscal year.

(5) Except as otherwise provided in this section, a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical, mental health, or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (6), (7), or (8). In addition, a district that is a school district of the first class or a district or public school academy in which at least 50% of the pupils in membership were determined to be economically disadvantaged in the immediately preceding state fiscal year, as determined and reported as described in subsection (4), may use not more than 20% of the funds it receives under this section for school security that aligns to the needs assessment and the multi-tiered system of supports model. A district or public school academy shall not use any of that money for administrative costs. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year.

(6) A district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a, shall use from the funds received under this section an amount, not to exceed $10.00 per pupil for whom the district or public school academy receives funds under this section, necessary to pay for costs associated with the operation of the school breakfast program.

(7) From the funds allocated under subsection (1), there is allocated for 2020-2021 an amount not to exceed $8,000,000.00 to support primary health care services provided to children and adolescents up to age 21. These funds must be expended in a form and manner determined jointly by the department and the department of health and human services. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds must be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (14) for that fiscal year.

(8) From the funds allocated under subsection (1), there is allocated for 2020-2021 an amount not to exceed $5,150,000.00 for the state portion of the hearing and vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of the total cost of the screenings. The frequency of the screenings must be as required under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan Administrative Code. Funds must be awarded in a form and manner approved jointly by the department and the department of health and human services. Notwithstanding section 17b, the department shall make payments to eligible entities under this subsection on a schedule determined by the department.

(9) Each district or public school academy receiving funds under this section shall submit to the department by July 15 of each fiscal year a report, in the form and manner prescribed by the department, that includes a brief description of each program conducted or services performed by the district or public school academy using funds under this section, the amount of funds under this section allocated to each of those programs or services, the total number of at risk pupils served by each of those programs or services, and the data necessary for the department and the department of health and human services to verify matching funds for the temporary assistance for needy families program. In prescribing the form and manner of the report, the department shall ensure that districts are allowed to expend funds received under this section on any activities that are permissible under this section. If a district or public school academy does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the fiscal year, the withheld funds are forfeited to the school aid fund.

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

(11) Subject to subsections (6), (7), and (8), for schools in which more than 40% of pupils are identified as at-risk, a district or public school academy may use the funds it receives under this section to implement tier 1, evidence-based practices in schoolwide reforms that are guided by the district's comprehensive needs assessment and are included in the district improvement plan. Schoolwide reforms must include parent and community supports, activities, and services, that may include the pathways to potential program created by the department of health and human services or the communities in schools program. As used in this subsection, "tier 1, evidence-based practices" means research based instruction and classroom interventions that are available to all learners and effectively meet the needs of most pupils.

(12) A district or public school academy that receives funds under this section may use up to 7.5% of those funds to provide research based professional development and to implement a coaching model that supports the multi-tiered system of supports framework. Professional development may be provided to district and school leadership and teachers and must be aligned to professional learning standards; integrated into district, school building, and classroom practices; and solely related to the following:

(a) Implementing the multi-tiered system of supports required in subsection (3) with fidelity and utilizing the data from that system to inform curriculum and instruction.

(b) Implementing section 1280f of the revised school code, MCL 380.1280f, as required under subsection (3), with fidelity.

(13) A district or public school academy that receives funds under this section may use funds received under this section to support instructional or behavioral coaches. Funds used for this purpose are not subject to the cap under subsection (12).

(14) If necessary, and before any proration required under section 296, the department shall prorate payments under this section, except payments under subsection (7), (8), or (16), by reducing the amount of the allocation as otherwise calculated under this section by an equal percentage per district.

(15) If a district is dissolved pursuant to section 12 of the revised school code, MCL 380.12, the intermediate district to which the dissolved district was constituent shall determine the estimated number of pupils that are economically disadvantaged and that are enrolled in each of the other districts within the intermediate district and provide that estimate to the department for the purposes of distributing funds under this section within 60 days after the district is declared dissolved.

(16) From the funds allocated under subsection (1), there is allocated for 2020-2021 an amount not to exceed $12,000,000.00 for payments to districts and public school academies that otherwise received an allocation under this subsection for 2019-2020 and whose allocation under this section for 2019-2020, excluding any payments under subsection (7) or (8), would have been more than the district's or public school academy's allocation under this section for 2020-2021 as calculated under subsection (4) only and as adjusted under subsection (14). The allocation for each district or public school academy under this subsection is an amount equal to its allocation under this section for 2019-2020 minus its allocation as otherwise calculated under subsection (4) for 2020-2021, as adjusted by subsection (14), using in those calculations the 2017-2018 number of pupils determined to be economically disadvantaged. However, if the allocation as otherwise calculated under this subsection would have been less than $0.00, the allocation under this subsection is $0.00. If necessary, and before any proration required under section 296, the department shall prorate payments under this subsection by reducing the amount of the allocation as otherwise calculated under this subsection by an equal percentage per district or public school academy. Any unexpended funds under this subsection are to be distributed through payments made under subsection (4) as provided under subsection (4), but those funds must not be factored into calculating payments under this subsection.

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

(18) The department shall collaborate with the department of health and human services to prioritize assigning Pathways to Potential Success coaches to elementary schools that have a high percentage of pupils in grades K to 3 who are not proficient in English language arts, based upon state assessments for pupils in those grades.

(19) As used in this section:

(a) "At-risk pupil" means a pupil in grades K to 12 for whom the district has documentation that the pupil meets any of the following criteria:

(*i*) The pupil is economically disadvantaged.

(*ii*) The pupil is an English language learner.

(*iii*) The pupil is chronically absent as defined by and reported to the center.

(*iv*) The pupil is a victim of child abuse or neglect.

(*v*) The pupil is a pregnant teenager or teenage parent.

(*vi*) The pupil has a family history of school failure, incarceration, or substance abuse.

(*vii*) The pupil is an immigrant who has immigrated within the immediately preceding 3 years.

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

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

(*x*) Is a pupil who is at risk of not meeting the district's or public school academy's core academic curricular objectives in English language arts or mathematics, as demonstrated on local assessments.

(b) "Economically disadvantaged" means a pupil who has been determined eligible for free or reduced-price meals as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j; who is in a household receiving supplemental nutrition assistance program or temporary assistance for needy families assistance; or who is homeless, migrant, or in foster care, as reported to the center.

(c) "English language learner" means limited English proficient pupils who speak a language other than English as their primary language and have difficulty speaking, reading, writing, or understanding English as reported to the center.

(d) "Statewide weighted average foundation allowance" means the number that is calculated by adding together the result of each district's or public school academy's foundation allowance, not to exceed the target foundation allowance for the current fiscal year, or per-pupil payment calculated under section 20 multiplied by the number of pupils in membership in that district or public school academy, and then dividing that total by the statewide number of pupils in membership.

Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not to exceed $23,144,000.00 for 2020-2021 for the purpose of making payments to districts and other eligible entities under this section.

(2) The amounts allocated from state sources under this section are used to pay the amount necessary to reimburse districts for 6.0127% of the necessary costs of the state mandated portion of lunch programs provided by those districts. The department shall calculate the amount due to each district under this section using the methods of calculation adopted by the Michigan supreme court in the consolidated cases known as *Durant v State of Michigan*, 456 Mich 175 (1997).

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

(4) The payments made under this section to districts and other eligible entities that are not required under section 1272a of the revised school code, MCL 380.1272a, to provide a lunch program must, except for in 2020-2021, be in an amount not to exceed $10.00 per eligible pupil plus 5 cents for each free lunch and 2 cents for each reduced price lunch provided, as determined by the department. For 2020-2021 only, the amount described in this subsection is not to exceed $10.00 per eligible pupil plus 5 cents for each lunch provided, as determined by the department.

(5) From the federal funds appropriated in section 11, there is allocated for 2020-2021 all available federal funding, estimated at $545,000,000.00 for child nutrition programs and all available federal funding, estimated at $5,000,000.00 for food distribution programs.

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

(7) In purchasing food for a lunch program funded under this section, a district or other eligible entity shall give preference to food that is grown or produced by Michigan businesses if it is competitively priced and of comparable quality.

Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount not to exceed $4,500,000.00 for 2020-2021 for the purpose of making payments to districts to reimburse for the cost of providing breakfast.

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

(a) The district participates in the federal school breakfast program and meets all standards as prescribed by 7 CFR parts 210, 220, 225, 226, and 245.

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

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

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

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

Sec. 31j. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed $200,000.00 and from the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $1,800,000.00 for 2020-2021 for a program to support districts and sponsors of child care centers in the purchase of locally grown fruits and vegetables as described in this section.

(2) Funding retained by districts and the sponsors of child care centers that administer the program must not exceed 10%, and funding retained by the department for administration must not exceed 6%. A district or the sponsor of a child care center may enter into a memorandum of understanding with the department or another district or sponsor of a child care center, or both, to administer the program. If the department administers the program for a district or the sponsor of a child care center, the department may retain up to 10% of that district's or sponsor's funding for administration or may distribute some or all of that 10% to project partners as appropriate.

(3) The department shall develop and implement a competitive grant program for districts and sponsors of child care centers to assist in paying for the costs incurred by the district or the sponsor of the child care center to purchase or increase purchases of whole or minimally processed fruits, vegetables, and legumes grown in this state. The maximum amount that may be drawn down on a grant to a district or the sponsor of a child care center is based on the number of meals served by the district during the previous school year under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j, or meals served by the sponsor of the child care center in the previous school year. The department shall collaborate with the Michigan department of agriculture and rural development to provide training to newly participating schools and sponsors of child care centers and electronic information on Michigan agriculture.

(4) The goals of the program under this section include improving daily nutrition and eating habits for children through the school and child care settings while investing in Michigan's agricultural and related food business economy.

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

(a) Were purchased for the 2020-2021 fiscal year, including purchases to launch meals in August 2020 and September 2020.

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

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

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

(7) A district or the sponsor of a child care center that receives a grant for reimbursement under this section shall use the grant to purchase whole or minimally processed fruits, vegetables, and legumes that are grown in this state and, if minimally processed, are also processed in this state.

(8) In awarding grants under this section, the department shall work in conjunction with districts and sponsors of child care centers, in consultation with Michigan-based farm to school resource organizations, to develop scoring criteria that assess an applicant's ability to procure Michigan-grown products, prepare and menu Michigan-grown products, promote and market Michigan-grown products, and submit letters of intent from districts or the sponsors of child care centers on plans for educational activities that promote the goals of the program.

(9) The department shall give preference to districts or sponsors of child care centers that propose educational activities that meet 1 or more of the following: promote healthy food activities; have clear educational objectives; involve parents or the community; connect to a school's or child care center's farm-to-school or farm-to-early-child-care procurement activities; and market and promote the program, leading to increased pupil knowledge and consumption of Michigan-grown products. The department shall give stronger weighting and consideration to applications with robust marketing and promotional activities.

(10) In awarding grants, the department shall also consider all of the following:

(a) The percentage of children who qualify for free or reduced price school meals under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j.

(b) The variety of school or child care center sizes and geographic locations within the identified prosperity regions.

(c) The existing or future collaboration opportunities between more than 1 district or child care center.

(11) As a condition of receiving a grant under this section, a district or the sponsor of a child care center shall provide or direct its vendors to provide to the department copies of monthly receipts that show the quantity of different Michigan-grown fruits, vegetables, and legumes purchased, the amount of money spent on each of these products, the name and Michigan location of the farm that grew the products, and the methods or plans to market and promote the program. The district or the sponsor of a child care center also shall provide to the department monthly lunch numbers and lunch participation rates and calendars or monthly menus noting when and how Michigan-grown products were used in meals. The district or the sponsor of the child care center and school or child care center food service director or directors also shall agree to respond to brief online surveys and to provide a report that shows the percentage relationship of Michigan spending compared to total food spending. Not later than 60 days after the end of the school year in which funds under this section were received, each district or each sponsor of a child care center shall submit a report to the department on outcomes and related measurements for economic development and children's nutrition and readiness to learn. The report must include at least both of the following:

(a) The extent to which farmers and related businesses, including distributors and processors, saw an increase in market opportunities and income generation through sales of Michigan or local products to districts and sponsors of child care centers. All of the following apply for purposes of this subdivision:

(*i*) The data used to determine the amount of this increase are the total dollar amount of Michigan or local fruits, vegetables, and legumes purchased by schools and sponsors of child care centers, along with the number of different types of products purchased; school and child care center food purchasing trends identified along with products that are of new and growing interest among food service directors; the number of businesses impacted; and the percentage of total food budget spent on Michigan-grown fruits, vegetables, and legumes.

(*ii*) The district or the sponsor of a child care center shall use purchasing data collected for the program and surveys of school and child care food service directors on the impact and success of the program as the source for the data described in subparagraph (*i*).

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

(*i*) The data used to determine whether this subdivision is met are the number of pupils exposed to Michigan-grown fruits, vegetables, and legumes at schools and child care centers; the variety of products served; new items taste-tested or placed on menus; and the increase in pupil willingness to try new local healthy foods.

(*ii*) The district or the sponsor of a child care center shall use purchasing data collected for the project, meal count and enrollment numbers, school menu calendars, and surveys of school and child care food service directors as the source for the data described in subparagraph (*i*).

(12) The department shall compile the reports provided by districts and sponsors of child care centers under subsection (11) into 1 legislative report. The department shall provide this report not later than November 1, 2021 to the house and senate subcommittees responsible for state school aid, the house and senate fiscal agencies, and the state budget director.

(13) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

Sec. 31k. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2020-2021 only an amount not to exceed $1,000,000.00 for payments to eligible districts as described in this section.

(2) Subject to subsection (6), districts requesting funding under this section must apply in a form and manner prescribed by the department by not later than December 1, 2020. However, districts requesting funding under this section through a second application described in subsection (6) must apply in a form and manner prescribed by the department by not later than May 1, 2021.

(3) A district that demonstrates to the department that all outstanding student-meal debt has been forgiven is an eligible district under this section.

(4) Subject to subsection (9), the department shall provide payments to eligible districts in an amount necessary to reimburse the eligible districts for the cost of forgiving all outstanding student-meal debt.

(5) Notwithstanding section 17b, the department shall make reimbursement payments under subsection (4) to all eligible districts by not later than 60 days after December 1, 2020.

(6) Subject to subsection (9), if the amount paid to eligible districts under subsection (4) is less than the amount allocated under subsection (1), the department may distribute the remaining funds to eligible districts through a second application in an amount necessary to reimburse eligible districts for the cost of forgiving all outstanding student-meal debt. An eligible district receiving a reimbursement payment under subsection (4) is not eligible for a reimbursement payment through a second application under this subsection.

(7) Except as otherwise provided under subsection (6) and notwithstanding section 17b, the department shall make reimbursement payments under subsection (6) as provided under subsection (6) to all eligible districts by not later than 60 days after May 1, 2021.

(8) An eligible district receiving payments under this section shall adopt policies to prevent public identification or stigmatization of pupils who cannot pay for a school meal. These policies must prohibit all of the following:

(a) Requiring pupils who cannot pay for a school meal or who owe a student-meal debt to wear a wristband or handstamp.

(b) Requiring pupils who cannot pay for a school meal or who owe a student-meal debt to perform chores or other work to pay for school meals.

(c) Requiring a pupil to dispose of a meal after it has been served because the pupil is unable to pay for the meal or owes a student-meal debt.

(d) Communicating directly with a pupil about a student-meal debt unless the district has attempted to contact, but has been unsuccessful in communicating with, a pupil's parent or legal guardian through telephone, mail, and electronic mail.

(e) Discussing a pupil's student-meal debt in the presence of other pupils.

(9) If the amount allocated under this section is insufficient to fully reimburse the cost of student-meal debt forgiveness for all eligible districts, the department shall prorate the reimbursement on an equal percentage per district.

Sec. 31n. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2019-2020 for the purposes of this section an amount not to exceed $30,000,000.00 and from the general fund money appropriated in section 11, there is allocated for 2019-2020 for the purposes of this section an amount not to exceed $1,300,000.00. From the state school aid fund money appropriated in section 11, there is allocated for 2020-2021 for the purposes of this section an amount not to exceed $35,600,000.00 and from the general fund money appropriated in section 11, there is allocated for 2020-2021 for the purposes of this section an amount not to exceed $1,300,000.00. The department and the department of health and human services shall continue a program to distribute this funding to add licensed behavioral health providers for general education pupils, and shall continue to seek federal Medicaid match funding for all eligible mental health and support services.

(2) The department and the department of health and human services shall maintain an advisory council for programs funded under this section. The advisory council shall define goals for implementation of programs funded under this section, and shall provide feedback on that implementation. At a minimum, the advisory council shall consist of representatives of state associations representing school health, school mental health, school counseling, education, health care, and other organizations, representatives from the department and the department of health and human services, and a representative from the school safety task force created under Executive Order No. 2018-5. The department and department of health and human services, working with the advisory council, shall determine an approach to increase capacity for mental health and support services in schools for general education pupils, and shall determine where that increase in capacity qualifies for federal Medicaid match funding.

(3) The advisory council shall develop a fiduciary agent checklist for intermediate districts to facilitate development of a plan to submit to the department and to the department of health and human services. The department and department of health and human services shall determine the requirements and format for intermediate districts to submit a plan for possible funding under subsection (5). The department shall make applications for funding for this program available to districts and intermediate districts not later than December 1, 2019, for the 2019-2020 fiscal year and December 1, 2020 for the 2020-2021 fiscal year and shall award the funding not later than February 1, 2020 for the 2019-2020 fiscal year and February 1, 2021 for the 2020-2021 fiscal year.

(4) The department of health and human services shall seek to amend the state Medicaid plan or obtain appropriate Medicaid waivers as necessary for the purpose of generating additional Medicaid match funding for school mental health and support services for general education pupils. The intent is that a successful state plan amendment or other Medicaid match mechanisms will result in additional federal Medicaid match funding for both the new funding allocated under this section and for any expenses already incurred by districts and intermediate districts for mental health and support services for general education pupils.

(5) From the state school aid fund money allocated under subsection (1), there is allocated for 2019-2020 an amount not to exceed $6,500,000.00 and there is allocated for 2020-2021 an amount not to exceed $9,300,000.00 to be distributed to the network of child and adolescent health centers to place a licensed master's level behavioral

health provider in schools that do not currently have services available to general education students. Child and adolescent health centers that are part of the network described in this subsection shall provide a commitment to maintain services and implement all available federal Medicaid match methodologies. The department of health and human services shall use all existing or additional federal Medicaid match opportunities to maximize funding allocated under this subsection. The department shall provide funds under this subsection to child and adolescent health centers that are part of the network described in this subsection in the same proportion that funding under section 31a(7) is provided to child and adolescent health centers that are part of the network described in this subsection and that are located and operating in those districts. A payment from funding allocated under this subsection must not be paid to an entity that is not part of the network described in this subsection.

(6) From the state school aid fund money allocated under subsection (1), there is allocated for 2019-2020 an amount not to exceed $23,000,000.00 and there is allocated for 2020-2021 an amount not to exceed $25,800,000.00 to be distributed to intermediate districts for the provision of mental health and support services to general education students. From the funds allocated under this subsection, the department shall distribute $410,700.00 for 2019-2020 and $460,700.00 for 2020-2021 to each intermediate district that submits a plan approved by the department and the department of health and human services. The department and department of health and human services shall work cooperatively in providing oversight and assistance to intermediate districts during the plan submission process and shall monitor the program upon implementation. An intermediate district shall use funds awarded under this subsection to provide funding to its constituent districts, including public school academies that are considered to be constituent districts under section 705(7) of the revised school code, MCL 380.705, for the provision of mental health and support services to general education students. In addition to the criteria identified under subsection (7), an intermediate district shall consider geography, cost, or other challenges when awarding funding to its constituent districts. If funding awarded to an intermediate district remains after funds are provided by the intermediate district to its constituent districts, the intermediate district may hire or contract for experts to provide mental health and support services to general education students residing within the boundaries of the intermediate district, including, but not limited to, expanding, hiring, or contracting for staff and experts to provide those services directly or to increase access to those services through coordination with outside mental health agencies.

(7) A district requesting funds under this section from the intermediate district in which it is located shall submit an application for funding for the provision of mental health and support services to general education pupils. A district receiving funding from the application process described in this subsection shall provide services to nonpublic students upon request. An intermediate district shall not discriminate against an application submitted by a public school academy simply on the basis of the applicant being a public school academy. The department shall approve grant applications based on the following criteria:

(a) The district's commitment to maintain mental health and support services delivered by licensed providers into future fiscal years.

(b) The district's commitment to work with its intermediate district to use funding it receives under this section that is spent by the district for general education pupils toward participation in federal Medicaid match methodologies. A district must provide a local match of at least 20% of the funding allocated to the district under section 31n.

(c) The district's commitment to adhere to any local funding requirements determined by the department and the department of health and human services.

(d) The extent of the district's existing partnerships with community health care providers or the ability of the district to establish such partnerships.

(e) The district's documentation of need, including gaps in current mental health and support services for the general education population.

(f) The district's submission of a formal plan of action identifying the number of schools and students to be served.

(g) Whether the district will participate in ongoing trainings.

(h) Whether the district will submit an annual report to the state.

(i) Whether the district demonstrates a willingness to work with the state to establish program and service delivery benchmarks.

(j) Whether the district has developed a school safety plan or is in the process of developing a school safety plan.

(k) Any other requirements determined by the department or the department of health and human services.

(8) Funding under this section, including any federal Medicaid funds that are generated, must not be used to supplant existing services.

(9) Both of the following are allocated to the department of health and human services from the general fund money allocated under subsection (1):

(a) For 2019-2020, an amount not to exceed $1,000,000.00 and for 2020-2021, an amount not to exceed $1,000,000.00 for the purpose of upgrading technology and systems infrastructure and other administrative requirements to support the programs funded under this section.

(b) For 2019-2020, an amount not to exceed $300,000.00 and for 2020-2021, an amount not to exceed $300,000.00 for the purpose of administering the programs under this section and working on generating additional Medicaid funds as a result of programs funded under this section.

(10) From the state school aid fund money allocated under subsection (1), there is allocated for 2019-2020 an amount not to exceed $500,000.00 and there is allocated for 2020-2021 an amount not to exceed $500,000.00 to intermediate districts on an equal per intermediate district basis for the purpose of administering programs funded under this section.

(11) The department and the department of health and human services shall work with the advisory council to develop proposed measurements of outcomes and performance. Those measurements must include, at a minimum, the number of pupils served, the number of schools served, and where those pupils and schools were located. The department and the department of health and human services shall compile data necessary to measure outcomes and performance, and districts and intermediate districts receiving funding under this section shall provide data requested by the department and department of health and human services for the measurement of outcomes and performance. The department and department of health and human services shall provide an annual report not later than December 1 of each year to the house and senate appropriations subcommittees on state school aid and health and human services, to the house and senate fiscal agencies, and to the state budget director. At a minimum, the report must include measurements of outcomes and performance, proposals to increase efficacy and usefulness, proposals to increase performance, and proposals to expand coverage.

(12) Beginning with 2018-2019, a district or intermediate district that receives funding directly or indirectly under this section may carry over any unexpended funds received under this section for up to 2 fiscal years beyond the fiscal year in which the funds were received.

Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to eligible intermediate districts and consortia of intermediate districts for great start readiness programs an amount not to exceed $249,600,000.00 for 2020-2021. An intermediate district or consortium shall use funds allocated under this section for great start readiness programs to provide part-day, school-day, or GSRP/Head Start blended comprehensive free compensatory classroom programs designed to improve the readiness and subsequent achievement of educationally disadvantaged children who meet the participant eligibility and prioritization guidelines as defined by the department. For a child to be eligible to participate in a program under this section, the child must be at least 4, but less than 5, years of age as of September 1 of the school year in which the program is offered and must meet those eligibility and prioritization guidelines. A child who is not 4 years of age as of September 1, but who will be 4 years of age not later than December 1, is eligible to participate if the child's parent or legal guardian seeks a waiver from the September 1 eligibility date by submitting a request for enrollment in a program to the responsible intermediate district, if the program has capacity on or after September 1 of the school year, and if the child meets eligibility and prioritization guidelines.

(2) From the funds allocated under subsection (1), an amount not to exceed $247,600,000.00 is allocated to intermediate districts or consortia of intermediate districts based on the formula in section 39. An intermediate district or consortium of intermediate districts receiving funding under this section shall act as the fiduciary for the great start readiness programs. In order to be eligible to receive funds allocated under this subsection from an intermediate district or consortium of intermediate districts, a district, a consortium of districts, or a public or private for-profit or nonprofit legal entity or agency must comply with this section and section 39.

(3) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated an amount not to exceed $350,000.00 for 2020-2021 for a competitive grant to continue a longitudinal evaluation of children who have participated in great start readiness programs. This evaluation must include, to the extent, for 2020-2021, that data from the kindergarten readiness assessment are available, a comparative analysis of the relationship between great start readiness programs and performance on the kindergarten readiness assessment funded under section 104. The evaluation must use children wait-listed under this section for comparison, must include a determination of the specific great start readiness program in which the kindergarten students were enrolled and attended in the previous school year, and must, to the extent, for 2020-2021, that data from the Michigan kindergarten entry observation tool are available, analyze Michigan kindergarten entry observation tool scores for students taking the Michigan kindergarten entry observation tool

each year and produce a report as required under section 104. The performance data on the kindergarten readiness assessment must be submitted to the center at the same time as the fall Michigan student data system collection. The responsibility for the analysis required under this subsection may be added to the requirements that the department currently has with its competitively designated current grantee.

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

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

(b) An age-appropriate educational curriculum that is in compliance with the early childhood standards of quality for prekindergarten children adopted by the state board, including, at least, the Connect4Learning curriculum.

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

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

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

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

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

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

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

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

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

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

(b) Except as otherwise provided in this subdivision or section, ensure that at least 90% of the children participating in an eligible great start readiness program for whom the intermediate district is receiving funds under this section are children who live with families with a household income that is equal to or less than 250% of the federal poverty guidelines. If the intermediate district determines that all eligible children are being served and that there are no children on the waiting list who live with families with a household income that is equal to or less than 250% of the federal poverty guidelines, the intermediate district may then enroll children who live with families with a household income that is equal to or less than 300% of the federal poverty guidelines. The enrollment process must consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision and subsection (27), all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education programs recommending placement in an inclusive preschool setting are considered to live with families with household income equal to or less than 250% of the federal poverty guidelines regardless of actual family income and are prioritized for enrollment within the lowest quintile.

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

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

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

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

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

(6) For a grant recipient that enrolls pupils in a school-day program funded under this section, each child enrolled in the school-day program is counted as described in section 39 for purposes of determining the amount of the grant award.

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

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

(9) An intermediate district or consortium of intermediate districts may retain for administrative services provided by the intermediate district or consortium of intermediate districts an amount not to exceed 4% of the grant amount. Expenses incurred by subrecipients engaged by the intermediate district or consortium of intermediate districts for directly running portions of the program are considered program costs or a contracted program fee for service. Subrecipients operating with a federally approved indirect rate for other early childhood programs may include indirect costs, not to exceed the federal 10% de minimis.

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

(11) Except as otherwise provided in this section, each grant recipient shall enroll children identified under subsection (5)(b) according to how far the child's household income is below 250% of the federal poverty guidelines by ranking each applicant child's household income from lowest to highest and dividing the applicant children into quintiles based on how far the child's household income is below 250% of the federal poverty guidelines, and then enrolling children in the quintile with the lowest household income before enrolling children in the quintile with the next lowest household income until slots are completely filled. If the grant recipient determines that all eligible children are being served and that there are no children on the waiting list who live with families with a household income that is equal to or less than 250% of the federal poverty guidelines, the grant recipient may then enroll children who live with families with a household income that is equal to or less than 300% of the federal poverty guidelines. The enrollment process must consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subsection and subsection (27), all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education programs recommending placement in an inclusive preschool setting are considered to live with families with household income equal to or less than 250% of the federal poverty guidelines regardless of actual family income and are prioritized for enrollment within the lowest quintile.

(12) An intermediate district or consortium of intermediate districts receiving a grant under this section shall allow parents of eligible children who are residents of the intermediate district or within the consortium to choose a program operated by or contracted with another intermediate district or consortium of intermediate districts and shall enter into a written agreement regarding payment, in a manner prescribed by the department.

(13) An intermediate district or consortium of intermediate districts receiving a grant under this section shall conduct a local process to contract with interested and eligible public and private for-profit and nonprofit community-based providers that meet all requirements of subsection (4) for at least 30% of its total allocation. For the purposes of this 30% allocation, an intermediate district or consortium of intermediate districts may count children served by a Head Start grantee or delegate in a blended Head Start and great start readiness school-day program. Children served in a program funded only through Head Start are not counted toward this 30% allocation. The intermediate district or consortium shall report to the department, in a manner prescribed by the

department, a detailed list of community-based providers by provider type, including private for-profit, private nonprofit, community college or university, Head Start grantee or delegate, and district or intermediate district, and the number and proportion of its total allocation allocated to each provider as subrecipient. If the intermediate district or consortium is not able to contract for at least 30% of its total allocation, the grant recipient shall notify the department and, if the department verifies that the intermediate district or consortium attempted to contract for at least 30% of its total allocation and was not able to do so, then the intermediate district or consortium may retain and use all of its allocation as provided under this section. To be able to use this exemption, the intermediate district or consortium shall demonstrate to the department that the intermediate district or consortium increased the percentage of its total allocation for which it contracts with a community-based provider and the intermediate district or consortium shall submit evidence satisfactory to the department, and the department must be able to verify this evidence, demonstrating that the intermediate district or consortium took measures to contract for at least 30% of its total allocation as required under this subsection, including, but not limited to, at least all of the following measures:

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

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

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

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

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

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

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

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

(d) Not later than March 1 of each year, compile the results of the information reported by each intermediate district or consortium under subsection (13) and report to the legislature a list by intermediate district or consortium with the number and percentage of each intermediate district's or consortium's total allocation allocated to community-based providers by provider type, including private for-profit, private nonprofit, community college or university, Head Start grantee or delegate, and district or intermediate district.

(16) A recipient of funds under this section shall report to the center in a form and manner prescribed by the center the information necessary to derive the number of children participating in the program who meet the program eligibility criteria under subsection (5)(b), subject to subsection (27), the number of eligible children not participating in the program and on a waitlist, and the total number of children participating in the program by various demographic groups and eligibility factors necessary to analyze equitable and priority access to services for the purposes of subsection (3).

(17) As used in this section:

(a) "GSRP/Head Start blended program", except as otherwise provided in this section, means a part-day program funded under this section and a Head Start program, which are combined for a school-day program.

(b) "Federal poverty guidelines" means the guidelines published annually in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902.

(c) “Part-day program”, except as otherwise provided in this section, means a program that operates at least 4 days per week, 30 weeks per year, for at least 3 hours of teacher-child contact time per day but for fewer hours of teacher-child contact time per day than a school-day program.

(d) “School-day program”, except as otherwise provided in this section, means a program that operates for at least the same length of day as a district’s first grade program for a minimum of 4 days per week, 30 weeks per year. A classroom that offers a school-day program must enroll all children for the school day to be considered a school-day program.

(18) An intermediate district or consortium of intermediate districts receiving funds under this section shall establish and charge tuition according to a sliding scale of tuition rates based upon household income for children participating in an eligible great start readiness program who live with families with a household income that is more than 250%, but, for 2020-2021 only, who live with families with a household income that is more than 400% of the federal poverty guidelines to be used by all of its providers, as approved by the department.

(19) From the amount allocated in subsection (2), there is allocated for 2020-2021 an amount not to exceed $10,000,000.00 for reimbursement of transportation costs for children attending great start readiness programs funded under this section. To receive reimbursement under this subsection, not later than November 1 of each year, a program funded under this section that provides transportation shall submit to the intermediate district that is the fiscal agent for the program a projected transportation budget. The amount of the reimbursement for transportation under this subsection is no more than the projected transportation budget or $300.00 multiplied by the number of children funded for the program under this section. If the amount allocated under this subsection is insufficient to fully reimburse the transportation costs for all programs that provide transportation and submit the required information, the department shall prorate the reimbursement in an equal amount per child funded. The department shall make payments to the intermediate district that is the fiscal agent for each program, and the intermediate district shall then reimburse the program provider for transportation costs as prescribed under this subsection.

(20) Subject to, and from the funds allocated under, subsection (19), the department shall reimburse a program for transportation costs related to parent- or guardian-accompanied transportation provided by transportation service companies, buses, or other public transportation services. To be eligible for reimbursement under this subsection, a program must submit to the intermediate district or consortia of intermediate districts all of the following:

(a) The names of families provided with transportation support along with a documented reason for the need for transportation support and the type of transportation provided.

(b) Financial documentation of actual transportation costs incurred by the program, including, but not limited to, receipts and mileage reports, as determined by the department.

(c) Any other documentation or information determined necessary by the department.

(21) The department shall implement a process to review and approve age-appropriate comprehensive classroom level quality assessments for GSRP grantees that support the early childhood standards of quality for prekindergarten children adopted by the state board. The department shall make available to intermediate districts at least 2 classroom level quality assessments that were approved in 2018.

(22) An intermediate district that is a GSRP grantee may approve the use of a supplemental curriculum that aligns with and enhances the age-appropriate educational curriculum in the classroom. If the department objects to the use of a supplemental curriculum approved by an intermediate district, the superintendent shall establish a review committee independent of the department. The review committee shall meet within 60 days of the department registering its objection in writing and provide a final determination on the validity of the objection within 60 days of the review committee’s first meeting.

(23) The department shall implement a process to evaluate and approve age-appropriate educational curricula that are in compliance with the early childhood standards of quality for prekindergarten children adopted by the state board.

(24) From the funds allocated under subsection (1), there is allocated for 2020-2021 an amount not to exceed $2,000,000.00 for payments to intermediate districts or consortia of intermediate districts for professional development and training materials for educators in programs implementing new curricula.

(25) A great start readiness program or a GSRP/Head Start blended program funded under this section is permitted to utilize AmeriCorps Pre-K Reading Corps members in classrooms implementing research-based early literacy intervention strategies.

(26) For the 2020-2021 program year only, the hours, days, and weeks specified within the definitions under subsection (17)(a), (c), and (d) do not apply to all grantees and subrecipients under this section. However, for the 2020-2021 fiscal year only, grantees and subrecipients shall, at a minimum, provide pandemic learning and programming on-site, at a different location, in-person, online, digitally, by other remote means, in a synchronous or asynchronous format, or through any combination therein that results in an amount of hours, days, and weeks

necessary to deliver the educational or course content that would have been delivered in a year in which pandemic learning was not provided and that complies with requirements developed by the department. The department shall publish uniform guidance concerning requirements under this subsection for age-appropriate instruction that is provided online, digitally, or by other remote means as part of pandemic learning and programming provided under this subsection. As used in this subsection, "pandemic learning" means a mode of instruction provided as a result of the COVID-19 pandemic.

(27) For the 2020-2021 program year only, household income eligibility thresholds requiring household incomes that are equal to or less than 250% of the federal poverty guidelines under subsections (5)(b) and (11) do not apply for all grantees and subrecipients under this section. However, for the 2020-2021 program year, all grantees and subrecipients must continue to enroll children in the quintile with the lowest household income first before enrolling the next quintile and must implement the ranking process described in subsection (11) by first enrolling children from households with incomes that are equal to or less than 250% of the federal poverty guidelines, then enrolling children from households with incomes that are equal to an amount that is greater than 250% but less than or equal to 300% of the federal poverty guidelines, then enrolling children from households with incomes equal to an amount that is greater than 300% but less than or equal to 350% of the federal poverty guidelines, and then continuing enrollment in an order increasing in percentage from a percentage greater than 350% in relation to the federal poverty guidelines until all available slots are filled.

(28) For the 2020-2021 program year only, intermediate districts will be awarded funding based on the total allocation under subsection (1) and the funding must be allocated to intermediate districts as prescribed under section 39. To receive funding as described in this subsection, an intermediate district must complete the department's process for accepting funds and implement its existing local process for funding current subrecipients under this section, including, but not limited to, adding any necessary new subrecipients and implementation of the program. Intermediate districts described in this subsection must report the children served under this section to the center for data-tracking purposes. The data described in this subsection must not be used to determine funding for the 2020-2021 program year or hold harmless funding levels for 2021-2022. Hold harmless funding for 2021-2022 must be determined based on the 2019-2020 final allocations under this section. Both of the following apply for the 2020-2021 program year:

(a) An intermediate district and its subrecipients under this section must conform to typical expenditures related to the operation of great start readiness programs to ensure the stability of the programs, including, but not limited to, ongoing program and staff costs.

(b) Funding remaining after serving all eligible children, in accordance with subsections (5)(b) and (11), subject to subsection (27), or remaining from other program savings due to pandemic learning must be used for the betterment of the program under this section and must be approved by the department. Intermediate districts and subrecipients under this section may only spend in accordance with the provisions of this subdivision if the intermediate district or subrecipient has demonstrated to the satisfaction of the department that no eligible children are on waitlists for the programs operated by the intermediate district or subrecipients under this section.

Sec. 32p. (1) From the appropriation in section 11, there is allocated an amount not to exceed $13,400,000.00 to intermediate districts for 2020-2021 for the purpose of providing early childhood funding to intermediate districts to support the goals and outcomes under subsection (2) and subsection (4), and to provide early childhood programs for children from birth through age 8. The funding provided to each intermediate district under this section is determined by the distribution formula established by the department's office of great start to provide equitable funding statewide. In order to receive funding under this section, each intermediate district must provide an application to the office of great start not later than September 15 of the immediately preceding fiscal year indicating the strategies planned to be provided.

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

(a) Children born healthy.

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

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

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

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

(a) Physical health.

(b) Social-emotional health.

(c) Family supports and basic needs.

(d) Parent education.

(e) Early education, including the child's development of skills linked to success in foundational literacy, and care.

(4) From the funds allocated in subsection (1), at least $2,500,000.00 must be used for the purpose of providing home visits to at-risk children and their families. The home visits must be conducted as part of a locally coordinated, family-centered, evidence-based, data-driven home visit strategic plan that is approved by the department. The goals of the home visits funded under this subsection are to improve school readiness using evidence-based methods, including a focus on developmentally appropriate outcomes for early literacy, to improve positive parenting practices, and to improve family economic self-sufficiency while reducing the impact of high-risk factors through community resources and referrals. The department shall coordinate the goals of the home visit strategic plans approved under this subsection with other state agency home visit programs in a way that strengthens Michigan's home visiting infrastructure and maximizes federal funds available for the purposes of at-risk family home visits. The coordination among departments and agencies is intended to avoid duplication of state services and spending, and should emphasize efficient service delivery of home visiting programs.

(5) Not later than December 1 of each year, each intermediate district shall provide a report to the department detailing the strategies actually implemented during the immediately preceding school year and the families and children actually served. At a minimum, the report must include an evaluation of the services provided with additional funding under subsection (4) for home visits, using the goals identified in subsection (4) as the basis for the evaluation, including the degree to which school readiness was improved, the degree to which positive parenting practices were improved, the degree to which there was improved family economic self-sufficiency, and the degree to which community resources and referrals were utilized. The department shall compile and summarize these reports and submit its summary to the house and senate appropriations subcommittees on school aid and to the house and senate fiscal agencies not later than February 15 of each year.

(6) An intermediate district or consortium of intermediate districts that receives funding under this section may carry over any unexpended funds received under this section into the next fiscal year and may expend those unused funds through June 30 of the next fiscal year. However, an intermediate district or consortium of intermediate districts that receives funding for the purposes described in subsection (2) in fiscal year 2020-2021 shall not carry over into the next fiscal year any amount exceeding 30% of the amount awarded to the intermediate district or consortium in the 2020-2021 fiscal year. It is intended that the amount carried over from funding awarded for the purposes described in subsection (2) in fiscal year 2021-2022 not exceed 20% of the amount awarded in that fiscal year and the amount carried over from funding awarded for the purposes described in subsection (2) in fiscal year 2022-2023 not exceed 15% of the amount awarded in that fiscal year. A recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 of the next fiscal year after the fiscal year in which the funds are received.

Sec. 35a. (1) From the appropriations in section 11, there is allocated for 2020-2021 for the purposes of this section an amount not to exceed $55,400,000.00 from the state school aid fund and there is allocated for 2020-2021 for the purposes of subsection (8) an amount not to exceed $2,773,000.00 from the general fund. The superintendent shall designate staff or contracted employees funded under this section as critical shortage. Programs funded under this section are intended to ensure that this state will be a top 10 state in grade 4 reading proficiency by 2025 according to the National Assessment of Educational Progress (NAEP).

(2) A district that receives funds under subsection (5) may spend up to 5% of those funds for professional development for educators in a department-approved research-based training program related to current state literacy standards for pupils in grades pre-K to 3. The professional development must also include training in the use of screening and diagnostic tools, progress monitoring, and intervention methods used to address barriers to learning and delays in learning that are diagnosed through the use of these tools.

(3) A district that receives funds under subsection (5) may use up to 5% of those funds to administer department-approved screening and diagnostic tools to monitor the development of early literacy and early reading skills of pupils in grades pre-K to 3 and to support research-based professional development for educators in administering screening and diagnostic tools and in data interpretation of the results obtained through the use of those tools for the purpose of implementing a multi-tiered system of support to improve reading proficiency among pupils in grades pre-K to 3. A department-approved screening and diagnostic tool administered by a district using funding under this section must include all of the following components: phonemic awareness, phonics, fluency, and comprehension. Further, all of the following sub-skills must be assessed within each of these components:

(a) Phonemic awareness - segmentation, blending, and sound manipulation (deletion and substitution).

(b) Phonics - decoding (reading) and encoding (spelling).

(c) Fluency - reading rate, accuracy, and expression.

(d) Comprehension - making meaning of text.

(4) From the allocation under subsection (1), there is allocated an amount not to exceed $31,500,000.00 for 2020-2021 for the purpose of providing early literacy coaches at intermediate districts to assist teachers in developing and implementing instructional strategies for pupils in grades pre-K to 3 so that pupils are reading at grade level by the end of grade 3. All of the following apply to funding under this subsection:

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

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

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

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

(b) From the allocation under this subsection, the department shall award grants to intermediate districts for the support of early literacy coaches. The department shall provide this funding in the following manner:

(*i*) The department shall award each intermediate district grant funding to support the cost of 1 early literacy coach in an equal amount per early literacy coach, not to exceed $112,500.00.

(*ii*) After distribution of the grant funding under subparagraph (*i*), the department shall distribute the remainder of grant funding for additional early literacy coaches in an amount not to exceed $112,500.00 per early literacy coach. The number of funded early literacy coaches for each intermediate district is based on the percentage of the total statewide number of pupils in grades K to 3 who meet the income eligibility standards for the federal free and reduced-price lunch programs who are enrolled in districts in the intermediate district.

(c) If an intermediate district that receives funding under this subsection uses an assessment tool that screens for signs of dyslexia, the intermediate district shall use the assessment results from that assessment tool to identify pupils who demonstrate signs of dyslexia.

(5) From the allocation under subsection (1), there is allocated an amount not to exceed $19,900,000.00 for 2020-2021 to districts that provide additional instructional time to those pupils in grades pre-K to 3, or, for 2020-2021 only, those pupils in grades pre-K to 12, who have been identified by using department-approved screening and diagnostic tools as needing additional supports and interventions in order to be reading at grade level by the end of grade 3, or, for 2020-2021 only, reading at the applicable grade level. Additional instructional time may be provided before, during, and after regular school hours or as part of a year-round balanced school calendar. All of the following apply to funding under this subsection:

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

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

(A) Team-based leadership.

(B) A tiered delivery system.

(C) Selection and implementation of instruction, interventions, and supports.

(D) A comprehensive screening and assessment system.

(E) Continuous data-based decision making.

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

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

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

(*v*) Complied with the requirements under section 1280f of the revised school code, MCL 380.1280f.

(b) The department shall distribute funding allocated under this subsection to eligible districts on an equal per-first-grade-pupil basis.

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

(6) Not later than September 1 of each year, a district that receives funding under subsection (5) in conjunction with the Michigan student data system, if possible, shall provide to the department a report that includes at least both of the following, in a form and manner prescribed by the department:

(a) For pupils in grades pre-K to 3 or pre-K to 12, as applicable, the pupils, schools, and grades served with funds under this section and the categories of services provided.

(b) For pupils in grades pre-K to 3 or pre-K to 12, as applicable, pupil proficiency and growth data that allows analysis both in the aggregate and by each of the following subgroups, as applicable:

(*i*) School.

(*ii*) Grade level.

(*iii*) Gender.

(*iv*) Race.

(*v*) Ethnicity.

(*vi*) Economically disadvantaged status.

(*vii*) Disability.

(*viii*) Pupils identified as having reading deficiencies.

(7) From the allocation under subsection (1), there is allocated an amount not to exceed $4,000,000.00 for 2020-2021 to an intermediate district in which the combined total number of pupils in membership of all of its constituent districts is the fewest among all intermediate districts. All of the following apply to the funding under this subsection:

(a) Funding under this subsection must be used by the intermediate district, in partnership with an association that represents intermediate district administrators in this state, to implement all of the following:

(*i*) Literacy essentials teacher and principal training modules.

(*ii*) Face-to-face and online professional learning of literacy essentials teacher and principal training modules for literacy coaches, principals, and teachers.

(*iii*) The placement of regional lead literacy coaches to facilitate professional learning for early literacy coaches. These regional lead literacy coaches shall provide support for new literacy coaches, building teachers, and administrators and shall facilitate regional data collection to evaluate the effectiveness of statewide literacy coaches funded under this section.

(*iv*) Provide $500,000.00 from this subsection for literacy training, modeling, coaching, and feedback for district principals or chief administrators, as applicable. The training described in this subparagraph must use the pre-K and K to 3 essential instructional practices in literacy created by the general education leadership network as the framework for all training provided under this subparagraph.

(b) Not later than September 1 of each year, the intermediate district described in this subsection, in consultation with grant recipients, shall submit a report to the chairs of the senate and house appropriations subcommittees on state school aid, the chairs of the senate and house standing committees responsible for education legislation, the house and senate fiscal agencies, and the state budget director. The report described under this subdivision must include student achievement results in English language arts and survey results with feedback from parents and teachers regarding the initiatives implemented under this subsection.

(c) Up to 2% of funds allocated under this subsection may be used by the association representing intermediate district administrators that is in partnership with the intermediate district specified in this subsection to administer this subsection.

(8) From the general fund money allocated in subsection (1), the department shall allocate the amount of $2,773,000.00 for 2020-2021 to the Michigan Education Corps for the PreK Reading Corps, the K3 Reading Corps, and the Math Corps. All of the following apply to funding under this subsection:

(a) By September 1 of the current fiscal year, the Michigan Education Corps shall provide a report concerning its use of the funding to the senate and house appropriations subcommittees on state school aid, the senate and house fiscal agencies, and the senate and house caucus policy offices on outcomes and performance measures of the Michigan Education Corps, including, but not limited to, the degree to which the Michigan Education Corps' replication of the PreK Reading Corps, the K3 Reading Corps, and the Math Corps programs is demonstrating sufficient efficacy and impact. The report must include data pertaining to at least all of the following:

(*i*) The current impact of the programs on this state in terms of numbers of children and schools receiving support. This portion of the report must specify the number of children tutored, including dosage and completion, and the demographics of those children.

(*ii*) Whether the assessments and interventions are implemented with fidelity. This portion of the report must include details on the total number of assessments and interventions completed and the range, mean, and standard deviation.

(*iii*) Whether the literacy or math improvement of children participating in the programs is consistent with expectations. This portion of the report must detail at least all of the following:

(A) Growth rate by grade or age level, in comparison to targeted growth rate.

(B) Average linear growth rates.

(C) Exit rates.

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

(*iv*) The impact of the programs on organizations and stakeholders, including, but not limited to, school administrators, internal coaches, and AmeriCorps members.

(b) If the department determines that the Michigan Education Corps has misused the funds allocated under this subsection, the Michigan Education Corps shall reimburse this state for the amount of state funding misused.

(c) The department may not reserve any portion of the allocation provided under this subsection for an evaluation of the Michigan Education Corps, the Michigan Education Corps' funding, or the Michigan Education Corps' programming unless agreed to in writing by the Michigan Education Corps. The department shall award the entire $2,773,000.00 allocated under this subsection to the Michigan Education Corps and shall not condition the awarding of this funding on the implementation of an independent evaluation.

(9) If a district or intermediate district expends any funding received under subsection (4) or (5) for professional development in research-based effective reading instruction, the district or intermediate district shall select a professional development program from the list described under subdivision (a). All of the following apply to the requirement under this subsection:

(a) The department shall issue a request for proposals for professional development programs in research-based effective reading instruction to develop an initial approved list of professional development programs in research-based effective reading instruction. The department shall make the initial approved list public and shall determine if it will, on a rolling basis, approve any new proposals submitted for addition to its initial approved list.

(b) To be included as an approved professional development program in research-based effective reading instruction under subdivision (a), an applicant must demonstrate to the department in writing the program's competency in all of the following topics:

(*i*) Understanding of phonemic awareness, phonics, fluency, vocabulary, and comprehension.

(*ii*) Appropriate use of assessments and differentiated instruction.

(*iii*) Selection of appropriate instructional materials.

(*iv*) Application of research-based instructional practices.

(c) As used in this subsection, "effective reading instruction" means reading instruction scientifically proven to result in improvement in pupil reading skills.

(10) Notwithstanding section 17b, the department shall make payments made under subsections (7) and (8) on a schedule determined by the department.

Sec. 35b. (1) From the general fund money appropriated in section 11, there is allocated for 2020-2021 an amount not to exceed $250,000.00 for a grant to be distributed by the department to the Children's Choice Initiative for a program to use a multisensory structured language education method to improve reading proficiency rates and to comply with section 1280f of the revised school code, MCL 380.1280f.

(2) Grant funds awarded under this section must be expended for the following purposes:

(a) Professional development including training staff and tutors in a multisensory, sequential, systematic education approach.

(b) Additional instructional time before, during, or after school for pupils in grades K to 3 identified as having an early literacy delay or reading deficiency using a multisensory, sequential, systematic education approach.

(3) Not later than December 1, 2021, an entity that receives grant funds under this section shall report to the house and senate appropriations subcommittees on school aid, the house and senate fiscal agencies, and the state budget director on all of the following for the grant funds awarded under this section:

(a) The number of staff and tutors trained.

(b) The number of pupils in grades K to 3 identified as having an early literacy delay or reading deficiency served.

(c) The number of hours of added instructional time provided to pupils served.

(d) Pupil reading proficiency and growth data of pupils served necessary to evaluate the effectiveness of the program.

Sec. 35d. (1) From the general fund money appropriated under section 11, for 2020-2021, there is allocated an amount not to exceed $500,000.00 for the department to provide grants to districts and intermediate districts for the purchase of 1 or more components or trainings through an eligible 1-on-1 tutoring program for children with dyslexia from a provider of an eligible 1-on-1 tutoring program for children with dyslexia as provided under this section.

(2) A provider that provides programming that meets all of the following is considered to be a provider of an eligible 1-on-1 tutoring program for purposes of this section:

(a) Allows teachers to incorporate the 5 components essential to an effective reading program into their daily lessons. The 5 components described in this subdivision are phonemic awareness, phonics, vocabulary, fluency, and comprehension.

(b) Trains educators to teach reading using a proven, multisensory approach.

(c) Educates teachers on how to explicitly and effectively teach reading to beginning readers.

(d) Breaks reading and spelling down into smaller skills involving letters and sounds, and then builds on these skills over time.

(e) Uses multisensory teaching strategies to teach reading by using sight, hearing, touch, and movement to help students connect and learn the concepts being taught.

(3) Districts and intermediate districts may apply to the department for grants to purchase components or training through an eligible 1-on-1 tutoring program from a provider of an eligible 1-on-1 tutoring program, and, upon receiving an application but except as otherwise provided in this subsection, the department shall make payments to districts and intermediate districts for those purchases. The department shall make payments under this section on a first-come, first-served basis until funds are depleted.

Sec. 35e. (1) From the general fund money appropriated under section 11, there is allocated an amount not to exceed $1,000,000.00 for 2020-2021 for a grant to be distributed by the department to an organization to provide early literacy and academic support to at-need youth in this state.

(2) To qualify for a grant under this section, an organization must be exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501, and must be affiliated and in good standing with a national congressionally chartered organization's standards under 36 USC 20101 to 240112, and must meet both of the following:

(a) Is facility-based and provides proven and tested recreational, educational, and character building programs for children ages 6 to 18.

(b) Provides after-school and summer programs in at least 25 communities statewide, with youth development services available at least 20 hours per week during the school year and 30 hours per week during summer programming.

(3) A grant recipient under this section shall administer an early learning literacy program targeted at students in grades K-3. At least 60% of the participants in the program must qualify for free or reduced-priced lunch. Each entity receiving funds to implement the program shall report to the department on the number of children served, the types of services, and the outcome of those services.

(4) Notwithstanding section 17b, the department shall make grant payments under this section on a schedule determined by the department.

Sec. 35f. From the general fund money appropriated in section 11, there is allocated for 2020-2021 an amount not to exceed $500,000.00 for the department to award to the Chaldean community foundation. The Chaldean community foundation shall use funds received under this section to support and expand early childhood learning opportunities, improve early literacy achievement, increase high school graduation rates for new Americans, and assist with diploma acquisition, skills training, and postsecondary education.

Sec. 39. (1) An eligible applicant receiving funds under section 32d shall submit an application, in a form and manner prescribed by the department, by a date specified by the department in the immediately preceding fiscal year. An eligible applicant is not required to amend the applicant's current accounting cycle or adopt this state's fiscal year accounting cycle in accounting for financial transactions under this section. The application must include all of the following:

(a) The estimated total number of children in the community who meet the criteria of section 32d, as provided to the applicant by the department utilizing the most recent population data available from the American

Community Survey conducted by the United States Census Bureau. The department shall ensure that it provides updated American Community Survey population data at least once every 3 years.

(b) The estimated number of children in the community who meet the criteria of section 32d and are being served exclusively by Head Start programs operating in the community.

(c) The number of children whom the applicant has the capacity to serve who meet the criteria of section 32d including a verification of physical facility and staff resources capacity.

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

(3) The initial allocation to each eligible applicant under section 32d is the lesser of the following:

(a) The sum of the number of children served in a school-day program in the preceding school year multiplied by $7,250.00 and the number of children served in a GSRP/Head Start blended program or a part-day program in the preceding school year multiplied by $3,625.00.

(b) The sum of the number of children the applicant has the capacity to serve in the current school year in a school-day program multiplied by $7,250.00 and the number of children served in a GSRP/Head Start blended program or a part-day program the applicant has the capacity to serve in the current school year multiplied by $3,625.00.

(4) If funds remain after the allocations under subsection (3), the department shall distribute the remaining funds to each intermediate district or consortium of intermediate districts that serves less than the state percentage benchmark determined under subsection (5). The department shall distribute these remaining funds to each eligible applicant based upon each applicant's proportionate share of the remaining unserved children necessary to meet the statewide percentage benchmark in intermediate districts or consortia of intermediate districts serving less than the statewide percentage benchmark. When all applicants have been given the opportunity to reach the statewide percentage benchmark, the statewide percentage benchmark may be reset, as determined by the department, until greater equity of opportunity to serve eligible children across all intermediate school districts has been achieved.

(5) For the purposes of subsection (4), the department shall calculate a percentage of children served by each intermediate district or consortium of intermediate districts by adding the number of children served in the immediately preceding year by that intermediate district or consortium with the number of eligible children under section 32d served exclusively by head start, as reported in a form and manner prescribed by the department, within the intermediate district or consortia service area and dividing that total by the total number of children within the intermediate district or consortium of intermediate districts who meet the criteria of section 32d as determined by the department utilizing the most recent population data available from the American Community Survey conducted by the United States Census Bureau. The department shall compare the resulting percentage of eligible children served to a statewide percentage benchmark to determine if the intermediate district or consortium is eligible for additional funds under subsection (4). The statewide percentage benchmark is 60%.

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

(7) The department shall review the program components under section 32d and under this section at least biennially. The department also shall convene a committee of internal and external stakeholders at least once every 5 years to ensure that the funding structure under this section reflects current system needs under section 32d.

(8) As used in this section, "GSRP/Head Start blended program", "part-day program", and "school-day program" mean those terms as defined in section 32d as, for 2020-2021, impacted by section 32d(26).

Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated for 2020-2021 to districts, intermediate districts, and other eligible entities all available federal funding, estimated at $749,200,000.00 for the federal programs under the no child left behind act of 2001, Public Law 107-110, or the every student succeeds act, Public Law 114-95. These funds are allocated as follows:

(a) An amount estimated at $1,200,000.00 for 2020-2021 to provide students with drug- and violence-prevention programs and to implement strategies to improve school safety, funded from DED-OESE, drug-free schools and communities funds.

(b) An amount estimated at $100,000,000.00 for 2020-2021 for the purpose of preparing, training, and recruiting high-quality teachers and class size reduction, funded from DED-OESE, improving teacher quality funds.

(c) An amount estimated at $11,000,000.00 for 2020-2021 for programs to teach English to limited English proficient (LEP) children, funded from DED-OESE, language acquisition state grant funds.

(d) An amount estimated at $2,800,000.00 for 2020-2021 for rural and low income schools, funded from DED-OESE, rural and low income school funds.

(e) An amount estimated at $535,000,000.00 for 2020-2021 to provide supplemental programs to enable educationally disadvantaged children to meet challenging academic standards, funded from DED-OESE, title I, disadvantaged children funds.

(f) An amount estimated at $9,200,000.00 for 2020-2021 for the purpose of identifying and serving migrant children, funded from DED-OESE, title I, migrant education funds.

(g) An amount estimated at $39,000,000.00 for 2020-2021 for the purpose of providing high-quality extended learning opportunities, after school and during the summer, for children in low-performing schools, funded from DED-OESE, twenty-first century community learning center funds.

(h) An amount estimated at $14,000,000.00 for 2020-2021 to help support local school improvement efforts, funded from DED-OESE, title I, local school improvement grants.

(i) An amount estimated at $35,000,000.00 for 2020-2021 to improve the academic achievement of students, funded from DED-OESE, title IV, student support and academic enrichment grants.

(2) From the federal funds appropriated in section 11, there is allocated to districts, intermediate districts, and other eligible entities all available federal funding, estimated at $55,000,000.00 for 2020-2021 for the following programs that are funded by federal grants:

(a) An amount estimated at $3,000,000.00 for 2020-2021 to provide services to homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

(b) An amount estimated at $24,000,000.00 for 2020-2021 for providing career and technical education services to pupils, funded from DED-OVAE, basic grants to states.

(c) An amount estimated at $14,000,000.00 for 2020-2021 for the Michigan charter school subgrant program, funded from DED–OII, public charter schools program funds.

(d) An amount estimated at $14,000,000.00 for 2020-2021 for the purpose of promoting and expanding high-quality preschool services, funded from HHS–OCC, preschool development funds.

(3) The department shall distribute all federal funds allocated under this section in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section 17b, the department shall make payments of federal funds to districts, intermediate districts, and other eligible entities under this section on a schedule determined by the department.

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

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

(6) As used in this section:

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

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

(c) "DED-OII" means the DED Office of Innovation and Improvement.

(d) "DED-OVAE" means the DED Office of Vocational and Adult Education.

(e) "HHS" means the United States Department of Health and Human Services.

(f) "HHS-OCC" means the HHS Office of Child Care.

Sec. 41. (1) For a district to be eligible to receive funding under this section, the district must administer to English language learners the English language proficiency assessment known as the "WIDA ACCESS for English language learners" or the "WIDA Alternate ACCESS". From the appropriation in section 11, there is allocated an amount not to exceed $13,000,000.00 for 2020-2021 for payments to eligible districts for services for English language learners who have been administered the WIDA ACCESS for English language learners.

(2) The department shall distribute funding allocated under subsection (1) to eligible districts based on the number of full-time equivalent English language learners as follows:

(a) $900.00 per full-time equivalent English language learner who has been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 1.0 and 1.9, or less, as applicable to each assessment.

(b) $620.00 per full-time equivalent English language learner who has been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 2.0 and 2.9, or less, as applicable to each assessment.

(c) $100.00 per full-time equivalent English language learner who has been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 3.0 and 3.9, or less, as applicable to each assessment.

(3) If funds allocated under subsection (1) are insufficient to fully fund the payments as prescribed under subsection (2), the department shall prorate payments on an equal percentage basis, with the same percentage proration applied to all funding categories.

(4) Each district receiving funds under subsection (1) shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district of funds under subsection (1) in a form and manner determined by the department, including a brief description of each program conducted or services performed by the district using funds under subsection (1) and the amount of funds under subsection (1) allocated to each of those programs or services. If a district does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district complies with this subsection. If the district does not comply with this subsection by the end of the fiscal year, the withheld funds are forfeited to the school aid fund.

(5) In order to receive funds under subsection (1), a district must allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district shall reimburse this state for all disallowances found in the audit.

(6) Beginning July 1, 2020, and every 3 years thereafter, the department shall review the per-pupil distribution under subsection (2), to ensure that funding levels are appropriate and make recommendations for adjustments to the members of the senate and house subcommittees on K-12 school aid appropriations.

Sec. 51a. (1) From the appropriation in section 11, there is allocated an amount not to exceed $1,023,996,100.00 for 2019-2020 and there is allocated an amount not to exceed $1,079,296,100.00 for 2020-2021 from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at $370,000,000.00 for 2019-2020 and $375,000,000.00 for 2020-2021, plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1761; net tuition payments made by intermediate districts to the Michigan Schools for the Deaf and Blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals or other entities, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared under article 3 of the revised school code, MCL 380.1701 to 380.1761. Notwithstanding section 17b, the department shall make payments of federal funds to districts, intermediate districts, and other eligible entities under this section on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated the amount necessary, estimated at $286,900,000.00 for 2019-2020 and estimated at $307,500,000.00 for 2020-2021, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection are made as follows:

(a) The department shall calculate the initial amount allocated to a district under this subsection toward fulfilling the specified percentages by multiplying the district's special education pupil membership, excluding pupils described in subsection (11), times the foundation allowance under section 20 of the pupil's district of residence, not to exceed the target foundation allowance for the current fiscal year, or, for a special education pupil in membership in a district that is a public school academy, times an amount equal to the amount per membership pupil calculated under section 20(6). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages is an amount per special education membership pupil, excluding pupils described in subsection (11), and is calculated in the same manner as for a district, using the

foundation allowance under section 20 of the pupil's district of residence, not to exceed the target foundation allowance for the current fiscal year.

(b) After the allocations under subdivision (a), the department shall pay a district or intermediate district for which the payments calculated under subdivision (a) do not fulfill the specified percentages the amount necessary to achieve the specified percentages for the district or intermediate district.

(3) From the funds allocated under subsection (1), there is allocated for 2019-2020 an amount not to exceed $1,000,000.00 and there is allocated for 2020-2021 an amount not to exceed $1,000,000.00 to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. The department shall make adjustments for reductions in special education program operations or services in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the department shall pay the shortfall to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and shall adjust payments under subsection (3) as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall deduct the amount of the excess from the district's or intermediate district's payments under this article for the fiscal year beginning on the October 1 following the determination and shall adjust payments under subsection (3) as necessary. However, if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill the specified percentages in subsection (2), there is no deduction under this subsection.

(5) State funds are allocated on a total approved cost basis. Federal funds are allocated under applicable federal requirements.

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed $2,200,000.00 for 2019-2020 and there is allocated an amount not to exceed $2,200,000.00 for 2020-2021 to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. The department shall determine net increase in necessary costs in a manner specified by the department.

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

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

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

(c) If the department determines before bookclosing for a fiscal year that the amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and sections 53a, 54, and 56 will exceed expenditures for that fiscal year under subsections (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district or intermediate district whose reimbursement for that fiscal year would otherwise be affected by subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for that district or intermediate district and the department shall calculate reimbursement for that district or intermediate district in the same manner as it was for 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6), and (11) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those districts and intermediate districts under this subdivision, then the department shall prorate calculations and resulting reimbursement under this subdivision on an equal percentage basis. Beginning in 2015-2016, the amount of reimbursement under this subdivision for a fiscal year must not exceed $2,000,000.00 for any district or intermediate district.

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

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

(8) A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan Schools for the Deaf and Blind is not included in the membership count of a district, but is counted in membership in the intermediate district of residence.

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

(10) If a district or intermediate district uses money received under this section for a purpose other than the purpose or purposes for which the money is allocated, the department may require the district or intermediate district to refund the amount of money received. The department shall deposit money that is refunded in the state treasury to the credit of the state school aid fund.

(11) From the funds allocated in subsection (1), there is allocated the amount necessary, estimated at $3,100,000.00 for 2019-2020 and estimated at $3,000,000.00 for 2020-2021, to pay the foundation allowances for pupils described in this subsection. The department shall calculate the allocation to a district under this subsection by multiplying the number of pupils described in this subsection who are counted in membership in the district times the sum of the foundation allowance under section 20 of the pupil's district of residence not to exceed the target foundation allowance for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy, times an amount equal to the amount per membership pupil under section 20(6). The department shall calculate the allocation to an intermediate district under this subsection in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence not to exceed the target foundation allowance for the current fiscal year. This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

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

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

(12) If it is determined that funds allocated under subsection (2) or (11) or under section 51c will not be expended, funds up to the amount necessary and available may be used to supplement the allocations under subsection (2) or (11) or under section 51c in order to fully fund those allocations. After payments under subsections (2) and (11) and section 51c, the department shall expend the remaining funds from the allocation in subsection (1) in the following order:

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

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

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

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

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

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

(14) If a public school academy that is not a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, enrolls under this section a pupil who resides outside of the intermediate district in which the public school academy is located and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the intermediate district in which the public school academy is located and the public school academy shall enter into a written agreement with the intermediate district in which the pupil resides for the purpose of providing the pupil with a free appropriate public education, and the written agreement must include at least an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil. If the public school academy that enrolls the pupil does not enter into an agreement under this subsection, the public school academy shall not charge the pupil's resident intermediate district or the intermediate district in which the public school academy is located the added costs of special education programs and services for the pupil, and the public school academy is not eligible for any payouts based on the funding formula outlined in the resident or nonresident intermediate district's plan. If a pupil is not enrolled in a public school academy under this subsection, the provision of special education programs and services and the payment of the added costs of special education programs and services for a pupil described in this subsection are the responsibility of the district and intermediate district in which the pupil resides.

(15) For the purpose of receiving its federal allocation under part B of the individuals with disabilities education act, Public Law 108-446, a public school academy that is a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a, directly receives the federal allocation under part B of the individuals with disabilities education act, Public Law 108-446, from the intermediate district in which the cyber school is located, as the subrecipient. If the intermediate district does not distribute the funds described in this subsection to the cyber school by the part B application due date of July 1, the department may distribute the funds described in this subsection directly to the cyber school according to the formula prescribed in 34 CFR 300.705 and 34 CFR 300.816.

(16) For a public school academy that is a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a, that enrolls a pupil under this section, the intermediate district in which the cyber school is located shall ensure that the cyber school complies with sections 1701a, 1703, 1704, 1751, 1752, 1756, and 1757 of the revised school code, MCL 380.1701a, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757; applicable rules; and the individuals with disabilities education act, Public Law 108-446.

(17) For the purposes of this section, the department or the center shall only require a district or intermediate district to report information that is not already available from the financial information database maintained by the center.

Sec. 51c. As required by the court in the consolidated cases known as *Durant v State of Michigan*, 456 Mich 175 (1997), from the allocation under section 51a(1), there is allocated for 2019-2020 and for 2020-2021, the amount necessary, estimated at $678,600,000.00 for 2019-2020 and $713,400,000.00 for 2020-2021, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b to fully fund those allocations for the same fiscal year. For each fund transfer as described in the immediately preceding sentence that occurs, the state budget director shall send notification of the transfer to the house and senate appropriations subcommittees on state school aid and the house and senate fiscal agencies by not later than 14 calendar days after the transfer occurs.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated for 2020-2021 all available federal funding, estimated at $71,000,000.00 for special education programs and services that are funded by federal grants. The department shall distribute all federal funds allocated under this section in accordance with federal law. Notwithstanding section 17b, the department shall make payments of federal funds to districts, intermediate districts, and other eligible entities under this section on a schedule determined by the department.

(2) From the federal funds allocated under subsection (1), the following amounts are allocated for 2020-2021:

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

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

(c) An amount estimated at $43,000,000.00 for special education programs funded by DED-OSERS, handicapped program, individuals with disabilities act funds.

(3) As used in this section, "DED-OSERS" means the United States Department of Education Office of Special Education and Rehabilitative Services.

Sec. 51f. (1) From the funds appropriated under section 11, there is allocated for 2020-2021 an amount not to exceed $60,207,000.00 for payments to districts and intermediate districts to increase the level of reimbursement of costs associated with providing special education services required under state and federal law.

(2) A district's or intermediate district's allocation under this section is equal to the level percentage multiplied by each district's or intermediate district's costs reported to the center on the special education actual cost report, known as "SE-4096" as referred to under section 18(6), as approved by the department.

(3) The total reimbursement under this section and under section 51c must not exceed the total reported costs for a district or intermediate district.

(4) For 2020-2021, the level percentage is estimated at 2.0%.

(5) For the purposes of this section, "level percentage" means the percentage calculated by dividing the allocation in subsection (1) by the total of costs reported to the center on the special education actual cost report, known as "SE-4096" as referred to under section 18(6), as approved by the department.

Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2) is 100% of the total approved costs of operating special education programs and services approved by the department and included in the intermediate district plan adopted under article 3 of the revised school code, MCL 380.1701 to 380.1761, minus the district's foundation allowance calculated under section 20. For intermediate districts, the department shall calculate reimbursement for pupils described in subsection (2) in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the target foundation allowance under section 20 for the current fiscal year.

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

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

(b) Pupils who are residents of institutions operated by the department of health and human services.

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

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

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

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

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

(5) The department shall not allocate more than $10,500,000.00 of the allocation for 2020-2021 in section 51a(1) under this section.

Sec. 54. Each intermediate district receives an amount per-pupil for each pupil in attendance at the Michigan Schools for the Deaf and Blind. The amount is proportionate to the total instructional cost at each school. The department shall not allocate more than $1,688,000.00 of the allocation for 2020-2021 in section 51a(1) under this section.

Sec. 54b. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed $1,600,000.00 for 2020-2021 to continue the implementation of the recommendations of the special education reform task force published in January 2016.

(2) The department shall use funds allocated under this section for the purpose of piloting statewide implementation of the Michigan Integrated Behavior and Learning Support Initiative (MiBLSI), a nationally recognized program that includes positive behavioral intervention and supports and provides a statewide structure to support local initiatives for an integrated behavior and reading program. With the assistance of the intermediate districts involved in MiBLSI, the department shall identify a number of intermediate districts to participate in the pilot that is sufficient to ensure that MiBLSI can be implemented statewide with fidelity and sustainability. In addition, the department shall identify an intermediate district to act as a fiscal agent for these funds.

Sec. 54d. (1) From the appropriations in section 11, there is allocated an amount not to exceed $7,150,000.00 for 2020-2021 to intermediate districts for the purpose of providing state early on services programs for children from birth to 3 years of age with a developmental delay or a disability, or both, and their families, as described in the early on Michigan state plan, as approved by the department.

(2) To be eligible to receive grant funding under this section, each intermediate district must apply in a form and manner determined by the department.

(3) The grant funding allocated under this section must be used to increase early on services and resources available to children that demonstrate developmental delays to help prepare them for success as they enter school. State early on services include evaluating and providing early intervention services for eligible infants and toddlers and their families to address developmental delays, including those affecting physical, cognitive, communication, adaptive, social, or emotional development. Grant funds must not be used to supplant existing services that are currently being provided.

(4) The department shall distribute the funds allocated under subsection (1) to intermediate districts according to the department's early on funding formula utilized to distribute the federal award to Michigan under part C of the individuals with disabilities education act. Funds received under this section must not supplant existing funds or resources allocated for early on early intervention services. An intermediate district receiving funds under this section shall maximize the capture of Medicaid funds to support early on early intervention services to the extent possible.

(5) Each intermediate district that receives funds under this section shall report data and other information to the department in a form, manner, and frequency prescribed by the department to allow for monitoring and evaluation of the program and to ensure that the children described in subsection (1) received appropriate levels and types of services delivered by qualified personnel, based on the individual needs of the children and their families.

(6) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

Sec. 55. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed $250,000.00 for 2020-2021 to the Conductive Learning Center located at Aquinas College. This funding must be used to support the operational costs of the conductive education model taught at the Conductive Learning Center to maximize the independence and mobility of children and adults with neuromotor disabilities. The conductive education model funded under this section must be based on the concept of neuroplasticity and the ability of people to learn and improve when they are motivated, regardless of the severity of their disability.

(2) Notwithstanding section 17b, the department shall distribute the funding allocated under this section to the Conductive Learning Center not later than December 1, 2020.

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

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

(b) "Millage levied" means the millage levied for special education under part 30 of the revised school code, MCL 380.1711 to 380.1741, including a levy for debt service obligations.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1741, membership and taxable value of the district are not included in the membership and taxable value of the intermediate district.

(2) From the allocation under section 51a(1), there is allocated $40,008,100.00 for 2019-2020 and an amount not to exceed $40,008,100.00 for 2020-2021 to reimburse intermediate districts levying millages for special education under part 30 of the revised school code, MCL 380.1711 to 380.1741. The purpose, use, and expenditure

of the reimbursement are limited as if the funds were generated by these millages and governed by the intermediate district plan adopted under article 3 of the revised school code, MCL 380.1701 to 380.1761. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts must submit for departmental approval and implement a distribution plan.

(3) Except as otherwise provided in this subsection, reimbursement for those millages levied in 2018-2019 is made in 2019-2020 at an amount per 2018-2019 membership pupil computed by subtracting from $201,700.00 the 2018-2019 taxable value behind each membership pupil and multiplying the resulting difference by the 2018-2019 millage levied, and then subtracting from that amount the 2018-2019 local community stabilization share revenue for special education purposes behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362. Reimbursement in 2019-2020 for an intermediate district whose 2017-2018 allocation was affected by the operation of subsection (5) is an amount equal to 102.5% of the 2017-2018 allocation to that intermediate district.

(4) Except as otherwise provided in this subsection, reimbursement for those millages levied in 2019-2020 is made in 2020-2021 at an amount per 2019-2020 membership pupil computed by subtracting from $209,000.00 the 2019-2020 taxable value behind each membership pupil and multiplying the resulting difference by the 2019-2020 millage levied, and then subtracting from that amount the 2019-2020 local community stabilization share revenue for special education purposes behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362. Reimbursement in 2020-2021 for an intermediate district whose 2017-2018 allocation was affected by the operation of subsection (5) is an amount equal to 102.5% of the 2017-2018 allocation to that intermediate district.

(5) The department shall ensure that the amount paid to a single intermediate district under this section does not exceed 62.9% of the total amount allocated under subsection (2).

(6) The department shall ensure that the amount paid to a single intermediate district under this section is not less than 75% of the amount allocated to the intermediate district under this section for the immediately preceding fiscal year.

Sec. 61a. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $37,611,300.00 for 2020-2021 to reimburse on an added cost basis districts, except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year and that has a foundation allowance as calculated under section 20 greater than the minimum foundation allowance under that section, and secondary area vocational-technical education centers for secondary-level career and technical education programs according to rules approved by the superintendent. Applications for participation in the programs must be submitted in the form prescribed by the department. The department shall determine the added cost for each career and technical education program area. The department shall prioritize the allocation of added cost funds based on the capital and program expenditures needed to operate the career and technical education programs provided; the number of pupils enrolled; the advancement of pupils through the instructional program; the existence of an articulation agreement with at least 1 postsecondary institution that provides pupils with opportunities to earn postsecondary credit during the pupil's participation in the career and technical education program and transfers those credits to the postsecondary institution upon completion of the career and technical education program; and the program rank in student placement, job openings, and wages, and shall ensure that the allocation does not exceed 75% of the added cost of any program. Notwithstanding any rule or department determination to the contrary, when determining a district's allocation or the formula for making allocations under this section, the department shall include the participation of pupils in grade 9 in all of those determinations and in all portions of the formula. With the approval of the department, the board of a district maintaining a secondary career and technical education program may offer the program for the period from the close of the school year until September 1. The program shall use existing facilities and must be operated as prescribed by rules promulgated by the superintendent.

(2) Except for a district that served as the fiscal agent for a vocational education consortium in the 1993-94 school year, the department shall reimburse districts and intermediate districts for local career and technical education administration, shared time career and technical education administration, and career education planning district career and technical education administration. The superintendent shall adopt guidelines for the definition of what constitutes administration and shall make reimbursement pursuant to those guidelines. The department shall not distribute more than $800,000.00 of the allocation in subsection (1) under this subsection.

(3) A career and technical education program funded under this section may provide an opportunity for participants who are eligible to be funded under section 107 to enroll in the career and technical education program funded under this section if the participation does not occur during regular school hours.

Sec. 61b. (1) From the funds appropriated under section 11, there is allocated for 2020-2021 an amount not to exceed $8,000,000.00 from the state school aid fund appropriation for CTE early/middle college and CTE dual enrollment programs authorized under this section and for planning grants for the development or expansion of CTE early/middle college programs. The purpose of these programs is to increase the number of Michigan residents with high-quality degrees or credentials, and to increase the number of students who are college and career ready upon high school graduation.

(2) From the funds allocated under subsection (1), the department shall allocate an amount as determined under this subsection to each intermediate district serving as a fiscal agent for state-approved CTE early/middle college and CTE dual enrollment programs in each of the career education planning districts identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administrative costs for serving as the fiscal agent.

(3) To be an eligible fiscal agent, an intermediate district must agree to do all of the following in a form and manner determined by the department:

(a) Distribute funds to eligible CTE early/middle college and CTE dual enrollment programs in a career education planning district as described in this section.

(b) Collaborate with the career and educational advisory council in the workforce development board service delivery area to develop 1 regional strategic plan under subsection (4) that aligns CTE programs and services into an efficient and effective delivery system for high school students. The department will align career education planning districts, workforce development board service delivery areas, and intermediate districts for the purpose of creating 1 regional strategic plan for each workforce development board service delivery area.

(c) Implement a regional process to rank career clusters in the workforce development board service delivery area as described under subsection (4). Regional processes must be approved by the department before the ranking of career clusters.

(d) Report CTE early/middle college and CTE dual enrollment program and student data and information as prescribed by the department and the center.

(4) A regional strategic plan must be approved by the career and educational advisory council before submission to the department. A regional strategic plan must include, but is not limited to, the following:

(a) An identification of regional employer need based on a ranking of all career clusters in the workforce development board service delivery area ranked by 10-year job openings projections and median wage for each standard occupational code in each career cluster as obtained from the United States Bureau of Labor Statistics. Standard occupational codes within high-ranking clusters also may be further ranked by median wage. The career and educational advisory council located in the workforce development board service delivery area shall review the rankings and modify them if necessary to accurately reflect employer demand for talent in the workforce development board service delivery area. A career and educational advisory council shall document that it has conducted this review and certify that it is accurate. These career cluster rankings must be determined and updated once every 4 years.

(b) An identification of educational entities in the workforce development board service delivery area that will provide eligible CTE early/middle college and CTE dual enrollment programs including districts, intermediate districts, postsecondary institutions, and noncredit occupational training programs leading to an industry-recognized credential.

(c) A strategy to inform parents and students of CTE early/middle college and CTE dual enrollment programs in the workforce development board service delivery area.

(d) Any other requirements as defined by the department.

(5) An eligible CTE program is a program that meets all of the following:

(a) Has been identified in the highest 5 career cluster rankings in any of the 16 workforce development board service delivery area strategic plans jointly approved by the department of labor and economic opportunity and the department.

(b) Has a coherent sequence of courses that will allow a student to earn a high school diploma and achieve at least 1 of the following in a specific career cluster:

(*i*) An associate degree.

(*ii*) An industry-recognized technical certification approved by the department of labor and economic opportunity.

(*iii*) Up to 60 transferable college credits.

(*iv*) Participation in a registered apprenticeship, pre-apprenticeship, or apprentice readiness program.

(c) Is aligned with the Michigan merit curriculum.

(d) Has an articulation agreement with at least 1 postsecondary institution that provides students with opportunities to receive postsecondary credits during the student's participation in the CTE early/middle college or CTE dual enrollment program and transfers those credits to the postsecondary institution upon completion of the CTE early/middle college or CTE dual enrollment program.

(e) Provides instruction that is supervised, directed, or coordinated by an appropriately certificated CTE teacher or, for concurrent enrollment courses, a postsecondary faculty member.

(f) Provides for highly integrated student support services that include at least the following:

(*i*) Teachers as academic advisors.

(*ii*) Supervised course selection.

(*iii*) Monitoring of student progress and completion.

(*iv*) Career planning services provided by a local one-stop service center as described in the Michigan works one-stop service center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a high school counselor or advisor.

(g) Has courses that are taught on a college campus, are college courses offered at the high school and taught by college faculty, or are courses taught in combination with online instruction.

(6) The department shall distribute funds to eligible CTE early/middle college and CTE dual enrollment programs as follows:

(a) The department shall determine statewide average CTE costs per pupil for each CIP code program by calculating statewide average costs for each CIP code program for the 3 most recent fiscal years.

(b) The distribution to each eligible CTE early/middle college or CTE dual enrollment program is the product of 50% of CTE costs per pupil times the pupil enrollment of each eligible CTE early/middle college or CTE dual enrollment program in the immediately preceding school year.

(7) In order to receive funds under this section, a CTE early/middle college or CTE dual enrollment program shall furnish to the intermediate district that is the fiscal agent identified in subsection (2), in a form and manner determined by the department, all information needed to administer this program and meet federal reporting requirements; shall allow the department or the department's designee to review all records related to the program for which it receives funds; and shall reimburse the state for all disallowances found in the review, as determined by the department.

(8) There is allocated for 2020-2021 from the funds under subsection (1) an amount not to exceed $500,000.00 from the state school aid fund allocation for grants to intermediate districts or consortia of intermediate districts for the purpose of planning for new or expanded early/middle college programs. Applications for grants must be submitted in a form and manner determined by the department. The amount of a grant under this subsection must not exceed $50,000.00. To be eligible for a grant under this subsection, an intermediate district or consortia of intermediate districts must provide matching funds equal to the grant received under this subsection. Notwithstanding section 17b, the department shall make payments under this subsection in the manner determined by the department.

(9) Funds distributed under this section may be used to fund program expenditures that would otherwise be paid from foundation allowances. A program receiving funding under section 61a may receive funding under this section for allowable costs that exceed the reimbursement the program received under section 61a. The combined payments received by a program under section 61a and this section must not exceed the total allowable costs of the program. A program provider shall not use more than 5% of the funds allocated under this section to the program for administrative costs.

(10) If the allocation under subsection (1) is insufficient to fully fund payments as otherwise calculated under this section, the department shall prorate payments under this section on an equal percentage basis.

(11) If pupils enrolled in a career cluster in an eligible CTE early/middle college or CTE dual enrollment program qualify to be reimbursed under this section, those pupils continue to qualify for reimbursement until graduation, even if the career cluster is no longer identified as being in the highest 5 career cluster rankings.

(12) As used in this section:

(a) "Allowable costs" means those costs directly attributable to the program as jointly determined by the department of labor and economic opportunity and the department.

(b) "Career and educational advisory council" means an advisory council to the local workforce development boards located in a workforce development board service delivery area consisting of educational, employer, labor, and parent representatives.

(c) "CIP" means classification of instructional programs.

(d) "CTE" means career and technical education programs.

(e) "CTE dual enrollment program" means a 4-year high school program of postsecondary courses offered by eligible postsecondary educational institutions that leads to an industry-recognized certification or degree.

(f) “Early/middle college program” means a 5-year high school program.

(g) “Eligible postsecondary educational institution” means that term as defined in section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903.

Sec. 61d. (1) From the appropriation in section 11, there is allocated for 2020-2021 an amount not to exceed $5,000,000.00 from the state school aid fund for additional payments to districts for career and technical education programs for the purpose of increasing the number of Michigan residents with high-quality degrees or credentials, and to increase the number of pupils who are college- and career-ready upon high school graduation.

(2) The department shall calculate payments to districts under this section in the following manner:

(a) A payment of $35.00 multiplied by the number of pupils in grades 9 to 12 who are counted in membership in the district and are enrolled in at least 1 career and technical education program.

(b) An additional payment of $35.00 multiplied by the number of pupils in grades 9 to 12 who are counted in membership in the district and are enrolled in at least 1 career and technical education program that provides instruction in critical skills and high-demand career fields.

(3) If the allocation under subsection (1) is insufficient to fully fund payments under subsection (2), the department shall prorate payments under this section on an equal per-pupil basis.

(4) As used in this section:

(a) “Career and technical education program” means a state-approved career and technical education program, as determined by the department.

(b) “Career and technical education program that provides instruction in critical skills and high-demand career field” means a career and technical education program classified under any of the following 2-digit classification of instructional programs (CIP) codes:

(*i*) 01, which refers to “agriculture, agriculture operations, and related sciences”.

(*ii*) 03, which refers to “natural resources and conservation”.

(*iii*) 10 through 11, which refers to “communications technologies/technicians and support services” and “computer and information sciences and support services”.

(*iv*) 14 through 15, which refers to “engineering” and “engineering technologies and engineering-related fields”.

(*v*) 26, which refers to “biological and biomedical sciences”.

(*vi*) 46 through 48, which refers to “construction trades”, “mechanic and repair technologies/technicians”, and “precision production”.

(*vii*) 51, which refers to “health professions and related programs”.

Sec. 62. (1) For the purposes of this section:

(a) “Membership” means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district or the total membership for the immediately preceding fiscal year of the area vocational-technical program.

(b) “Millage levied” means the millage levied for area vocational-technical education under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.

(c) “Taxable value” means the total taxable value of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, the membership and taxable value of that district are not included in the membership and taxable value of the intermediate district. However, the membership and taxable value of a district that has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, are included in the membership and taxable value of the intermediate district if the district meets both of the following:

(*i*) The district operates the area vocational-technical education program pursuant to a contract with the intermediate district.

(*ii*) The district contributes an annual amount to the operation of the program that is commensurate with the revenue that would have been raised for operation of the program if millage were levied in the district for the program under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690.

(2) From the appropriation in section 11, there is allocated an amount not to exceed $9,190,000.00 each fiscal year for 2019-2020 and for 2020-2021 to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area

vocational-technical education under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement are limited as if the funds were generated by those millages.

(3) Reimbursement for those millages levied in 2018-2019 is made in 2019-2020 at an amount per 2018-2019 membership pupil computed by subtracting from $210,800.00 the 2018-2019 taxable value behind each membership pupil and multiplying the resulting difference by the 2018-2019 millage levied, and then subtracting from that amount the 2018-2019 local community stabilization share revenue for area vocational technical education behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

(4) Reimbursement for those millages levied in 2019-2020 is made in 2020-2021 at an amount per 2019-2020 membership pupil computed by subtracting from $218,800.00 the 2019-2020 taxable value behind each membership pupil and multiplying the resulting difference by the 2019-2020 millage levied, and then subtracting from that amount the 2019-2020 local community stabilization share revenue for area vocational technical education behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

(5) The department shall ensure that the amount paid to a single intermediate district under this section does not exceed 38.4% of the total amount allocated under subsection (2).

(6) The department shall ensure that the amount paid to a single intermediate district under this section is not less than 75% of the amount allocated to the intermediate district under this section for the immediately preceding fiscal year.

Sec. 65. (1) From the appropriation under section 11, there is allocated an amount not to exceed $400,000.00 for 2020-2021 for a pre-college engineering K-12 educational program that is focused on the development of a diverse future Michigan workforce, that serves multiple communities within southeast Michigan, that enrolls pupils from multiple districts, and that received funds appropriated for this purpose in the appropriations act that provided the Michigan strategic fund budget for 2014-2015.

(2) To be eligible for funding under this section, a program must have the ability to expose pupils to, and motivate and prepare pupils for, science, technology, engineering, and mathematics careers and postsecondary education with special attention given to groups of pupils who are at-risk and underrepresented in technical professions and careers.

Sec. 67. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed $3,000,000.00 for 2020-2021 for college access programs. The programs funded under this section are intended to inform students of college and career options and to provide resources intended to increase the number of pupils who are adequately prepared with the information needed to make informed decisions on college and career. The funds appropriated under this section are intended to be used to increase the number of Michigan residents with high-quality degrees or credentials. Funds appropriated under this section must not be used to supplant funding for counselors already funded by districts.

(2) The department of labor and economic opportunity shall administer funds allocated under this section in collaboration with the Michigan college access network. These funds may be used for any of the following purposes:

(a) Michigan college access network operations, programming, and services to local college access networks.

(b) Local college access networks, which are community-based college access/success partnerships committed to increasing the college participation and completion rates within geographically defined communities through a coordinated strategy.

(c) The Michigan college advising program, a program intended to place trained, recently graduated college advisors in high schools that serve significant numbers of low-income and first-generation college-going pupils. State funds used for this purpose may not exceed 33% of the total funds available under this subsection.

(d) Subgrants of up to $5,000.00 to districts with comprehensive high schools that establish a college access team and implement specific strategies to create a college-going culture in a high school in a form and manner approved by the Michigan college access network and the department of labor and economic opportunity.

(e) The Michigan college access portal, an online one-stop portal to help pupils and families plan and apply for college.

(f) Public awareness and outreach campaigns to encourage low-income and first-generation college-going pupils to take necessary steps toward college and to assist pupils and families in completing a timely and accurate free application for federal student aid.

(g) Subgrants to postsecondary institutions to recruit, hire, and train college student mentors and college advisors to assist high school pupils in navigating the postsecondary planning and enrollment process.

(3) For the purposes of this section, "college" means any postsecondary educational opportunity that leads to a career, including, but not limited to, a postsecondary degree, industry-recognized technical certification, or registered apprenticeship.

Sec. 67a. (1) From the general fund money appropriated under section 11, there is allocated an amount not to exceed $50,000.00 for 2020-2021 for a grant to be distributed by the department to an organization to provide industrial and technological education and workforce preparation for students and professional development opportunities and support for teachers.

(2) Notwithstanding section 17b, the department shall make grant payments under this section on a schedule determined by the department.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed $3,814,500.00 for 2020-2021 for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated for 2020-2021 the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction under section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The department shall make payments in an amount determined by the department not to exceed the actual cost of instruction and driver compensation for each public or nonpublic school bus driver attending a course of instruction. For the purpose of computing compensation, the hourly rate allowed each school bus driver must not exceed the hourly rate received for driving a school bus. The department shall make reimbursement compensating the driver during the course of instruction to the college or university or intermediate district providing the course of instruction.

(3) From the allocation in subsection (1), there is allocated for 2020-2021 the amount necessary to pay the reasonable costs of nonspecial education auxiliary services transportation provided under section 1323 of the revised school code, MCL 380.1323. Districts funded under this subsection do not receive funding under any other section of this article for nonspecial education auxiliary services transportation.

(4) From the funds allocated in subsection (1), there is allocated an amount not to exceed $1,789,500.00 for 2020-2021 for reimbursement to districts and intermediate districts for costs associated with the inspection of school buses and pupil transportation vehicles by the department of state police as required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The department of state police shall prepare a statement of costs attributable to each district for which bus inspections are provided and submit it to the department and to an intermediate district serving as fiduciary in a time and manner determined jointly by the department and the department of state police. Upon review and approval of the statement of cost, the department shall forward to the designated intermediate district serving as fiduciary the amount of the reimbursement on behalf of each district and intermediate district for costs detailed on the statement within 45 days after receipt of the statement. The designated intermediate district shall make payment in the amount specified on the statement to the department of state police within 45 days after receipt of the statement. The total reimbursement of costs under this subsection must not exceed the amount allocated under this subsection. Notwithstanding section 17b, the department shall make payments to eligible entities under this subsection on a schedule prescribed by the department.

Sec. 81. (1) From the appropriation in section 11, there is allocated for 2020-2021 to the intermediate districts the sum necessary, but not to exceed $69,138,000.00, to provide state aid to intermediate districts under this section.

(2) The amount allocated under this section to each intermediate district is an amount equal to 100% of the amount allocated to the intermediate district under this section for 2019-2020. An intermediate district shall use funding provided under this section to comply with requirements of this article and the revised school code that are applicable to intermediate districts, and for which funding is not provided elsewhere in this article, and to provide technical assistance to districts as authorized by the intermediate school board.

(3) Intermediate districts receiving funds under this section shall collaborate with the department to develop expanded professional development opportunities for teachers to update and expand their knowledge and skills needed to support the Michigan merit curriculum.

(4) From the allocation in subsection (1), there is allocated to an intermediate district, formed by the consolidation or annexation of 2 or more intermediate districts or the attachment of a total intermediate district to another intermediate district or the annexation of all of the constituent K-12 districts of a previously existing intermediate district which has disorganized, an additional allotment of $3,500.00 each fiscal year for each intermediate district included in the new intermediate district for 3 years following consolidation, annexation, or attachment.

(5) In order to receive funding under this section, an intermediate district shall do all of the following:

(a) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in pupil accounting and auditing procedures, rules, and regulations.

(b) Demonstrate to the satisfaction of the department that the intermediate district employs at least 1 person who is trained in rules, regulations, and district reporting procedures for the individual-level student data that serves as the basis for the calculation of the district and high school graduation and dropout rates.

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

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

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

Sec. 94. (1) From the general fund money appropriated in section 11, there is allocated to the department for 2020-2021 an amount not to exceed $1,200,000.00 for efforts to increase the number of pupils who participate and succeed in advanced placement and international baccalaureate programs, and to support the college-level examination program (CLEP).

(2) From the funds allocated under this section, the department shall award funds to cover all or part of the costs of advanced placement test fees or international baccalaureate test fees and international baccalaureate registration fees for low-income pupils who take an advanced placement or an international baccalaureate test and CLEP fees for low-income pupils who take a CLEP test.

(3) The department shall only award funds under this section if the department determines that all of the following criteria are met:

(a) Each pupil for whom payment is made meets eligibility requirements of the federal advanced placement test fee program under section 1701 of the no child left behind act of 2001, Public Law 107-110, or under a corresponding provision of the every student succeeds act, Public Law 114-95.

(b) The tests are administered by the college board, the international baccalaureate organization, or another test provider approved by the department.

(c) The pupil for whom payment is made pays at least $5.00 toward the cost of each test for which payment is made.

(4) The department shall establish procedures for awarding funds under this section.

(5) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

Sec. 94a. (1) There is created within the state budget office in the department of technology, management, and budget the center for educational performance and information. The center shall do all of the following:

(a) Coordinate the collection of all data required by state and federal law from districts, intermediate districts, and postsecondary institutions.

(b) Create, maintain, and enhance this state's P-20 longitudinal data system and ensure that it meets the requirements of subsection (4).

(c) Collect data in the most efficient manner possible in order to reduce the administrative burden on reporting entities, including, but not limited to, electronic transcript services.

(d) Create, maintain, and enhance this state's web-based educational portal to provide information to school leaders, teachers, researchers, and the public in compliance with all federal and state privacy laws. Data must include, but are not limited to, all of the following:

(*i*) Data sets that link teachers to student information, allowing districts to assess individual teacher impact on student performance and consider student growth factors in teacher and principal evaluation systems.

(*ii*) Data access or, if practical, data sets, provided for regional data hubs that, in combination with local data, can improve teaching and learning in the classroom.

(*iii*) Research-ready data sets for researchers to perform research that advances this state's educational performance.

(e) Provide data in a useful manner to allow state and local policymakers to make informed policy decisions.

(f) Provide public reports to the residents of this state to allow them to assess allocation of resources and the return on their investment in the education system of this state.

(g) Other functions as assigned by the state budget director.

(2) Each state department, officer, or agency that collects information from districts, intermediate districts, or postsecondary institutions as required under state or federal law shall make arrangements with the center to ensure that the state department, officer, or agency is in compliance with subsection (1). This subsection does not apply to information collected by the department of treasury under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

(3) The center may enter into any interlocal agreements necessary to fulfill its functions.

(4) The center shall ensure that the P-20 longitudinal data system required under subsection (1)(b) meets all of the following:

(a) Includes data at the individual student level from preschool through postsecondary education and into the workforce.

(b) Supports interoperability by using standard data structures, data formats, and data definitions to ensure linkage and connectivity in a manner that facilitates the exchange of data among agencies and institutions within the state and between states.

(c) Enables the matching of individual teacher and student records so that an individual student may be matched with those teachers providing instruction to that student.

(d) Enables the matching of individual teachers with information about their certification and the institutions that prepared and recommended those teachers for state certification.

(e) Enables data to be easily generated for continuous improvement and decision-making, including timely reporting to parents, teachers, and school leaders on student achievement.

(f) Ensures the reasonable quality, validity, and reliability of data contained in the system.

(g) Provides this state with the ability to meet federal and state reporting requirements.

(h) For data elements related to preschool through grade 12 and postsecondary, meets all of the following:

(*i*) Contains a unique statewide student identifier that does not permit a student to be individually identified by users of the system, except as allowed by federal and state law.

(*ii*) Contains student-level enrollment, demographic, and program participation information.

(*iii*) Contains student-level information about the points at which students exit, transfer in, transfer out, drop out, or complete education programs.

(*iv*) Has the capacity to communicate with higher education data systems.

(i) For data elements related to preschool through grade 12 only, meets all of the following:

(*i*) Contains yearly test records of individual students for assessments approved by DED-OESE for accountability purposes under section 1111(b) of the elementary and secondary education act of 1965, 20 USC 6311, including information on individual students not tested, by grade and subject.

(*ii*) Contains student-level transcript information, including information on courses completed and grades earned.

(*iii*) Contains student-level college readiness test scores.

(j) For data elements related to postsecondary education only:

(*i*) Contains data that provide information regarding the extent to which individual students transition successfully from secondary school to postsecondary education, including, but not limited to, all of the following:

(A) Enrollment in remedial coursework.

(B) Completion of 1 year's worth of college credit applicable to a degree within 2 years of enrollment.

(*ii*) Contains data that provide other information determined necessary to address alignment and adequate preparation for success in postsecondary education.

(5) From the general fund money appropriated in section 11, there is allocated an amount not to exceed $16,848,900.00 for 2020-2021 to the department of technology, management, and budget to support the operations of the center. In addition, from the federal funds appropriated in section 11, there is allocated for 2020-2021 the amount necessary, estimated at $193,500.00, to support the operations of the center and to establish a P-20 longitudinal data system necessary for state and federal reporting purposes. The center shall cooperate with the department to ensure that this state is in compliance with federal law and is maximizing opportunities for increased federal funding to improve education in this state.

(6) From the funds allocated in subsection (5), the center may use an amount determined by the center for competitive grants for 2020-2021 to support collaborative efforts on the P-20 longitudinal data system. All of the following apply to grants awarded under this subsection:

(a) The center shall award competitive grants to eligible intermediate districts or a consortium of intermediate districts based on criteria established by the center.

(b) Activities funded under the grant must support the P-20 longitudinal data system portal and may include portal hosting, hardware and software acquisition, maintenance, enhancements, user support and related materials, and professional learning tools and activities aimed at improving the utility of the P-20 longitudinal data system.

(c) An applicant that received a grant under this subsection for the immediately preceding fiscal year has priority for funding under this section. However, after 3 fiscal years of continuous funding, an applicant is required to compete openly with new applicants.

(7) Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year and are appropriated for the purposes for which the funds were originally allocated.

(8) The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (5) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

(9) As used in this section:

(a) "DED-OESE" means the United States Department of Education Office of Elementary and Secondary Education.

(b) "State education agency" means the department.

Sec. 94b. From the general fund money appropriated in section 11, there is allocated an amount not to exceed $100.00 for 2020-2021 to the connecting information in education committee created in this section. The connecting information in education committee is created for 2020-2021. Both of the following apply to the committee described in this section:

(a) The committee shall provide recommendations concerning, at a minimum, all of the following to the legislature and the governor:

(*i*) How to lead the replication and scaling of best practices in instruction, administration, and student support to enable this state to be among the fastest improving states in the nation in academic gains for all student groups.

(*ii*) How to close the educational achievement gap based on income, race, geography, language, gender, and student needs.

(*iii*) How to prepare every student for success after high school.

(b) The committee shall work in consultation with the department, the center, the executive branch, the legislature, education stakeholders, and other nongovernmental organizations, to provide recommendations based on research to school leaders and educators as they implement best practices proven to improve student performance.

Sec. 95b. (1) From the general fund money appropriated under section 11, there is allocated an amount not to exceed $2,000,000.00 for the model value-added growth and projection analytics system. The department shall continue the model value-added growth and projection analytics system and incorporate that model into its reporting requirements under the every student succeeds act, Public Law 114-95. It is the intent of the legislature to fund the model under this section for 2021-2022 only if at least 50% of districts that are not public school academies opt in to student-teacher linkages provided by the model value-added growth and projection analytics system and there is verification that the value-added reporting platform continued hosting and delivery of historical reporting as determined based on the report under subsection (5). The model described in this subsection must do at least all of the following:

(a) Utilize existing assessments and any future assessments that are suitable for measuring student growth.

(b) Report student growth measures at the district, school, teacher, and subgroup levels.

(c) Recognize the growth of tested students, including those who may have missing assessment data.

(d) Include all available prior standardized assessment data that meet inclusion criteria across grades, subjects, and state and local assessments.

(e) Allow student growth results to be disaggregated.

(f) Provide individual student projections showing the probability of a student reaching specific performance levels on future assessments. Given school closures and extended cancellations related to COVID-19, the data under this subdivision may be used to inform decisions about student placement or students that could benefit from additional supports or interventions.

(g) Demonstrate any prior success with this state's assessments through the Michigan council of educator effectiveness teacher evaluation pilot.

(h) Demonstrate prior statewide implementation in at least 2 other states for at least 10 years.

(i) Have a native roster verification system built into the value-added reporting platform that has been implemented statewide in at least 2 other states.

(j) Have a "help/contact us" ticketing system built into the value-added reporting platform.

(k) Given school closures that have occurred pursuant to an executive order issued by the governor, the value-added reporting platform must provide continued hosting and delivery of reporting and offer the department additional supports in the areas of research, analysis, web reporting, and training.

(*l*) The department and the platform vendor shall provide statewide training for educators to understand the reporting that details the impact to student learning and growth.

(2) The department shall provide internet-based electronic student growth and projection reporting based on the model under subsection (1) to educators at the school, district, and state levels. The model must include role-based permissions that allow educators to access information about the performance of the students within their immediate responsibility in accordance with applicable privacy laws.

(3) The model under subsection (1) must not be a mandatory part of teacher evaluation or educator pay-for-performance systems.

(4) The model under subsection (1) must be a model that received funding under this section in 2018-2019.

(5) By March 31, 2021, the department shall work with the center to provide a report to the senate and house appropriations subcommittees on state school aid and the senate and house fiscal agencies regarding the number of districts that are not public school academies that opted in to student-teacher linkages in their use of the model value-added growth and projection analytics system under this section. The report under this subsection must also include verification that the value-added reporting platform continued hosting and delivery of historical reporting and specify any additional research and analysis offered to the department.

Sec. 98. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed $7,500,000.00 for 2020-2021 for the purposes described in this section. The Michigan Virtual University shall provide a report to the legislature not later than November 1 of each year that includes its mission, its plans, and proposed benchmarks it must meet, including a plan to achieve the organizational priorities identified in this section, in order to receive full funding for 2021-2022. Not later than March 1 of each year, the Michigan Virtual University shall provide an update to the house and senate appropriations subcommittees on school aid to show the progress being made to meet the benchmarks identified.

(2) The Michigan Virtual University shall operate the Michigan Virtual Learning Research Institute. The Michigan Virtual Learning Research Institute shall do all of the following:

(a) Support and accelerate innovation in education through the following activities:

(*i*) Test, evaluate, and recommend as appropriate new technology-based instructional tools and resources.

(*ii*) Research, design, and recommend virtual education delivery models for use by pupils and teachers that include age-appropriate multimedia instructional content.

(*iii*) Research, develop, and recommend annually to the department criteria by which cyber schools and virtual course providers should be monitored and evaluated to ensure a quality education for their pupils.

(*iv*) Based on pupil completion and performance data reported to the department or the center from cyber schools and other virtual course providers operating in this state, analyze the effectiveness of virtual learning delivery models in preparing pupils to be college- and career-ready and publish a report that highlights enrollment totals, completion rates, and the overall impact on pupils. The Michigan Virtual Learning Research Institute shall submit the report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, the department, districts, and intermediate districts not later than March 31 of each year.

(*v*) Provide an extensive professional development program to at least 30,000 educational personnel, including teachers, school administrators, and school board members, that focuses on the effective integration of virtual learning into curricula and instruction. The Michigan Virtual Learning Research Institute is encouraged to work with the MiSTEM advisory council created under section 99s to coordinate professional development of teachers in applicable fields. In addition, the Michigan Virtual Learning Research Institute and external stakeholders are encouraged to coordinate with the department for professional development in this state. Not later than December 1 of each year, the Michigan Virtual Learning Research Institute shall submit a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department on the number of teachers, school administrators, and school board members who have

received professional development services from the Michigan Virtual University. The report must also identify barriers and other opportunities to encourage the adoption of virtual learning in the public education system.

(*vi*) Identify and share best practices for planning, implementing, and evaluating virtual and blended education delivery models with intermediate districts, districts, and public school academies to accelerate the adoption of innovative education delivery models statewide.

(b) Provide leadership for this state's system of virtual learning education by doing the following activities:

(*i*) Develop and report policy recommendations to the governor and the legislature that accelerate the expansion of effective virtual learning in this state's schools.

(*ii*) Provide a clearinghouse for research reports, academic studies, evaluations, and other information related to virtual learning.

(*iii*) Promote and distribute the most current instructional design standards and guidelines for virtual teaching.

(*iv*) In collaboration with the department and interested colleges and universities in this state, support implementation and improvements related to effective virtual learning instruction.

(*v*) Pursue public/private partnerships that include districts to study and implement competency-based technology-rich virtual learning models.

(*vi*) Create a statewide network of school-based mentors serving as liaisons between pupils, virtual instructors, parents, and school staff, as provided by the department or the center, and provide mentors with research-based training and technical assistance designed to help more pupils be successful virtual learners.

(*vii*) Convene focus groups and conduct annual surveys of teachers, administrators, pupils, parents, and others to identify barriers and opportunities related to virtual learning.

(*viii*) Produce an annual consumer awareness report for schools and parents about effective virtual education providers and education delivery models, performance data, cost structures, and research trends.

(*ix*) Provide an internet-based platform that educators can use to create student-centric learning tools and resources for sharing in the state's open educational resource repository and facilitate a user network that assists educators in using the content creation platform and state repository for open educational resources. As part of this initiative, the Michigan Virtual University shall work collaboratively with districts and intermediate districts to establish a plan to make available virtual resources that align to Michigan's K-12 curriculum standards for use by students, educators, and parents.

(*x*) Create and maintain a public statewide catalog of virtual learning courses being offered by all public schools and community colleges in this state. The Michigan Virtual Learning Research Institute shall identify and develop a list of nationally recognized best practices for virtual learning and use this list to support reviews of virtual course vendors, courses, and instructional practices. The Michigan Virtual Learning Research Institute shall also provide a mechanism for intermediate districts to use the identified best practices to review content offered by constituent districts. The Michigan Virtual Learning Research Institute shall review the virtual course offerings of the Michigan Virtual University, and make the results from these reviews available to the public as part of the statewide catalog. The Michigan Virtual Learning Research Institute shall ensure that the statewide catalog is made available to the public on the Michigan Virtual University website and shall allow the ability to link it to each district's website as provided for in section 21f. The statewide catalog must also contain all of the following:

(A) The number of enrollments in each virtual course in the immediately preceding school year.

(B) The number of enrollments that earned 60% or more of the total course points for each virtual course in the immediately preceding school year.

(C) The pass rate for each virtual course.

(*xi*) Support registration, payment services, and transcript functionality for the statewide catalog and train key stakeholders on how to use new features.

(*xii*) Collaborate with key stakeholders to examine district level accountability and teacher effectiveness issues related to virtual learning under section 21f and make findings and recommendations publicly available.

(*xiii*) Provide a report on the activities of the Michigan Virtual Learning Research Institute.

(3) To further enhance its expertise and leadership in virtual learning, the Michigan Virtual University shall continue to operate the Michigan Virtual School as a statewide laboratory and quality model of instruction by implementing virtual and blended learning solutions for Michigan schools in accordance with the following parameters:

(a) The Michigan Virtual School must maintain its accreditation status from recognized national and international accrediting entities.

(b) The Michigan Virtual University shall use no more than $1,000,000.00 of the amount allocated under this section to subsidize the cost paid by districts for virtual courses.

(c) In providing educators responsible for the teaching of virtual courses as provided for in this section, the Michigan Virtual School shall follow the requirements to request and assess, and the department of state police shall provide, a criminal history check and criminal records check under sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, in the same manner as if the Michigan Virtual School were a school district under those sections.

(4) From the funds allocated under subsection (1), the Michigan Virtual University shall allocate up to $500,000.00 to support the expansion of new online and blended educator professional development programs.

(5) If the course offerings are included in the statewide catalog of virtual courses under subsection (2)(b)(*x*), the Michigan Virtual School operated by the Michigan Virtual University may offer virtual course offerings, including, but not limited to, all of the following:

(a) Information technology courses.

(b) College level equivalent courses, as defined in section 1471 of the revised school code, MCL 380.1471.

(c) Courses and dual enrollment opportunities.

(d) Programs and services for at-risk pupils.

(e) High school equivalency test preparation courses for adjudicated youth.

(f) Special interest courses.

(g) Professional development programs for teachers, school administrators, other school employees, and school board members.

(6) If a home-schooled or nonpublic school student is a resident of a district that subscribes to services provided by the Michigan Virtual School, the student may use the services provided by the Michigan Virtual School to the district without charge to the student beyond what is charged to a district pupil using the same services.

(7) Not later than December 1 of each fiscal year, the Michigan Virtual University shall provide a report to the house and senate appropriations subcommittees on state school aid, the state budget director, the house and senate fiscal agencies, and the department that includes at least all of the following information related to the Michigan Virtual School for the preceding state fiscal year:

(a) A list of the districts served by the Michigan Virtual School.

(b) A list of virtual course titles available to districts.

(c) The total number of virtual course enrollments and information on registrations and completions by course.

(d) The overall course completion rate percentage.

(8) In addition to the information listed in subsection (7), the report under subsection (7) must also include a plan to serve at least 600 schools with courses from the Michigan Virtual School or with content available through the internet-based platform identified in subsection (2)(b)(*ix*).

(9) The governor may appoint an advisory group for the Michigan Virtual Learning Research Institute established under subsection (2). The members of the advisory group serve at the pleasure of the governor and without compensation. The purpose of the advisory group is to make recommendations to the governor, the legislature, and the president and board of the Michigan Virtual University that will accelerate innovation in this state's education system in a manner that will prepare elementary and secondary students to be career and college ready and that will promote the goal of increasing the percentage of residents of this state with high-quality degrees and credentials to at least 60% by 2025.

(10) Not later than November 1 of each year, the Michigan Virtual University shall submit to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a detailed budget for that fiscal year that includes a breakdown on its projected costs to deliver virtual educational services to districts and a summary of the anticipated fees to be paid by districts for those services. Not later than March 1 each year, the Michigan Virtual University shall submit to the house and senate appropriations subcommittees on state school aid, the state budget director, and the house and senate fiscal agencies a breakdown on its actual costs to deliver virtual educational services to districts and a summary of the actual fees paid by districts for those services based on audited financial statements for the immediately preceding fiscal year.

(11) As used in this section:

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

(b) "Cyber school" means a full-time instructional program of virtual courses for pupils that may or may not require attendance at a physical school location.

(c) "Virtual course" means a course of study that is capable of generating a credit or a grade and that is provided in an interactive learning environment in which the majority of the curriculum is delivered using the internet and in which pupils are separated from their instructor or teacher of record by time or location, or both.

Sec. 98a. (1) In order to receive state aid under this article for 2020-2021, a district must provide, for the 2020-2021 school year, instruction under an extended COVID-19 learning plan that has been approved by an intermediate district or authorizing body, as applicable, under subsection (2). It is the intent of the legislature that extended COVID-19 learning plans described in this subsection provide districts with maximum flexibility to adapt their educational programs for some or all pupils at some or all of the schools operated by the district to respond to the COVID-19 pandemic. An extended COVID-19 learning plan described in this subsection must include all of the following elements:

(a) A statement indicating why an extended COVID-19 learning plan is necessary to increase pupil engagement and achievement for the 2020-2021 school year.

(b) The educational goals expected to be achieved for the 2020-2021 school year. The educational goals described in this subdivision must not be utilized to determine state policy. The district must establish all of its goals under this subdivision by not later than September 15, 2020. An extended COVID-19 learning plan described in this subsection must specify which educational goals described in this subdivision are expected to be achieved by the middle of the school year and which goals are expected to be achieved by the end of the school year. All of the following apply to the educational goals described in this subdivision:

(*i*) The goals must include increased pupil achievement or, if growth can be validly and reliably measured using a benchmark assessment or benchmark assessments, growth on a benchmark assessment or benchmark assessments described in subparagraph (*ii*) in the aggregate and for all subgroups of pupils.

(*ii*) The goals must include an assurance that the district shall select a benchmark assessment or benchmark assessments that are aligned to state standards and an assurance that the district shall administer the benchmark assessment or benchmark assessments to all pupils as prescribed under section 104 to determine whether pupils are making meaningful progress toward mastery of these standards.

(*iii*) The goals must be measurable through a benchmark assessment or benchmark assessments described in subparagraph (*ii*).

(c) A description of how instruction will be delivered during the 2020-2021 school year. Instruction, as described in this subdivision, may be delivered at school or at a different location, in person, online, digitally, by other remote means, in a synchronous or asynchronous format, or any combination thereof, but, except as otherwise provided in this subdivision, must be delivered as included in the description. If the description of instructional delivery under this subdivision differs from the delivery of instruction re-confirmed under this subdivision, then instruction must be delivered as re-confirmed. Thirty days after the approval of the plan under subsection (2), and each month thereafter, the district must, at a meeting of the board or board of directors, as applicable, of the district, re-confirm how instruction is going to be delivered during the 2020-2021 school year. Public comment must be solicited from the parents or legal guardians of the pupils enrolled in the district during a meeting described in this subdivision. For each reconfirmation described in this subdivision, the district shall report to the center, in a form and manner prescribed by the center, the instructional delivery method that was reconfirmed; how that instruction will be delivered for each grade level offered by the district, including pre-kindergarten, as applicable; and whether or not, as determined by the department in consultation with the center, the district is offering higher levels of in-person instruction for English language learners, special education students, or other special populations.

(d) A description of how instruction for core academic areas provided under the extended COVID-19 learning plan will expose each pupil to the academic standards that apply for each pupil's grade level or courses in the same scope and sequence as the district had planned for that exposure to occur for in-person instruction, as applicable, and a description of how pupil progress toward mastery of the standards described in this subdivision will be graded or otherwise reported to the pupil and the pupil's parent or legal guardian.

(e) If the district is delivering pupil instruction virtually, an assurance and description of how pupils will be provided with equitable access to technology and the internet necessary to participate in instruction. This subdivision does not prohibit a district from providing pupil instruction through nonvirtual educational materials.

(f) A description of how the district will ensure that students with disabilities will be provided with equitable access to instruction accommodation in accordance with applicable state and federal laws, rules, and regulations.

(g) A requirement that the district, in consultation with a local health department, as that term is defined in section 1105 of the public health code, 1978 PA 368, MCL 333.1105, and district employees, develop districtwide guidelines concerning appropriate methods for delivering pupil instruction for the 2020-2021 school year that are based on local data that are based on key metrics. However, regardless of the guidelines developed under this

subdivision, a determination concerning the method for delivering pupil instruction remains with the district. As used in this subdivision, "key metrics" means, at a minimum, all of the following:

(*i*) The trend of COVID-19 cases or positive COVID-19 tests, hospitalizations due to COVID-19, and the number of deaths resulting from COVID-19 over a 14-day period.

(*ii*) COVID-19 cases for each day for every 1 million individuals.

(*iii*) The percentage of positive COVID-19 tests over a 4-week period.

(*iv*) Health care capacity strength.

(*v*) Testing, tracing, and containment infrastructure with regard to COVID-19.

(h) A provision that, if the district determines that it is safe to provide in-person pupil instruction to pupils, the district shall prioritize providing in-person pupil instruction to pupils in grades K to 5 who are enrolled in the district.

(i) A requirement that the district shall ensure that 2 2-way interactions occur between a pupil enrolled in the district and the pupil's teacher or at least 1 of the pupil's teachers or another district employee who has responsibility for the pupil's learning, grade progression, or academic progress during each week of the school year for at least 75% of pupils enrolled in the district. A district may utilize 2-way interactions that occur under this subdivision toward meeting the requirement under section 101(3)(h). The district shall publicly announce its weekly interaction rates under this subdivision at each reconfirmation meeting described in subdivision (c) and make those rates accessible through the transparency reporting link located on the district's website each month. As used in this subdivision, "2-way interaction" means a communication that occurs between a pupil and the pupil's teacher or at least 1 of the pupil's teachers or another district employee who has responsibility for the pupil's learning, grade progression, or academic progress, where 1 party initiates communication and a response from the other party follows that communication, and that is relevant to course progress or course content for at least 1 of the courses in which the pupil is enrolled or relevant to the pupil's overall academic progress or grade progression. Responses, as described in this subdivision, must be to communication initiated by the teacher, by another district employee who has responsibility for the pupil's learning, grade progression, or academic progress, or by the pupil, and not some other action taken. The communication described in this subdivision may occur through, but is not limited to, any of the following means:

(*i*) Electronic mail.

(*ii*) Telephone.

(*iii*) Instant messaging.

(*iv*) Face-to-face conversation.

(2) A district that is not a public school academy that intends to provide instruction under an extended COVID-19 learning plan shall submit its extended COVID-19 learning plan described in subsection (1) to the intermediate district in which the district is located by not later than October 1, 2020, and, except as otherwise provided in this subsection, a district that is a public school academy that intends to provide instruction under an extended COVID-19 learning plan shall submit its extended COVID-19 learning plan described in subsection (1) to its authorizing body by not later than October 1, 2020, for approval. A district that is a public school academy that, by agreement, provides educational services for the residents of a district that is not a public school academy and that does not directly provide public educational services to its residents that intends to provide instruction under an extended COVID-19 learning plan shall submit its extended COVID-19 learning plan described in subsection (1) to the intermediate district in which it is located not later than October 1, 2020 for approval. An intermediate district or authorizing body, as applicable, shall approve an extended COVID-19 learning plan submitted for approval under this subsection by not later than October 9, 2020 if the plan includes all of the elements required for inclusion in the plan under subsection (1). If an intermediate district or authorizing body, as applicable, approves of a district's extended COVID-19 learning plan under this subsection, the intermediate district or authorizing body, as applicable, shall transmit copies of the approved plan to the superintendent of public instruction and the state treasurer.

(3) An extended COVID-19 learning plan described in subsection (1) and approved under subsection (2) must be made accessible through the transparency reporting link located on the district's website by not later than October 12, 2020.

(4) All of the following apply to a district that is providing instruction under an extended COVID-19 learning plan approved under this section:

(a) By not later than January 15, 2021, the district shall create a report that includes information regarding both of the following and shall ensure that the report under this subdivision can be accessed through the transparency reporting link located on the district's website:

(*i*) The amount and type of training provided during the current school year as of the date of the report to teachers of the district through professional development that focuses on how to deliver virtual content.

(*ii*) The amount and type of training provided during the current school year as of the date of the report to the parents and legal guardians of pupils and to pupils on how to access and use virtual content provided by the district.

(b) By not later than February 1, 2021, the district shall create a report concerning progress made in meeting the educational goals described in subsection (1) that the district expected would be achieved by the middle of the school year and shall ensure that the report under this subdivision can be accessed through the transparency reporting link located on the district's website.

(c) By not later than the last day of the 2020-2021 school year, the district shall create a report concerning progress made in meeting the educational goals described in subsection (1) that the district expected would be achieved by the end of the school year and shall ensure that the report under this subdivision can be accessed through the transparency reporting link located on the district's website.

(5) This section does not apply to a district that operates as a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551.

Sec. 98d. (1) From the state school aid fund money appropriated under section 11, there is allocated for 2020-2021 an amount not to exceed $2,000,000.00 to Northern Michigan University to support the MLC as described in this section. Northern Michigan University shall not retain any portion of the funding received under this section for administrative purposes and shall provide funding to support the MLC. All of the following apply to the MLC:

(a) The MLC must be created to help bridge equity gaps in K to 12 education linked to a student's ability to engage in distance learning because of inadequate internet access or a lack of devices in the home.

(b) The MLC shall provide over-the-air broadcasts 24 hours each day for 7 days each week of quality instructional content that is aligned with this state's K to 12 educational standards. Over-the-air broadcasts as described in this subdivision must be streamed live and must be archived for on-demand viewing on a companion website, along with additional learning materials relevant to lessons.

(c) The MLC must be managed and operated by DPTV, and DPTV shall assume all risk, liability, and responsibility for the MLC in accordance with regulations by the U.S. Federal Communications Commission, PBS broadcast standards, and standard nonprofit business standards. DPTV shall serve as the fiduciary agent and service manager for the MLC. The MLC shall originate from a central operations center that is responsible for providing the infrastructure, content, and engagement of the MLC in partnership with this state's educational leadership organizations.

(d) The MLC shall require that DPTV provide technology, funding, staff training, and central management of the MLC to station partners to insert additional channels into each station's broadcast streams and to support staffing and engagement as outlined in a memorandum of understanding among the stations.

(e) The MLC shall require that DPTV partner with at least 5 other Michigan public television stations including, but not limited to, WKAR, WGVU, WDCQ, WCMU, and WNMU, to deliver the over-the-air MLC broadcasts described in this section and to support engagement with local educators. Stations described in this subdivision must be able to use the infrastructure provided by the MLC to develop their own local content that best serves their communities.

(f) The MLC shall not use the funds received from Northern Michigan University under this section in support of the MLC for any purposes fully funded by the governor's emergency education relief fund grant.

(2) Not later than February 1, 2021, the MLC shall provide a report to the house and senate appropriations subcommittees responsible for state school aid, the house and senate fiscal agencies, and the state budget director detailing the MLC's compliance with ensuring that conditions listed under subsection (1) were met.

(3) Notwithstanding section 17b, the department shall make payments under this section not later than December 1, 2020.

(4) As used in this section:

(a) "DPTV" means Detroit public television.

(b) "MLC" means the Michigan learning channel.

Sec. 99h. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $4,400,000.00 for 2020-2021 for competitive grants to districts and intermediate districts, and from the general fund money appropriated in section 11, there is allocated $300,000.00 for 2020-2021 for competitive grants to nonpublic schools, that provide pupils in grades pre-K to 12 with expanded opportunities to improve mathematics, science, and technology skills by participating in events hosted by a science and technology development program known as FIRST (for inspiration and recognition of science and technology) Robotics,

including JR FIRST Lego League, FIRST Lego League, FIRST Tech challenge, and FIRST Robotics competition, or other competitive robotics programs, including VEX and those hosted by the Robotics Education and Competition (REC) Foundation. Programs funded under this section are intended to increase the number of pupils demonstrating proficiency in science and mathematics on the state assessments and to increase the number of pupils who are college- and career-ready upon high school graduation. Notwithstanding section 17b, the department shall make grant payments to districts, nonpublic schools, and intermediate districts under this section on a schedule determined by the department. The department shall set maximum grant awards for each different level of programming and competition in a manner that both maximizes the number of teams that will be able to receive funds and expands the geographical distribution of teams.

(2) A district, nonpublic school, or intermediate district applying for a grant under this section shall submit an application in a form and manner prescribed by the department. To be eligible for a grant, a district, nonpublic school, or intermediate district must demonstrate in its application that the district, nonpublic school, or intermediate district has established a partnership for the purposes of the robotics program with at least 1 sponsor, business entity, higher education institution, or technical school, shall submit a spending plan, and shall provide a local in-kind or cash match from other private or local funds of at least 25% of the cost of the robotics program award.

(3) The department shall distribute the grant funding under this section for the following purposes:

(a) Grants to districts, nonpublic schools, or intermediate districts to pay for stipends not to exceed $1,500.00 per building for coaching.

(b) Grants to districts, nonpublic schools, or intermediate districts for event registrations, materials, travel costs, and other expenses associated with the preparation for and attendance at robotics events and competitions.

(c) Grants to districts, nonpublic schools, or intermediate districts for awards to teams that advance to the next levels of competition as determined by the department. The department shall determine an equal amount per team for those teams that advance.

(4) The funds allocated under this section for 2020-2021 are a work project appropriation, and any unexpended funds for 2020-2021 are carried forward into 2021-2022. The purpose of the work project is to continue support of FIRST Robotics and must not be used to support other robotics competitions. The estimated completion date of the work project is September 30, 2023.

(5) A nonpublic school that receives a grant under this section may use the funds for either robotics or Science Olympiad programs.

(6) To be eligible to receive funds under this section, a nonpublic school must be a nonpublic school registered with the department and must meet all applicable state reporting requirements for nonpublic schools.

Sec. 99i. From the general fund money appropriated in section 11, there is allocated for 2020-2021 an amount not to exceed $150,000.00 to support the Michigan council of women in technology foundation. The funds awarded under this section must be used to support the girls-exploring-together-information-technology clubs for middle and high school girls that provide structured hands-on learning activities through a comprehensive technology-focused curriculum.

Sec. 99s. (1) From the funds appropriated under section 11, there is allocated for 2020-2021 an amount not to exceed $7,634,300.00 from the state school aid fund appropriation and an amount not to exceed $300,000.00 from the general fund appropriation for Michigan science, technology, engineering, and mathematics (MiSTEM) programs. In addition, from the federal funds appropriated in section 11, there is allocated to the department for 2020-2021 an amount estimated at $235,000.00 from DED-OESE, title II, mathematics and science partnership grants. The MiSTEM network may receive funds from private sources. If the MiSTEM network receives funds from private sources, the MiSTEM network shall expend those funds in alignment with the statewide STEM strategy. Programs funded under this section are intended to increase the number of pupils demonstrating proficiency in science and mathematics on the state assessments, to increase the number of pupils who are college- and career-ready upon high school graduation, and to promote certificate and degree attainment in STEM fields. Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

(2) All of the following apply to the MiSTEM advisory council:

(a) The MiSTEM advisory council is created. The MiSTEM advisory council shall provide to the governor, legislature, department of labor and economic opportunity, and department recommendations designed to improve and promote innovation in STEM education and to prepare students for careers in science, technology, engineering, and mathematics.

(b) The MiSTEM advisory council created under subdivision (a) consists of the following members:

(*i*) The governor shall appoint 11 voting members who are representative of business sectors that are important to Michigan's economy and rely on a STEM-educated workforce, nonprofit organizations and associations that promote STEM education, K-12 and postsecondary education entities involved in STEM-related career education, or other sectors as considered appropriate by the governor. Each of these members serves at the pleasure of the governor and for a term determined by the governor.

(*ii*) The senate majority leader shall appoint 2 members of the senate to serve as nonvoting, ex-officio members of the MiSTEM advisory council, including 1 majority party member and 1 minority party member.

(*iii*) The speaker of the house of representatives shall appoint 2 members of the house of representatives to serve as nonvoting, ex-officio members of the MiSTEM advisory council, including 1 majority party member and 1 minority party member.

(*iv*) The governor shall appoint 1 state officer or employee to serve as a nonvoting, ex-officio member of the MiSTEM advisory council.

(c) Each member of the MiSTEM advisory council serves without compensation.

(d) The MiSTEM advisory council annually shall review and make recommendations to the governor, the legislature, and the department concerning changes to the statewide strategy adopted by the council for delivering STEM education-related opportunities to pupils. The MiSTEM advisory council shall use funds received under this subsection to ensure that its members or their designees are trained in the Change the Equation STEMworks rating system program for the purpose of rating STEM programs.

(3) The MiSTEM advisory council shall make specific funding recommendations for the funds allocated under subsection (4) by December 15 of each fiscal year. Each specific funding recommendation must be for a program approved by the MiSTEM advisory council. All of the following apply:

(a) To be eligible for MiSTEM advisory council approval as described in this subsection, a program must satisfy all of the following:

(*i*) Align with this state's academic standards.

(*ii*) Have STEMworks certification.

(*iii*) Provide project-based experiential learning, student programming, or educator professional learning experiences.

(*iv*) Focus predominantly on classroom-based STEM experiences or professional learning experiences.

(b) The MiSTEM advisory council shall approve programs that represent all network regions and include a diverse array of options for students and educators and at least 1 program in each of the following areas:

(*i*) Robotics.

(*ii*) Computer science or coding.

(*iii*) Engineering or bioscience.

(c) The MiSTEM advisory council is encouraged to work with the MiSTEM network to develop locally and regionally developed programs and professional learning experiences for the programs on the list of approved programs.

(d) If the MiSTEM advisory council is unable to make specific funding recommendations by December 15 of a fiscal year, the department shall award and distribute the funds allocated under subsection (4) on a competitive grant basis that at least follows the statewide STEM strategy plan and rating system recommended by the MiSTEM advisory council. Each grant must provide STEM education-related opportunities for pupils.

(e) The MiSTEM advisory council shall work with the executive director of the MiSTEM network to implement the statewide STEM strategy adopted by the MiSTEM advisory council.

(4) From the state school aid fund money allocated under subsection (1), there is allocated for 2020-2021 an amount not to exceed $3,050,000.00 for the purpose of funding programs under this section for 2020-2021 as recommended by the MiSTEM advisory council.

(5) From the state school aid fund money allocated under subsection (1), there is allocated an amount not to exceed $3,834,300.00 for 2020-2021 to support the activities and programs of the MiSTEM network regions. In addition, from the federal funds allocated under subsection (1), there is allocated for 2020-2021 an amount estimated at $235,000.00 from DED-OESE, title II, mathematics and science partnership grants, for the purposes of this subsection. From the money allocated under this subsection, the department shall award the fiscal agent for each MiSTEM network region $200,000.00 for the base operations of each region. The department shall distribute the remaining funds to each fiscal agent in an equal amount per pupil, based on the number of K to 12 pupils enrolled in districts within each region in the immediately preceding fiscal year.

(6) A MiSTEM network region shall do all of the following:

(a) Collaborate with the career and educational advisory council that is located in the MiSTEM region to develop a regional strategic plan for STEM education that creates a robust regional STEM culture, that empowers STEM teachers, that integrates business and education into the STEM network, and that ensures high-quality STEM experiences for pupils. At a minimum, a regional STEM strategic plan should do all of the following:

(*i*) Identify regional employer need for STEM.

(*ii*) Identify processes for regional employers and educators to create guided pathways for STEM careers that include internships or externships, apprenticeships, and other experiential engagements for pupils.

(*iii*) Identify educator professional development opportunities, including internships or externships and apprenticeships, that integrate this state's science standards into high-quality STEM experiences that engage pupils.

(b) Facilitate regional STEM events such as educator and employer networking and STEM career fairs to raise STEM awareness.

(c) Contribute to the MiSTEM website and engage in other MiSTEM network functions to further the mission of STEM in this state in coordination with the MiSTEM advisory council and its executive director.

(d) Facilitate application and implementation of state and federal funds under this subsection and any other grants or funds for the MiSTEM network region.

(e) Work with districts to provide STEM programming and professional learning.

(f) Coordinate recurring discussions and work with the career and educational advisory council to ensure that feedback and best practices are being shared, including funding, program, professional learning opportunities, and regional strategic plans.

(7) From the state school aid fund money allocated under subsection (1), the department shall distribute for 2020-2021 an amount not to exceed $750,000.00, in a form and manner determined by the department, to those network regions able to provide curriculum and professional development support to assist districts in implementing the Michigan merit curriculum components for mathematics and science.

(8) In order to receive state or federal funds under subsection (5) or (7), or to receive funds from private sources as authorized under subsection (1), a grant recipient must allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The grant recipient shall reimburse the state for all disallowances found in the audit.

(9) In order to receive state funds under subsection (5) or (7), a grant recipient must provide at least a 10% local match from local public or private resources for the funds received under this subsection.

(10) Not later than July 1 of each year, a MiSTEM network region that receives funds under subsection (5) shall report to the executive director of the MiSTEM network in a form and manner prescribed by the executive director on performance measures developed by the MiSTEM network regions and approved by the executive director. The performance measures must be designed to ensure that the activities of the MiSTEM network are improving student academic outcomes.

(11) Not more than 5% of a MiSTEM network region grant under subsection (5) or (7) may be retained by a fiscal agent for serving as the fiscal agent of a MiSTEM network region.

(12) From the general fund money allocated under subsection (1), there is allocated an amount not to exceed $300,000.00 to the department of labor and economic opportunity to support the functions of the executive director and executive assistant for the MiSTEM network, and for administrative, training, and travel costs related to the MiSTEM advisory council. The executive director and executive assistant for the MiSTEM network shall do all of the following:

(a) Serve as a liaison among and between the department, the department of labor and economic opportunity, the MiSTEM advisory council, the governor's future talent council, the MiSTEM regions, and any other relevant organization or entity in a manner that creates a robust statewide STEM culture, that empowers STEM teachers, that integrates business and education into the STEM network, and that ensures high-quality STEM experiences for pupils.

(b) Coordinate the implementation of a marketing campaign, including, but not limited to, a website that includes dashboards of outcomes, to build STEM awareness and communicate STEM needs and opportunities to pupils, parents, educators, and the business community.

(c) Work with the department and the MiSTEM advisory council to coordinate, award, and monitor MiSTEM state and federal grants to the MiSTEM network regions and conduct reviews of grant recipients, including, but not limited to, pupil experience and feedback.

(d) Report to the governor, the legislature, the department, and the MiSTEM advisory council annually on the activities and performance of the MiSTEM network regions.

(e) Coordinate recurring discussions and work with regional staff to ensure that a network or loop of feedback and best practices are shared, including funding, programming, professional learning opportunities, discussion of MiSTEM strategic vision, and regional objectives.

(f) Coordinate major grant application efforts with the MiSTEM advisory council to assist regional staff with grant applications on a local level. The MiSTEM advisory council shall leverage private and nonprofit relationships to coordinate and align private funds in addition to funds appropriated under this section.

(g) Train state and regional staff in the STEMworks rating system, in collaboration with the MiSTEM advisory council and the department.

(h) Hire MiSTEM network region staff in collaboration with the network region fiscal agent.

(13) As used in this section:

(a) "Career and educational advisory council" means an advisory council to the local workforce development boards located in a prosperity region consisting of educational, employer, labor, and parent representatives.

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

(c) "DED-OESE" means the DED Office of Elementary and Secondary Education.

(d) "STEM" means science, technology, engineering, and mathematics delivered in an integrated fashion using cross-disciplinary learning experiences that can include language arts, performing and fine arts, and career and technical education.

Sec. 99t. (1) From the general fund appropriation under section 11, there is allocated an amount not to exceed $1,000,000.00 for 2020-2021 to purchase statewide access to an online algebra tool that meets all of the following:

(a) Provides students statewide with complete access to videos aligned with state standards including study guides and workbooks that are aligned with the videos.

(b) Provides students statewide with access to a personalized online algebra learning tool including adaptive diagnostics.

(c) Provides students statewide with dynamic algebra practice assessments that emulate the state assessment with immediate feedback and help solving problems.

(d) Provides students statewide with online access to algebra help 24 hours a day and 7 days a week from study experts, teachers, and peers on a moderated social networking platform.

(e) Provides an online algebra professional development network for teachers.

(f) Is already provided under a statewide contract in at least 1 other state that has a population of at least 18,000,000 but not more than 19,000,000 according to the most recent decennial census and is offered in that state in partnership with a public university.

(2) The department shall purchase the online algebra tool that was chosen under this section in 2016-2017.

(3) A grantee receiving funding under this section shall comply with the requirements of section 19b.

Sec. 99u. (1) From the general fund money appropriated under section 11, there is allocated for 2020-2021 an amount not to exceed $1,500,000.00 to a provider that is a provider of both of the following:

(a) An online mathematics tool that meets all of the following:

(*i*) Provides students statewide with complete access to mathematics support aligned with state standards through a program that has all of the following elements:

(A) Student motivation.

(B) Valid and reliable assessments.

(C) Personalized learning pathways.

(D) Highly qualified, live teachers available all day and all year.

(E) Twenty-four-hour reporting.

(F) Content built for rigorous mathematics.

(*ii*) Has a record of improving student mathematics scores in at least 5 other states.

(*iii*) Received funding under this section in 2017-2018.

(b) A program that provides explicit, targeted literacy instruction within an individualized learning path that continually adjusts to a pupil's needs. A program described in this subdivision that is funded under this subsection must be funded through a grant to a provider described in this subsection that also promotes literacy through the teaching of critical language and literacy concepts, such as reading and listening comprehension, basic vocabulary, academic language, grammar, phonological awareness, phonics, and fluency.

(2) A grantee that receives funding under this section shall comply with the requirements of section 19b.

(3) Notwithstanding section 17b, the department shall make payments under this section by not later than December 1, 2020.

Sec. 99w. (1) From the general fund money appropriated under section 11, there is allocated an amount not to exceed $400,000.00 for 2020-2021 to facilitate a culture of health and physical activity as part of daily life. Funding under this section must be a grant to the Michigan Fitness Foundation to work with the department to invest in a physical education curriculum. Funding under this section may support staff, evaluation, assessment, technology, meetings, training, travel, materials, and other administrative expenses in support of an updated physical education curriculum. Funding under this section may be used as matching dollars to qualify for federal and private resources to support physical education.

(2) An entity that received funding under this section for 2018-2019 may expend those funds through September 30, 2021.

(3) Notwithstanding section 17b, the department shall make payments under this section by not later than December 1, 2020.

Sec. 99x. (1) From the general fund money appropriated under section 11, there is allocated for 2020-2021 an amount not to exceed $1,000,000.00 for Teach for America to host a summer training institute in the city of Detroit, recruit teachers into a master teacher fellowship, and retain a committed alumni community. A program funded under this section must provide coaching and professional development, with the goal to produce highly effective teachers that move pupils beyond their growth benchmarks.

(2) Notwithstanding section 17b, the department shall make payments under this section by not later than December 1, 2020.

Sec. 99z. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed $5,000,000.00 for 2020-2021 for payments to eligible districts described in subsection (3) to be used in the manner described in subsection (4).

(2) A district seeking funding under this section shall apply for the funding in a form and manner prescribed by the department.

(3) A district that meets all of the following is an eligible district under this section:

(a) In its application described in subsection (2), the district confirms its approval of a department-generated list that includes the full name and personnel identification code for each eligible teacher employed by the district in an assignment as described in subsection (8)(b)(*i*) and (*ii*) to whom it will provide a payment under subsection (4) with the funding received under this section.

(b) The district agrees to provide to each eligible teacher whose name is included on the list described in subdivision (a) a payment of $500.00, in addition to the payment it will provide those eligible teachers under subsection (4).

(c) The district agrees to pay each eligible teacher the payment described in subdivision (b) and subsection (4) by not later than 45 days after receiving the disbursement of funds under this section from the department.

(4) An eligible district that receives funding under this section shall use that funding only as follows:

(a) If the eligible district is a district in which at least 70% of the pupils in membership in the district for the immediately preceding fiscal year were economically disadvantaged, to provide a payment of $1,000.00 to each eligible teacher whose name is included on the list described in subsection (3)(a).

(b) If the eligible district is not a district described in subdivision (a), to provide a payment of $500.00 to each eligible teacher whose name is included on the list described in subsection (3)(a).

(5) It is the intent of the legislature to provide for funding so that an eligible teacher who receives a payment under this section from the district to which he or she is assigned as described in this section receives payments under this section through that eligible teacher's third year of teaching at that district if that teacher remains continuously employed full-time at that district during those 3 years. For purposes of this subsection, an eligible teacher is considered continuously employed at a district during a period for which he or she is on approved medical, parental, or military leave.

(6) The funds allocated under this section for 2020-2021 are a work project appropriation, and any unexpended funds for 2020-2021 are carried forward into 2021-2022. The purpose of the work project is to continue providing payments to eligible teachers as described in this section. The estimated completion date of the work project is September 30, 2023.

(7) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

(8) As used in this section:

(a) "Economically disadvantaged" means that term as defined in section 31a.

(b) "Eligible teacher" means an individual who meets all of the following:

(*i*) Is assigned a teacher assignment code in the registry of educational personnel for the first time in the 2020-2021 school year.

(*ii*) Is assigned to a district in the registry of educational personnel in the 2020-2021 school year.

(*iii*) Has completed a full school year as a full-time teacher at the district to which he or she is assigned as described in subparagraph (*ii*) or, through a cooperative agreement, at multiple districts.

(*iv*) Holds a valid Michigan teaching certificate or holds a full-year permit.

(*v*) Is employed by the district or districts described in subparagraph (*iii*) on or before November 1, 2020.

(*vi*) Has not been subject to any recorded disciplinary action during the school year.

(c) "Registry of educational personnel" means the data collected biannually by the center on June 30 and the first business day of December.

Sec. 101. (1) To be eligible to receive state aid under this article, not later than the fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday after the supplemental count day, each district superintendent shall submit and certify to the center and the intermediate superintendent, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance, or, for 2020-2021 only, the number of pupils engaged in pandemic learning for fall 2020 or the number of pupils engaged in pandemic learning for spring 2021, as applicable, or, for a district that operates as a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, the number of pupils enrolled and in regular daily attendance, including identification of tuition-paying pupils, in the district as of the pupil membership count day and as of the supplemental count day, as applicable, for the current school year. In addition, a district maintaining school during the entire year shall submit and certify to the center and the intermediate superintendent, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district or, for 2020-2021 only, the number of pupils engaged in pandemic learning for fall 2020 or the number of pupils engaged in pandemic learning for spring 2021, as applicable, or, for a district that operates as a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, the number of pupils enrolled and in regular daily attendance, for the current school year pursuant to rules promulgated by the superintendent. Not later than the sixth Wednesday after the pupil membership count day and not later than the sixth Wednesday after the supplemental count day, the district shall resolve any pupil membership conflicts with another district, correct any data issues, and recertify the data in a form and manner prescribed by the center and file the certified data with the intermediate superintendent. If a district fails to submit and certify the attendance data, as required under this subsection, the center shall notify the department and the department shall withhold state aid due to be distributed under this article from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If a district does not comply with this subsection by the end of the fiscal year, the district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment is subject to penalty as prescribed by section 161. As used in this subsection, "pupils engaged in pandemic learning for spring 2021" means that term as defined in section 6a.

(2) To be eligible to receive state aid under this article, not later than the twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-fourth Wednesday after the supplemental count day, an intermediate district shall submit to the center, in a form and manner prescribed by the center, the audited enrollment and attendance data as described in subsection (1) for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to submit the audited data as required under this subsection, the department shall withhold state aid due to be distributed under this article from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) Except as otherwise provided in subsections (11), (12), and (13), all of the following apply to the provision of pupil instruction:

(a) Except as otherwise provided in this section, each district shall provide at least 1,098 hours and 180 days of pupil instruction. If a collective bargaining agreement that provides a complete school calendar was in effect for employees of a district as of June 24, 2014, and if that school calendar is not in compliance with this subdivision, then this subdivision does not apply to that district until after the expiration of that collective bargaining agreement. A district may apply for a waiver under subsection (9) from the requirements of this subdivision.

(b) Except as otherwise provided in this article, a district failing to comply with the required minimum hours and days of pupil instruction under this subsection forfeits from its total state aid allocation an amount determined by applying a ratio of the number of hours or days the district was in noncompliance in relation to the required minimum number of hours and days under this subsection. Not later than August 1, the board of each district shall either certify to the department that the district was in full compliance with this section regarding the number of hours and days of pupil instruction in the previous school year, or report to the department, in a form and manner prescribed by the center, each instance of noncompliance. If the district did not provide at least the required minimum number of hours and days of pupil instruction under this subsection, the department shall make the deduction of state aid in the following fiscal year from the first payment of state school aid. A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (6).

(c) Hours or days lost because of strikes or teachers' conferences are not counted as hours or days of pupil instruction.

(d) Except as otherwise provided in subdivisions (e), (f), and (h), if a district does not have at least 75% of the district's membership in attendance on any day of pupil instruction, the department shall pay the district state aid in that proportion of 1/180 that the actual percent of attendance bears to 75%.

(e) If a district adds 1 or more days of pupil instruction to the end of its instructional calendar for a school year to comply with subdivision (a) because the district otherwise would fail to provide the required minimum number of days of pupil instruction even after the operation of subsection (4) due to conditions not within the control of school authorities, then subdivision (d) does not apply for any day of pupil instruction that is added to the end of the instructional calendar. Instead, for any of those days, if the district does not have at least 60% of the district's membership in attendance on that day, the department shall pay the district state aid in that proportion of 1/180 that the actual percentage of attendance bears to 60%. For any day of pupil instruction added to the instructional calendar as described in this subdivision, the district shall report to the department the percentage of the district's membership that is in attendance, in the form and manner prescribed by the department.

(f) At the request of a district that operates a department-approved alternative education program and that does not provide instruction for pupils in all of grades K to 12, the superintendent shall grant a waiver from the requirements of subdivision (d). The waiver must provide that an eligible district is subject to the proration provisions of subdivision (d) only if the district does not have at least 50% of the district's membership in attendance on any day of pupil instruction. In order to be eligible for this waiver, a district must maintain records to substantiate its compliance with the following requirements:

(*i*) The district offers the minimum hours of pupil instruction as required under this section.

(*ii*) For each enrolled pupil, the district uses appropriate academic assessments to develop an individual education plan that leads to a high school diploma.

(*iii*) The district tests each pupil to determine academic progress at regular intervals and records the results of those tests in that pupil's individual education plan.

(g) All of the following apply to a waiver granted under subdivision (f):

(*i*) If the waiver is for a blended model of delivery, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(*ii*) If the waiver is for a 100% online model of delivery and the educational program for which the waiver is granted makes educational services available to pupils for a minimum of at least 1,098 hours during a school year and ensures that each pupil participates in the educational program for at least 1,098 hours during a school year, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(*iii*) A waiver that is not a waiver described in subparagraph (*i*) or (*ii*) is valid for 3 fiscal years, unless it is revoked by the superintendent, and must be renewed at the end of the 3-year period to remain in effect.

(h) For the 2020-2021 school year only, subdivision (d) does not apply for any day of pupil instruction. However, for the 2020-2021 school year only, a district shall ensure that 1 2-way interaction occurs between a pupil enrolled in the district and the pupil's teacher or at least 1 of the pupil's teachers or another district employee who has responsibility for the pupil's learning, grade progression, or academic progress during each month of the school year for at least 75% of pupils enrolled in the district. As used in the immediately preceding sentence, "school year" means a period comprising at least 9 calendar months that are chosen by a district and that are designated as part of the district's 2020-2021 school year. If a district does not ensure that the interactions required under this subdivision occur for at least 75% of pupils enrolled in the district as required under this subdivision, the department shall pay the district state aid in that proportion of 1/9 that the actual percentage of interaction during each month bears to 75%. As used in this subdivision, "2-way interaction" means a communication that occurs between a pupil and the pupil's teacher or at least 1 of the pupil's teachers or another district employee

who has responsibility for the pupil's learning, grade progression, or academic progress, where 1 party initiates communication and a response from the other party follows that communication, and that is relevant to course progress or course content for at least 1 of the courses in which the pupil is enrolled or relevant to the pupil's overall academic progress or grade progression. Responses, as described in this subdivision, must be to communication initiated by the teacher, by another district employee who has responsibility for the pupil's learning, grade progression, or academic progress, or by the pupil, and not some other action taken. The communication described in this subdivision may occur through, but is not limited to, any of the following means:

(*i*) Electronic mail.

(*ii*) Telephone.

(*iii*) Instant messaging.

(*iv*) Face-to-face conversation.

(i) The superintendent shall promulgate rules for the implementation of this subsection.

(4) Except as otherwise provided in this subsection, the first 6 days or the equivalent number of hours for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, utility power unavailability, water or sewer failure, or health conditions as defined by the city, county, or state health authorities, are counted as hours and days of pupil instruction. With the approval of the superintendent of public instruction, the department shall count as hours and days of pupil instruction for a fiscal year not more than 3 additional days or the equivalent number of additional hours for which pupil instruction is not provided in a district due to unusual and extenuating occurrences resulting from conditions not within the control of school authorities such as those conditions described in this subsection. Subsequent such hours or days are not counted as hours or days of pupil instruction.

(5) A district does not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required under subsection (3) for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following have occurred in a district, the district forfeits in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this article that is equal to the proportion below the required minimum number of hours and days of pupil instruction under subsection (3), as specified in the following:

(a) The district fails to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(7) In providing the minimum number of hours and days of pupil instruction required under subsection (3), a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for at least the required minimum number of hours of instruction, excluding study halls, or at least the sum of 90 hours plus the required minimum number of hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the individual pupil's best educational interest must be scheduled for a number of hours equal to at least 80% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule under this subsection if the pupil is scheduled for a number of hours equal to at least 75% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive the required minimum number of hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 3 hours per school week, is considered to be pupil instruction time for the purpose of determining whether the pupil is receiving the required minimum number of hours of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(e) In grades 7 through 12, instructional time that is part of a Junior Reserve Officer Training Corps (JROTC) program is considered to be pupil instruction time regardless of whether the instructor is a certificated teacher if all of the following are met:

(*i*) The instructor has met all of the requirements established by the United States Department of Defense and the applicable branch of the armed services for serving as an instructor in the Junior Reserve Officer Training Corps program.

(*ii*) The board of the district or intermediate district employing or assigning the instructor complies with the requirements of sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if employing the instructor as a regular classroom teacher.

(8) Except as otherwise provided in subsections (11), (12), and (13), the department shall apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

(9) Upon application by the district for a particular fiscal year, the superintendent shall waive for a district the minimum number of hours and days of pupil instruction requirement of subsection (3) for a department-approved alternative education program or another innovative program approved by the department, including a 4-day school week. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, the district is not subject to forfeiture under this section for the specific program covered by the waiver. If the district does not comply with the terms of the waiver, the amount of the forfeiture is calculated based upon a comparison of the number of hours and days of pupil instruction actually provided to the minimum number of hours and days of pupil instruction required under subsection (3). A district shall report pupils enrolled in a department-approved alternative education program under this subsection to the center in a form and manner determined by the center. All of the following apply to a waiver granted under this subsection:

(a) If the waiver is for a blended model of delivery, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(b) If the waiver is for a 100% online model of delivery and the educational program for which the waiver is granted makes educational services available to pupils for a minimum of at least 1,098 hours during a school year and ensures that each pupil is on track for course completion at proficiency level, a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is revoked by the superintendent.

(c) A waiver that is not a waiver described in subdivision (a) or (b) is valid for 3 fiscal years, unless it is revoked by the superintendent, and must be renewed at the end of the 3-year period to remain in effect.

(10) A district may count up to 38 hours of professional development for teachers as hours of pupil instruction. All of the following apply to the counting of professional development as pupil instruction under this subsection:

(a) If the professional development exceeds 5 hours in a single day, that day may be counted as a day of pupil instruction.

(b) At least 8 hours of the professional development counted as hours of pupil instruction under this subsection must be recommended by a districtwide professional development advisory committee appointed by the district board. The advisory committee must be composed of teachers employed by the district who represent a variety of grades and subject matter specializations, including special education; nonteaching staff; parents; and administrators. The majority membership of the committee must be composed of teaching staff.

(c) Professional development provided online is allowable and encouraged, as long as the instruction has been approved by the district. The department shall issue a list of approved online professional development providers that must include the Michigan Virtual School.

(d) Professional development may only be counted as hours of pupil instruction under this subsection for the pupils of those teachers scheduled to participate in the professional development.

(e) The professional development must meet all of the following to be counted as pupil instruction under this subsection:

(*i*) Be aligned to the school or district improvement plan for the school or district in which the professional development is being provided.

(*ii*) Be linked to 1 or more criteria in the evaluation tool developed or adopted by the district or intermediate district under section 1249 of the revised school code, MCL 380.1249.

(*iii*) Has been approved by the department as counting for state continuing education clock hours. The number of hours of professional development counted as hours of pupil instruction under this subsection may not exceed the number of state continuing education clock hours for which the professional development was approved.

(*iv*) Not more than a combined total of 10 hours of the professional development takes place before the first scheduled day of school for the school year ending in the fiscal year and after the last scheduled day of school for that school year.

(*v*) Not more than 10 hours of the professional development takes place in a single month.

(*vi*) At least 75% of teachers scheduled to participate in the professional development are in attendance.

(11) Subsections (3) and (8) do not apply to a school of excellence that is a cyber school, as that term is defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a.

(12) Subsections (3) and (8) do not apply to eligible pupils enrolled in a dropout recovery program that meets the requirements of section 23a. As used in this subsection, "eligible pupil" means that term as defined in section 23a.

(13) For the 2020-2021 school year only, the minimum number of hours and days of pupil instruction requirement under subsection (3) is waived for each district that, at a minimum, provides pupil instruction for the 2020-2021 school year at school, at a different location, in person, online, digitally, by other remote means, in a synchronous or asynchronous format, or through any combination therein that results in an amount of hours and days necessary to deliver the educational or course content that would have been delivered in 180 days and 1,098 hours in a school year in which pandemic learning was not provided and that would have led to course completion. As used in this subsection, "pandemic learning" means a mode of pupil instruction provided as a result of the COVID-19 pandemic.

(14) At least every 2 years the superintendent shall review the waiver standards set forth in the pupil accounting and auditing manuals to ensure that the waiver standards and waiver process continue to be appropriate and responsive to changing trends in online learning. The superintendent shall solicit and consider input from stakeholders as part of this review.

Sec. 104. (1) In order to receive state aid under this article, a district shall comply with sections 1249, 1278a, 1278b, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money appropriated in section 11, there is allocated for 2020-2021 an amount not to exceed $31,009,400.00 for payments on behalf of districts for costs associated with complying with those provisions of law. In addition, from the federal funds appropriated in section 11, there is allocated for 2020-2021 an amount estimated at $6,250,000.00 funded from DED-OESE, title VI, state assessment funds, and from DED-OSERS, section 504 of part B of the individuals with disabilities education act, Public Law 94-142, plus any carryover federal funds from previous year appropriations, for the purposes of complying with the every student succeeds act, Public Law 114-95.

(2) The results of each test administered as part of the Michigan student test of educational progress (M-STEP), including tests administered to high school students, must include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response. The department shall work with the center to identify the number of students enrolled at the time assessments are given by each district. In calculating the percentage of pupils assessed for a district's scorecard, the department shall use only the number of pupils enrolled in the district at the time the district administers the assessments and shall exclude pupils who enroll in the district after the district administers the assessments.

(3) The department shall distribute federal funds allocated under this section in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

(4) From the funds allocated in subsection (1), there is allocated an amount not to exceed $1,500,000.00 to an intermediate district described in this subsection for, except as otherwise provided in this subsection, statewide implementation of the Michigan kindergarten entry observation tool (MKEO), utilizing the Maryland-Ohio observational tool, also referred to as the Kindergarten Readiness Assessment, as piloted under this subsection in 2017-2018 and implemented in 2018-2019 and 2019-2020. The funding in this subsection is allocated to an intermediate district in prosperity region 9 with at least 3,000 kindergarten pupils enrolled in its constituent districts. An intermediate district described in this subsection is not required to carry out the statewide implementation of the Michigan kindergarten entry observation tool (MKEO), as described in this subsection, for the fall of 2020. It is the intent of the legislature to account for health, safety, and welfare concerns related to the COVID-19 pandemic by temporarily suspending the requirement for statewide implementation of the Michigan kindergarten entry observation tool (MKEO) under this subsection for the fall of 2020. All of the following apply to the implementation of the kindergarten entry observation tool under this subsection:

(a) The department, in collaboration with all intermediate districts, shall ensure that the Michigan kindergarten entry observation tool is administered in each kindergarten classroom to either the full census of kindergarten pupils enrolled in the classroom or to a representative sample of not less than 35% of the total kindergarten pupils enrolled in each classroom. If a district elects to administer the Michigan kindergarten entry observation tool to a random sample of pupils within each classroom, the district's intermediate district shall select the pupils who will receive the assessment based on the same random method. Beginning in 2021, the observation tool must be administered within 45 days after the start of the school year.

(b) The intermediate district that receives funding under this subsection, in collaboration with all other intermediate districts, shall implement a "train the trainer" professional development model on the usage of the Michigan kindergarten entry observation tool. This training model must provide training to intermediate district staff so that they may provide similar training for staff of their constituent districts. This training model must also ensure that the tool produces reliable data and that there are a sufficient number of trainers to train all kindergarten teachers statewide.

(c) By March 1, 2022, and each year thereafter, the department and the intermediate district that receives funding under this subsection shall report to the house and senate appropriations subcommittees on state school aid, the house and senate fiscal agencies, and the state budget director on the results of the statewide implementation, including, but not limited to, an evaluation of the demonstrated readiness of kindergarten pupils statewide and the effectiveness of state and federal early childhood programs that are designed for school readiness under this state's authority, including the great start readiness program and the great start readiness/Head Start blended program, as referenced under section 32d. By September 1, 2022, and each year thereafter, the department and the center shall provide a method for districts and public school academies with kindergarten enrollment to look up and verify their student enrollment data for pupils who were enrolled in a publicly funded early childhood program in the year before kindergarten, including the individual great start readiness program, individual great start readiness/Head Start blended program, individual title I preschool program, individual section 31a preschool program, individual early childhood special education program, or individual developmental kindergarten or program for young 5-year-olds in which each tested child was enrolled. A participating district shall analyze the data to determine whether high-performing children were enrolled in any specific early childhood program and, if so, report that finding to the department and to the intermediate district that receives funding under this subsection.

(d) The department shall approve the language and literacy domain within the Kindergarten Readiness Assessment for use by districts as an initial assessment that may be delivered to all kindergarten pupils to assist with identifying any possible area of concern for a pupil in English language arts.

(e) As used in this subsection:

(*i*) "Kindergarten" includes a classroom for young 5-year-olds, commonly referred to as "young 5s" or "developmental kindergarten".

(*ii*) "Representative sample" means a sample capable of producing valid and reliable assessment information on all or major subgroups of kindergarten pupils in a district.

(5) The department may recommend, but may not require, districts to allow pupils to use an external keyboard with tablet devices for online M-STEP testing, including, but not limited to, open-ended test items such as constructed response or equation builder items.

(6) Notwithstanding section 17b, the department shall make payments on behalf of districts, intermediate districts, and other eligible entities under this section on a schedule determined by the department.

(7) From the allocation in subsection (1), there is allocated an amount not to exceed $500,000.00 for 2020-2021 for the operation of an online reporting tool to provide student-level assessment data in a secure environment to educators, parents, and pupils immediately after assessments are scored. The department and the center shall ensure that any data collected by the online reporting tool do not provide individually identifiable student data to the federal government.

(8) In order to receive state aid under this article for 2020-2021, a district shall meet both of the following requirements:

(a) Within the first 9 weeks of the 2020-2021 school year, the district shall administer 1 or more benchmark assessments provided by a provider approved under subsection (9), benchmark assessments described in subsection (10), or local benchmark assessments, or any combination thereof, to all pupils in grades K to 8 to measure proficiency in reading and mathematics.

(b) In addition to the benchmark assessment or benchmark assessments administered under subdivision (a), by not later than the last day of the 2020-2021 school year, the district shall administer 1 or more benchmark assessments provided by a provider approved under subsection (9), benchmark assessments described in subsection (10), or local benchmark assessments, or any combination thereof, to all pupils in grades K to 8 to measure proficiency in reading and mathematics.

(9) The department shall approve at least 4 but not more than 5 providers of benchmark assessments for the purposes of subsection (8). The department shall inform districts of all of the providers approved under this subsection in an equitable manner. The benchmark assessments provided for the purposes of subsection (8) by approved providers under this subsection, with the exclusion of the benchmark assessment described in subsection (14), must meet all of the following:

(a) Be 1 of the most commonly administered benchmark assessments in this state.

(b) Be aligned to the content standards of this state.

(c) Complement the state's summative assessment system.

(d) Be internet-delivered and include a standards-based remote, in-person, or both remote and in-person assessment using a computer-adaptive model to target the instructional level of each pupil.

(e) Provide information on pupil achievement with regard to learning content required in a given year or grade span.

(f) Provide immediate feedback to pupils and teachers.

(g) Be nationally normed.

(h) Provide multiple measures of growth and provide for multiple testing opportunities.

(10) A district may administer 1 or more of the following benchmark assessments toward meeting the requirement under subsection (8):

(a) A benchmark assessment in reading for students in grades K to 9 that contains progress monitoring tools and enhanced diagnostic assessments.

(b) A benchmark assessment in math for students in grades K to 8 that contains progress monitoring tools.

(11) To the extent practicable, if a district administers a benchmark assessment or benchmark assessments under this section, the district shall administer the same benchmark assessment or benchmark assessments provided by a provider approved under subsection (9), benchmark assessment or benchmark assessments described in subsection (10), or local benchmark assessment or local benchmark assessments that it administered to pupils in previous school years, as applicable.

(12) By not later than June 30, 2021, a district shall send the aggregate district-level data from a benchmark assessment or benchmark assessments, excluding data from a local benchmark assessment or local benchmark assessments, administered under this section to a regional data hub that is part of the Michigan data hub network that shall compile the data and send it to the center. Not later than September 1, 2021, the department and the center shall provide a report to the governor and the senate and house standing committees responsible for education legislation identifying the number and percentage of pupils in this state who are significantly behind grade level as determined by the department and the center based on the data provided to the center under this subsection. The benchmark assessment data under this subsection may also be used to measure pupils' growth based on their performance on state summative assessments to identify districts and schools where pupil achievement has increased or decreased. However, the benchmark assessment data under this subsection must not be utilized for the state accountability system. It is the intent of the legislature that the benchmark assessment data under this subsection be primarily utilized to determine the loss of learning, if any, resulting from the COVID-19 pandemic. After the administration of statewide assessments resumes, the department shall also provide a report to the governor and the senate and house standing committees responsible for education legislation identifying the specific pupil groups whose expected trajectory toward grade-level proficiency were most impacted by school closures that occurred pursuant to the COVID-19 pandemic.

(13) If a district administers a benchmark assessment or benchmark assessments under this section, the district shall provide each pupil's data from the benchmark assessment or benchmark assessments, as available, to the pupil's parent or legal guardian within 30 days of administering the benchmark assessment or benchmark assessments.

(14) The department shall make 1 of the benchmark assessments provided by a provider approved under subsection (9) available to districts at no cost to the districts. The benchmark assessment described in this subsection must meet all of the following:

(a) Be aligned to the content standards of this state.

(b) Complement the state's summative assessment system.

(c) Be internet-delivered and include a standards-based assessment.

(d) Provide information on pupil achievement with regard to learning content required in a given year or grade span.

(e) Provide timely feedback to pupils and teachers.

(f) Be nationally normed.

(g) Provide information to educators about student growth and allow for multiple testing opportunities.

(15) If a local benchmark assessment or local benchmark assessments are administered under subsection (8), the district shall report to the department and the center, in a form and manner prescribed by the center, the local benchmark assessment or local benchmark assessments that were administered and how that assessment or those assessments measure changes, including any losses, as applicable, in learning, and the district's plan for addressing any losses in learning.

(16) From the general fund money appropriated in section 11, there is allocated for 2020-2021 an amount not to exceed $150,000.00 to a higher education institution or other entity that is not a state governmental entity that has expertise in conducting a study described in this subsection to conduct a study that, at a minimum, accomplishes all of the following:

(a) Provides for an assessment of the distance-learning programs utilized in this state that were effective at meeting educational goals and attainment.

(b) Provides for an assessment of how the programs described in subdivision (a) operated.

(c) Provides for an assessment of the best practices implemented by the programs described in subdivision (a) that should be replicated by schools engaged in distance learning.

(d) Notes distance-learning models that were ineffective in achieving educational goals.

(17) As used in this section:

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

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

(c) "DED-OSERS" means the DED Office of Special Education and Rehabilitative Services.

Sec. 104f. (1) From the general fund money appropriated under section 11, there is allocated an amount not to exceed $500,000.00 for the implementation of an assessment digital literacy preparation program for pupils enrolled in grades K to 8 for 2020-2021. The department shall ensure that a program funded under this subsection satisfies all of the following:

(a) Is available to districts in the 2020-2021 school year.

(b) Focuses on ensuring pupils have the necessary skills required for state online assessments by assessing pupil digital literacy skill levels and providing teachers with a digital curriculum targeted at areas of determined weakness.

(c) Allows pupils to engage with the digital curriculum in an independent or teacher-facilitated modality.

(d) Includes training and professional development for teachers.

(e) Is implemented in at least 100 districts that operate grades K to 8 and that represent a diverse geography and socio-economic demographic.

(2) Funding under subsection (1) must be allocated to a district that did not receive funding under former section 104e for 2017-2018 and that operates at least grades K to 8 and has a partnership with a third party that is experienced in the assessment of digital literacy and the preparation of digital literacy skills and has demonstrable experience serving districts in this state and local education agencies in 10 other states. The district, along with its third-party partner, shall provide a report to the house and senate appropriations subcommittees on state school aid and the house and senate fiscal agencies on the efficacy and usefulness of the assessment digital literacy preparation program no later than July 1, 2021.

(3) Notwithstanding section 17b, the department shall make payments under subsection (1) by not later than December 1, 2020.

Sec. 104g. (1) For the 2020-2021 school year only, a district shall make the SAT available in the fall of 2020 to pupils who were in grade 11 during the 2019-2020 school year and who were not able to take the examination during the 2019-2020 school year.

(2) For the 2020-2021 school year only, a district shall make the PSAT available in the fall of 2020 to pupils who were in grades 8, 9, and 10 during the 2019-2020 school year and who were not able to take the examination during the 2019-2020 school year.

(3) The examinations offered by a district in subsections (1) and (2) are not considered state summative assessments or the college entrance portion of the Michigan merit examination for the 2020-2021 school year.

(4) Pupils must be encouraged but not required to take the examinations under subsections (1) and (2).

Sec. 105. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil residing within the same intermediate district in membership without the approval of the pupil's district of residence, a district must comply with this section.

(2) Except as otherwise provided in this section, a district shall determine whether or not it will accept applications for enrollment by nonresident applicants residing within the same intermediate district for the next school year. If the district determines to accept applications for enrollment of a number of nonresidents, beyond

those entitled to preference under this section, the district shall use the following procedures for accepting applications from and enrolling nonresidents:

(a) The district shall publish the grades, schools, and special programs, if any, for which enrollment may be available to, and for which applications will be accepted from, nonresident applicants residing within the same intermediate district.

(b) If the district has a limited number of positions available for nonresidents residing within the same intermediate district in a grade, school, or program, all of the following apply to accepting applications for and enrollment of nonresidents in that grade, school, or program:

(*i*) The district shall do all of the following not later than the second Friday in August:

(A) Provide notice to the general public that applications will be taken for a period of at least 15 calendar days but not more than 30 calendar days from nonresidents residing within the same intermediate district for enrollment in that grade, school, or program. The notice must identify the dates of the application period and the place and manner for submitting applications.

(B) During the application period under sub-subparagraph (A), accept applications from nonresidents residing within the same intermediate district for enrollment in that grade, school, or program.

(C) Within 15 calendar days after the end of the application period under sub-subparagraph (A) or, for 2020-2021 only, not later than October 13, 2020, using the procedures and preferences required under this section, determine which nonresident applicants will be allowed to enroll in that grade, school, or program, using the random draw system required under subsection (14) as necessary, and notify the parent or legal guardian of each nonresident applicant of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment must contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment must be no later than the end of the first week of school, or, for 2020-2021 only, not later than October 13, 2020.

(*ii*) Beginning on the third Monday in August and not later than the end of the first week of school or, for 2020-2021 only, not later than October 13, 2020, if any positions become available in a grade, school, or program due to accepted applicants failing to enroll or to more positions being added, the district may enroll nonresident applicants from the waiting list maintained under subsection (14), offering enrollment in the order that applicants appear on the waiting list. If there are still positions available after enrolling all applicants from the waiting list who desire to enroll, the district may not fill those positions until the second semester or trimester enrollment under subsection (3), as provided under that subsection, or until the next school year.

(c) For a grade, school, or program that has an unlimited number of positions available for nonresidents residing within the same intermediate district, all of the following apply to enrollment of nonresidents in that grade, school, or program:

(*i*) The district may accept applications for enrollment in that grade, school, or program, and may enroll nonresidents residing within the same intermediate district in that grade, school, or program until the end of the first week of school or, for 2020-2021 only, the district may enroll nonresidents residing within the same intermediate district in that grade, school, or program until October 13, 2020 if the application was received by the end of the first week of school. The district shall provide notice to the general public of the place and manner for submitting applications and, if the district has a limited application period, the notice must include the dates of the application period. The application period shall be at least a 15-calendar-day period.

(*ii*) Not later than the end of the first week of school or, for 2020-2021 only, not later than October 13, 2020, the district shall notify the parent or legal guardian of each nonresident applicant who is accepted for enrollment that the applicant has been accepted for enrollment in the grade, school, or program and of the procedures for enrollment. The date for enrollment must be no later than the end of the first week of school or, for 2020-2021 only, not later than October 13, 2020.

(3) If a district determines during the first semester or trimester of a school year that it has positions available for enrollment of a number of nonresidents residing within the same intermediate district, beyond those entitled to preference under this section, for the second semester or trimester of the school year, the district may accept applications from and enroll nonresidents residing within the same intermediate district for the second semester or trimester using the following procedures:

(a) Not later than 2 weeks before the end of the first semester or trimester, the district shall publish the grades, schools, and special programs, if any, for which enrollment for the second semester or trimester may be available to, and for which applications will be accepted from, nonresident applicants residing within the same intermediate district.

(b) During the last 2 weeks of the first semester or trimester, the district shall accept applications from nonresidents residing within the same intermediate district for enrollment for the second semester or trimester in the available grades, schools, and programs.

(c) By the beginning of the second semester or trimester, using the procedures and preferences required under this section, the district shall determine which nonresident applicants will be allowed to enroll in the district for the second semester or trimester and notify the parent or legal guardian of each nonresident applicant residing within the same intermediate district of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment must contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment must be no later than the end of the first week of school.

(4) If deadlines similar to those described in subsection (2) or (3) have been established in an intermediate district, and if those deadlines are not later than the deadlines under subsection (2) or (3), the districts within the intermediate district may use those deadlines.

(5) A district offering to enroll nonresident applicants residing within the same intermediate district may limit the number of nonresident pupils it accepts in a grade, school, or program, at its discretion, and may use that limit as the reason for refusal to enroll an applicant.

(6) A nonresident applicant residing within the same intermediate district must not be granted or refused enrollment based on intellectual, academic, artistic, or other ability, talent, or accomplishment, or lack thereof, or based on a mental or physical disability, except that a district may refuse to admit a nonresident applicant if the applicant does not meet the same criteria, other than residence, that an applicant who is a resident of the district must meet to be accepted for enrollment in a grade or a specialized, magnet, or intra-district choice school or program to which the applicant applies.

(7) A nonresident applicant residing within the same intermediate district must not be granted or refused enrollment based on age, except that a district may refuse to admit a nonresident applicant applying for a program that is not appropriate for the age of the applicant.

(8) A nonresident applicant residing within the same intermediate district must not be granted or refused enrollment based upon religion, race, color, national origin, sex, height, weight, marital status, or athletic ability, or, generally, in violation of any state or federal law prohibiting discrimination.

(9) Subject to subsection (10), a district may refuse to enroll a nonresident applicant if any of the following are met:

(a) The applicant is, or has been within the preceding 2 years, suspended from another school.

(b) The applicant, at any time before enrolling under this section, has been expelled from another school.

(c) The applicant, at any time before enrolling under this section, has been convicted of a felony.

(10) If a district has counted a pupil in membership on either the pupil membership count day or the supplemental count day, the district shall not refuse to enroll or refuse to continue to enroll that pupil for a reason specified in subsection (9). This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(11) A district shall continue to allow a pupil who was enrolled in and attended the district under this section in the school year or semester or trimester immediately preceding the school year or semester or trimester in question to enroll in the district until the pupil graduates from high school. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(12) A district shall give preference for enrollment under this section over all other nonresident applicants residing within the same intermediate district to other school-age children who reside in the same household as a pupil described in subsection (11).

(13) If a nonresident pupil was enrolled in and attending school in a district as a nonresident pupil in the 1995-96 school year and continues to be enrolled continuously each school year in that district, the district shall allow that nonresident pupil to continue to enroll in and attend school in the district until high school graduation, without requiring the nonresident pupil to apply for enrollment under this section. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(14) If the number of qualified nonresident applicants eligible for acceptance in a school, grade, or program does not exceed the positions available for nonresident pupils in the school, grade, or program, the school district shall accept for enrollment all of the qualified nonresident applicants eligible for acceptance. If the number of qualified nonresident applicants residing within the same intermediate district eligible for acceptance exceeds the positions available in a grade, school, or program in a district for nonresident pupils, the district shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders and subject to preferences allowed by this section. The district shall develop and maintain a waiting list based on the order in which nonresident applicants were drawn under this random draw system.

(15) If a district, or the nonresident applicant, requests the district in which a nonresident applicant resides to supply information needed by the district for evaluating the applicant's application for enrollment or for enrolling the applicant, the district of residence shall provide that information on a timely basis.

(16) If a district is subject to a court-ordered desegregation plan, and if the court issues an order prohibiting pupils residing in that district from enrolling in another district or prohibiting pupils residing in another district from enrolling in that district, this section is subject to the court order.

(17) This section does not require a district to provide transportation for a nonresident pupil enrolled in the district under this section or for a resident pupil enrolled in another district under this section. However, at the time a nonresident pupil enrolls in the district, a district shall provide to the pupil's parent or legal guardian information on available transportation to and from the school in which the pupil enrolls.

(18) A district may participate in a cooperative education program with 1 or more other districts or intermediate districts whether or not the district enrolls any nonresidents under this section.

(19) A district that, under this section, enrolls a nonresident pupil who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, is considered to be the resident district of the pupil for the purpose of providing the pupil with a free appropriate public education. Consistent with state and federal law, that district is responsible for developing and implementing an individualized education program annually for a nonresident pupil described in this subsection.

(20) If a district does not comply with this section, the district forfeits 5% of the total state school aid allocation to the district under this act.

(21) Upon application by a district, the superintendent may grant a waiver for the district from a specific requirement under this section for not more than 1 year.

Sec. 105c. (1) In order to avoid a penalty under this section, and in order to count a nonresident pupil residing in a district located in a contiguous intermediate district in membership without the approval of the pupil's district of residence, a district must comply with this section.

(2) Except as otherwise provided in this section, a district shall determine whether or not it will accept applications for enrollment by nonresident applicants residing in a district located in a contiguous intermediate district for the next school year. If the district determines to accept applications for enrollment of a number of nonresidents under this section, beyond those entitled to preference under this section, the district shall use the following procedures for accepting applications from and enrolling nonresidents under this section:

(a) The district shall publish the grades, schools, and special programs, if any, for which enrollment may be available to, and for which applications will be accepted from, nonresident applicants residing in a district located in a contiguous intermediate district.

(b) If the district has a limited number of positions available for nonresidents residing in a district located in a contiguous intermediate district in a grade, school, or program, all of the following apply to accepting applications for and enrollment of nonresidents under this section in that grade, school, or program:

(*i*) The district shall do all of the following not later than the second Friday in August:

(A) Provide notice to the general public that applications will be taken for a period of at least 15 calendar days but not more than 30 calendar days from nonresidents residing in a district located in a contiguous intermediate district for enrollment in that grade, school, or program. The notice must identify the dates of the application period and the place and manner for submitting applications.

(B) During the application period under sub-subparagraph (A), accept applications from nonresidents residing in a district located in a contiguous intermediate district for enrollment in that grade, school, or program.

(C) Within 15 calendar days after the end of the application period under sub-subparagraph (A) or, for 2020-2021 only, not later than October 13, 2020, using the procedures and preferences required under this section, determine which nonresident applicants will be allowed to enroll under this section in that grade, school, or program, using the random draw system required under subsection (14) as necessary, and notify the parent or legal guardian of each nonresident applicant of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment under this section must contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment must be no later than the end of the first week of school or, for 2020-2021 only, not later than October 13, 2020.

(*ii*) Beginning on the third Monday in August and not later than the end of the first week of school or, for 2020-2021 only, not later than October 13, 2020, if any positions become available in a grade, school, or program due to accepted applicants failing to enroll or to more positions being added, the district may enroll nonresident applicants from the waiting list maintained under subsection (14), offering enrollment in the order that applicants appear on the waiting list. If there are still positions available after enrolling all applicants from the waiting list who desire to enroll, the district may not fill those positions until the second semester or trimester enrollment under subsection (3), as provided under that subsection, or until the next school year.

(c) For a grade, school, or program that has an unlimited number of positions available for nonresidents residing in a district located in a contiguous intermediate district, all of the following apply to enrollment of nonresidents in that grade, school, or program under this section:

(*i*) The district may accept applications for enrollment in that grade, school, or program, and may enroll nonresidents residing in a district located in a contiguous intermediate district in that grade, school, or program until the end of the first week of school or, for 2020-2021 only, the district may enroll nonresidents residing in a district located in a contiguous intermediate district in that grade, school, or program until October 13, 2020 if the application was received by the end of the first week of school. The district shall provide notice to the general public of the place and manner for submitting applications and, if the district has a limited application period, the notice must include the dates of the application period. The application period must be at least a 15-calendar-day period.

(*ii*) Not later than the end of the first week of school or, for 2020-2021 only, not later than October 13, 2020, the district shall notify the parent or legal guardian of each nonresident applicant who is accepted for enrollment under this section that the applicant has been accepted for enrollment in the grade, school, or program and of the date by which the applicant must enroll in the district and the procedures for enrollment. The date for enrollment must be no later than the end of the first week of school or, for 2020-2021 only, not later than October 13, 2020.

(3) If a district determines during the first semester or trimester of a school year that it has positions available for enrollment of a number of nonresidents residing in a district located in a contiguous intermediate district, beyond those entitled to preference under this section, for the second semester or trimester of the school year, the district may accept applications from and enroll nonresidents residing in a district located in a contiguous intermediate district for the second semester or trimester using the following procedures:

(a) Not later than 2 weeks before the end of the first semester or trimester, the district shall publish the grades, schools, and special programs, if any, for which enrollment for the second semester or trimester may be available to, and for which applications will be accepted from, nonresident applicants residing in a district located in a contiguous intermediate district.

(b) During the last 2 weeks of the first semester or trimester, the district shall accept applications from nonresidents residing in a district located in a contiguous intermediate district for enrollment for the second semester or trimester in the available grades, schools, and programs.

(c) By the beginning of the second semester or trimester, using the procedures and preferences required under this section, the district shall determine which nonresident applicants will be allowed to enroll under this section in the district for the second semester or trimester and notify the parent or legal guardian of each nonresident applicant residing in a district located in a contiguous intermediate district of whether or not the applicant may enroll in the district. The notification to parents or legal guardians of nonresident applicants accepted for enrollment must contain notification of the date by which the applicant must enroll in the district and procedures for enrollment. The date for enrollment must be no later than the end of the first week of school.

(4) If deadlines similar to those described in subsection (2) or (3) have been established in an intermediate district, and if those deadlines are not later than the deadlines under subsection (2) or (3), the districts within the intermediate district may use those deadlines.

(5) A district offering to enroll nonresident applicants residing in a district located in a contiguous intermediate district may limit the number of those nonresident pupils it accepts in a grade, school, or program, at its discretion, and may use that limit as the reason for refusal to enroll an applicant under this section.

(6) A nonresident applicant residing in a district located in a contiguous intermediate district must not be granted or refused enrollment based on intellectual, academic, artistic, or other ability, talent, or accomplishment, or lack thereof, or based on a mental or physical disability, except that a district may refuse to admit a nonresident applicant under this section if the applicant does not meet the same criteria, other than residence, that an applicant who is a resident of the district must meet to be accepted for enrollment in a grade or a specialized, magnet, or intra-district choice school or program to which the applicant applies.

(7) A nonresident applicant residing in a district located in a contiguous intermediate district must not be granted or refused enrollment under this section based on age, except that a district may refuse to admit a nonresident applicant applying for a program that is not appropriate for the age of the applicant.

(8) A nonresident applicant residing in a district located in a contiguous intermediate district must not be granted or refused enrollment under this section based upon religion, race, color, national origin, sex, height, weight, marital status, or athletic ability, or, generally, in violation of any state or federal law prohibiting discrimination.

(9) Subject to subsection (10), a district may refuse to enroll a nonresident applicant under this section if any of the following are met:

(a) The applicant is, or has been within the preceding 2 years, suspended from another school.

(b) The applicant, at any time before enrolling under this section, has been expelled from another school.

(c) The applicant, at any time before enrolling under this section, has been convicted of a felony.

(10) If a district has counted a pupil in membership on either the pupil membership count day or the supplemental count day, the district shall not refuse to enroll or refuse to continue to enroll that pupil for a reason specified in subsection (9). This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(11) A district shall continue to allow a pupil who was enrolled in and attended the district under this section in the school year or semester or trimester immediately preceding the school year or semester or trimester in question to enroll in the district until the pupil graduates from high school. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(12) A district shall give preference for enrollment under this section over all other nonresident applicants residing in a district located in a contiguous intermediate district to other school-age children who reside in the same household as a pupil described in subsection (11).

(13) If a nonresident pupil was enrolled in and attending school in a district as a nonresident pupil in the 1995-96 school year and continues to be enrolled continuously each school year in that district, the district shall allow that nonresident pupil to continue to enroll in and attend school in the district until high school graduation, without requiring the nonresident pupil to apply for enrollment under this section. This subsection does not prohibit a district from expelling a pupil described in this subsection for disciplinary reasons.

(14) If the number of qualified nonresident applicants eligible for acceptance under this section in a school, grade, or program does not exceed the positions available for nonresident pupils under this section in the school, grade, or program, the school district shall accept for enrollment all of the qualified nonresident applicants eligible for acceptance. If the number of qualified nonresident applicants residing in a district located in a contiguous intermediate district eligible for acceptance under this section exceeds the positions available in a grade, school, or program in a district for nonresident pupils, the district shall use a random draw system, subject to the need to abide by state and federal antidiscrimination laws and court orders and subject to preferences allowed by this section. The district shall develop and maintain a waiting list based on the order in which nonresident applicants were drawn under this random draw system.

(15) If a district, or the nonresident applicant, requests the district in which a nonresident applicant resides to supply information needed by the district for evaluating the applicant's application for enrollment or for enrolling the applicant under this section, the district of residence shall provide that information on a timely basis.

(16) If a district is subject to a court-ordered desegregation plan, and if the court issues an order prohibiting pupils residing in that district from enrolling in another district or prohibiting pupils residing in another district from enrolling in that district, this section is subject to the court order.

(17) This section does not require a district to provide transportation for a nonresident pupil enrolled in the district under this section or for a resident pupil enrolled in another district under this section. However, at the time a nonresident pupil enrolls in the district, a district shall provide to the pupil's parent or legal guardian information on available transportation to and from the school in which the pupil enrolls.

(18) A district may participate in a cooperative education program with 1 or more other districts or intermediate districts whether or not the district enrolls any nonresidents pursuant to this section.

(19) In order for a district or intermediate district to enroll under this section a nonresident pupil who resides in a district located in a contiguous intermediate district and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the enrolling district shall have a written agreement with the resident district of the pupil for the purpose of providing the pupil with a free appropriate public education. The written agreement must include, but is not limited to, an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil. The written agreement must address how the agreement must be amended in the event of significant changes in the costs or level of special education programs or services required by the pupil.

(20) If a district does not comply with this section, the district forfeits 5% of the total state school aid allocation to the district under this act.

(21) Upon application by a district, the superintendent may grant a waiver for the district from a specific requirement under this section for not more than 1 year.

(22) This section is repealed if the final decision of a court of competent jurisdiction holds that any portion of this section is unconstitutional, ineffective, invalid, or in violation of federal law.

(23) As used in this section, "district located in a contiguous intermediate district" means a district located in an intermediate district that is contiguous to the intermediate district in which a pupil's district of residence is located.

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed $30,000,000.00 for 2020-2021 for adult education programs authorized under this section. Except as otherwise provided under subsections (14) and (15), funds allocated under this section are restricted for adult education programs as authorized under this section only. A recipient of funds under this section shall not use those funds for any other purpose.

(2) To be eligible for funding under this section, an eligible adult education provider shall employ certificated teachers and qualified administrative staff and shall offer continuing education opportunities for teachers to allow them to maintain certification.

(3) To be eligible to be a participant funded under this section, an individual must be enrolled in an adult basic education program, an adult secondary education program, an adult English as a second language program, a high school equivalency test preparation program, or a high school completion program, that meets the requirements of this section, and for which instruction is provided, and the individual must be at least 18 years of age and the individual's graduating class must have graduated.

(4) By April 1 of each fiscal year, the intermediate districts within a prosperity region or subregion shall determine which intermediate district will serve as the prosperity region's or subregion's fiscal agent for the next fiscal year and shall notify the department in a form and manner determined by the department. The department shall approve or disapprove of the prosperity region's or subregion's selected fiscal agent. From the funds allocated under subsection (1), an amount as determined under this subsection is allocated to each intermediate district serving as a fiscal agent for adult education programs in each of the prosperity regions or subregions identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administration costs for serving as the fiscal agent. The allocation provided to each intermediate district serving as a fiscal agent is an amount equal to what the intermediate district received in 2018-2019.

(5) To be an eligible fiscal agent, an intermediate district must agree to do the following in a form and manner determined by the department:

(a) Distribute funds to adult education programs in a prosperity region or subregion as described in this section.

(b) Collaborate with the career and educational advisory council, which is an advisory council of the workforce development boards located in the prosperity region or subregion, or its successor, to develop a regional strategy that aligns adult education programs and services into an efficient and effective delivery system for adult education learners, with special consideration for providing contextualized learning and career pathways and addressing barriers to education and employment.

(c) Collaborate with the career and educational advisory council, which is an advisory council of the workforce development boards located in the prosperity region or subregion, or its successor, to create a local process and criteria that will identify eligible adult education providers to receive funds allocated under this section based on location, demand for services, past performance, quality indicators as identified by the department, and cost to provide instructional services. The fiscal agent shall determine all local processes, criteria, and provider determinations. However, the local processes, criteria, and provider services must be approved by the department before funds may be distributed to the fiscal agent.

(d) Provide oversight to its adult education providers throughout the program year to ensure compliance with the requirements of this section.

(e) Report adult education program and participant data and information as prescribed by the department.

(6) An adult basic education program, an adult secondary education program, or an adult English as a second language program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who are determined by a department-approved assessment, in a form and manner prescribed by the department, to be below twelfth grade level in reading or mathematics, or both, or to lack basic English proficiency.

(b) The program tests individuals for eligibility under subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A participant in an adult basic education program is eligible for reimbursement until 1 of the following occurs:

(*i*) The participant's reading and mathematics proficiency are assessed at or above the ninth grade level.

(*ii*) The participant fails to show progress on 2 successive assessments after having completed at least 450 hours of instruction.

(d) A participant in an adult secondary education program is eligible for reimbursement until 1 of the following occurs:

(*i*) The participant's reading and mathematics proficiency are assessed above the twelfth grade level.

(*ii*) The participant fails to show progress on 2 successive assessments after having at least 450 hours of instruction.

(e) A funding recipient enrolling a participant in an English as a second language program is eligible for funding according to subsection (9) until the participant meets 1 of the following:

(*i*) The participant is assessed as having attained basic English proficiency as determined by a department-approved assessment.

(*ii*) The participant fails to show progress on 2 successive department-approved assessments after having completed at least 450 hours of instruction. The department shall provide information to a funding recipient regarding appropriate assessment instruments for this program.

(7) A high school equivalency test preparation program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma or a high school equivalency certificate.

(b) The program administers a pre-test approved by the department before enrolling an individual to determine the individual's literacy levels, administers a high school equivalency practice test to determine the individual's potential for success on the high school equivalency test, and administers a post-test upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient receives funding according to subsection (9) for a participant, and a participant may be enrolled in the program until 1 of the following occurs:

(*i*) The participant achieves a high school equivalency certificate.

(*ii*) The participant fails to show progress on 2 successive department-approved assessments used to determine readiness to take a high school equivalency test after having completed at least 450 hours of instruction.

(8) A high school completion program operated on a year-round or school year basis may be funded under this section, subject to all of the following:

(a) The program enrolls adults who do not have a high school diploma.

(b) The program tests participants described in subdivision (a) before enrollment and upon completion of the program in compliance with the state-approved assessment policy.

(c) A funding recipient receives funding according to subsection (9) for a participant in a course offered under this subsection until 1 of the following occurs:

(*i*) The participant passes the course and earns a high school diploma.

(*ii*) The participant fails to earn credit in 2 successive semesters or terms in which the participant is enrolled after having completed at least 900 hours of instruction.

(9) The department shall make payments to a funding recipient under this section in accordance with all of the following:

(a) Statewide allocation criteria, including 3-year average enrollments, census data, and local needs.

(b) Participant completion of the adult basic education objectives by achieving an educational gain as determined by the national reporting system levels; for achieving basic English proficiency, as determined by the department; for achieving a high school equivalency certificate or passage of 1 or more individual high school equivalency tests; for attainment of a high school diploma or passage of a course required for a participant to attain a high school diploma; for enrollment in a postsecondary institution, or for entry into or retention of employment, as applicable.

(c) Participant completion of core indicators as identified in the innovation and opportunity act.

(d) Allowable expenditures.

(10) A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection (6), (7), or (8) may continue to receive adult education services in that program upon the payment of tuition. The local or intermediate district conducting the program shall determine the tuition amount.

(11) An individual who is an inmate in a state correctional facility is not counted as a participant under this section.

(12) A funding recipient shall not commingle money received under this section or from another source for adult education purposes with any other funds and shall establish a separate ledger account for funds received under this section. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

(13) A funding recipient receiving funds under this section may establish a sliding scale of tuition rates based upon a participant's family income. A funding recipient may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis. The amount of tuition

charged per participant must not exceed the actual operating cost per participant minus any funds received under this section per participant. A funding recipient may not charge a participant tuition under this section if the participant's income is at or below 200% of the federal poverty guidelines published by the United States Department of Health and Human Services.

(14) In order to receive funds under this section, a funding recipient shall furnish to the department, in a form and manner determined by the department, all information needed to administer this program and meet federal reporting requirements; shall allow the department or the department's designee to review all records related to the program for which it receives funds; and shall reimburse the state for all disallowances found in the review, as determined by the department. In addition, a funding recipient shall agree to pay to a career and technical education program under section 61a the amount of funding received under this section in the proportion of career and technical education coursework used to satisfy adult basic education programming, as billed to the funding recipient by programs operating under section 61a. In addition to the funding allocated under subsection (1), there is allocated for 2020-2021 an amount not to exceed $500,000.00 to reimburse funding recipients for administrative and instructional expenses associated with commingling programming under this section and section 61a. The department shall make payments under this subsection to each funding recipient in the same proportion as funding calculated and allocated under subsection (4).

(15) From the amount appropriated in subsection (1), an amount not to exceed $4,000,000.00 is allocated for 2020-2021 for grants to adult education or state-approved career technical center programs that connect adult education participants with employers as provided under this subsection. The department shall determine the amount of the grant to each program under this subsection, not to exceed $350,000.00. To be eligible for funding under this subsection, a program must provide a collaboration linking adult education programs within the county, the area career technical center, and local employers. To receive funding under this subsection, an eligible program must satisfy all of the following:

(a) Connect adult education participants directly with employers by linking adult education, career and technical skills, and workforce development.

(b) Require adult education staff to work with Michigan Works! agency to identify a cohort of participants who are most prepared to successfully enter the workforce. Except as otherwise provided under this subdivision, participants identified under this subsection must be dually enrolled in adult education programming and in at least 1 state-approved technical course at the area career and technical center. A program that links participants identified under this subsection with adult education programming and commercial driver license courses does not need to enroll the participants in at least 1 state-approved technical course at the area career and technical center to be considered an eligible program under this subsection.

(c) Employ an individual staffed as an adult education navigator who will serve as a caseworker for each participant identified under subdivision (b). The navigator shall work with adult education staff and potential employers to design an educational program best suited to the personal and employment needs of the participant and shall work with human service agencies or other entities to address any barrier in the way of participant access.

(16) Each program funded under subsection (15) will receive funding for 3 years. After 3 years of operations and funding, a program must reapply for funding.

(17) Not later than December 1 of each year, a program funded under subsection (15) shall provide a report to the senate and house appropriations subcommittees on school aid, to the senate and house fiscal agencies, and to the state budget director identifying the number of participants, graduation rates, and a measure of transition to employment.

(18) It is the intent of the legislature to implement a phased-in cap on the percentage of adult education participants under subsection (15) that may already have a high school diploma or a high school equivalency certificate at the time of enrollment.

(19) The department shall approve at least 3 high school equivalency tests and determine whether a high school equivalency certificate meets the requisite standards for high school equivalency in this state.

(20) As used in this section:

(a) "Career and educational advisory council" means an advisory council to the local workforce development boards located in a prosperity region consisting of educational, employer, labor, and parent representatives.

(b) "Career pathway" means a combination of rigorous and high-quality education, training, and other services that comply with all of the following:

(*i*) Aligns with the skill needs of industries in the economy of this state or in the regional economy involved.

(*ii*) Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the act of August 16, 1937 (commonly known as the "national apprenticeship act"), 29 USC 50 et seq.

(*iii*) Includes counseling to support an individual in achieving the individual's education and career goals.

(*iv*) Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster.

(*v*) Organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable.

(*vi*) Enables an individual to attain a secondary school diploma or its recognized equivalent, and at least 1 recognized postsecondary credential.

(*vii*) Helps an individual enter or advance within a specific occupation or occupational cluster.

(c) "Department" means the department of labor and economic opportunity.

(d) "Eligible adult education provider" means a district, intermediate district, a consortium of districts, a consortium of intermediate districts, or a consortium of districts and intermediate districts that is identified as part of the local process described in subsection (5)(c) and approved by the department.

Sec. 147. (1) The allocation for 2020-2021 for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, is made using the individual projected benefit entry age normal cost method of valuation and risk assumptions adopted by the public school employees retirement board and the department of technology, management, and budget.

(2) The annual level percentage of payroll contribution rates for the 2020-2021 fiscal year, as determined by the retirement system, are estimated as follows:

(a) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at 42.72% with 28.21% paid directly by the employer.

(b) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at 39.76% with 25.25% paid directly by the employer.

(c) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 38.90% with 24.39% paid directly by the employer.

(d) For public school employees who first worked for a public school reporting unit on or after September 4, 2012, who elect defined contribution, and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 35.47% with 20.96% paid directly by the employer.

(e) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at 36.33% with 21.82% paid directly by the employer.

(f) For public school employees who first worked for a public school reporting unit before July 1, 2010, who elect defined contribution, and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 35.47% with 20.96% paid directly by the employer.

(g) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who participate in the personal healthcare fund, the annual level percentage of payroll contribution rate is estimated at 41.86% with 27.35% paid directly by the employer.

(h) For public school employees who first worked for a public school reporting unit after January 31, 2018 and who elect to become members of the MPSERS plan, the annual level percentage of payroll contribution rate is estimated at 41.67% with 27.16% paid directly by the employer.

(3) In addition to the employer payments described in subsection (2), the employer shall pay the applicable contributions to the Tier 2 plan, as determined by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(4) The contribution rates in subsection (2) reflect an amortization period of 18 years for 2020-2021. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

Sec. 147a. (1) From the appropriation in section 11, there is allocated for 2020-2021 an amount not to exceed $100,000,000.00 for payments to participating districts. A participating district that receives money under this subsection shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the district for the fiscal year in which it is received. The amount allocated to each participating district under this subsection is based on each participating district's percentage of the total statewide payroll for all participating districts for the immediately preceding fiscal year. As used in this subsection, "participating district"

means a district that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(2) In addition to the allocation under subsection (1), from the state school aid fund money appropriated under section 11, there is allocated an amount not to exceed $155,136,000.00 for 2020-2021 for payments to participating districts and intermediate districts and from the general fund money appropriated under section 11, there is allocated an amount not to exceed $70,000.00 for 2020-2021 for payments to participating district libraries. The amount allocated to each participating entity under this subsection is based on each participating entity's reported quarterly payroll for members that became tier 1 prior to February 1, 2018 for the current fiscal year. A participating entity that receives money under this subsection shall use that money solely for the purpose of offsetting a portion of the normal cost contribution rate. As used in this subsection:

(a) "District library" means a district library established under the district library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

(b) "Participating entity" means a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

Sec. 147c. From the state school aid fund money appropriated in section 11, there is allocated for 2020-2021 an amount not to exceed $1,219,300,000.00 for payments to districts and intermediate districts that are participating entities of the Michigan public school employees' retirement system. In addition, from the general fund money appropriated in section 11, there is allocated for 2020-2021 an amount not to exceed $500,000.00 for payments to district libraries that are participating entities of the Michigan public school employees' retirement system. All of the following apply to funding under this subsection:

(a) For 2020-2021, the amounts allocated under this subsection are estimated to provide an average MPSERS rate cap per pupil amount of $827.00 and are estimated to provide a rate cap per pupil for districts ranging between $5.00 and $4,000.00.

(b) Payments made under this subsection are equal to the difference between the unfunded actuarial accrued liability contribution rate as calculated pursuant to section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

(c) The amount allocated to each participating entity under this subsection is based on each participating entity's proportion of the total covered payroll for the immediately preceding fiscal year for the same type of participating entities. A participating entity that receives funds under this subsection shall use the funds solely for the purpose of retirement contributions as specified in subdivision (d).

(d) Each participating entity receiving funds under this subsection shall forward an amount equal to the amount allocated under subdivision (c) to the retirement system in a form, manner, and time frame determined by the retirement system.

(e) Funds allocated under this subsection should be considered when comparing a district's growth in total state aid funding from 1 fiscal year to the next.

(f) Not later than December 20, 2020, the department shall publish and post on its website an estimated MPSERS rate cap per pupil for each district.

(g) The office of retirement services shall first apply funds allocated under this subsection to pension contributions and, if any funds remain after that payment, shall apply those remaining funds to other postemployment benefit contributions.

(h) As used in this section:

(*i*) "District library" means a district library established under the district library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

(*ii*) "MPSERS rate cap per pupil" means an amount equal to the quotient of the district's payment under this subsection divided by the district's pupils in membership.

(*iii*) "Participating entity" means a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(*iv*) "Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(*v*) "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

Sec. 147e. (1) From the appropriation in section 11, there is allocated for 2020-2021 an amount not to exceed $51,400,000.00 from the state school aid fund for payments to participating entities.

(2) The payment to each participating entity under this section is the sum of the amounts under this subsection as follows:

(a) An amount equal to the contributions made by a participating entity for the additional contribution made to a qualified participant's Tier 2 account in an amount equal to the contribution made by the qualified participant not to exceed 3% of the qualified participant's compensation as provided for under section 131(6) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1431.

(b) Beginning October 1, 2017, an amount equal to the contributions made by a participating entity for a qualified participant who is only a Tier 2 qualified participant under section 81d of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning February 1, 2018, not to exceed 1%, of the qualified participant's compensation.

(c) An amount equal to the increase in employer normal cost contributions under section 41b(2) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member that was hired after February 1, 2018 and chose to participate in Tier 1, compared to the employer normal cost contribution for a member under section 41b(1) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341b.

(3) As used in this section:

(a) "Member" means that term as defined under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(b) "Participating entity" means a district, intermediate district, or community college that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(c) "Qualified participant" means that term as defined under section 124 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1424.

Sec. 152a. (1) As required by the court in the consolidated cases known as *Adair v State of Michigan*, 486 Mich 468 (2010), from the state school aid fund money appropriated in section 11, there is allocated for 2020-2021 an amount not to exceed $38,000,500.00 to be used solely for the purpose of paying necessary costs related to the state-mandated collection, maintenance, and reporting of data to this state.

(2) From the allocation in subsection (1), the department shall make payments to districts and intermediate districts in an equal amount per-pupil based on the total number of pupils in membership in each district and intermediate district. The department shall not make any adjustment to these payments after the final installment payment under section 17b is made.

Sec. 152b. (1) From the general fund money appropriated under section 11, there is allocated an amount not to exceed $100.00 for 2020-2021 to reimburse actual costs incurred by nonpublic schools in complying with a health, safety, or welfare requirement mandated by a law or administrative rule of this state.

(2) By January 1 of each applicable fiscal year, the department shall publish a form for reporting actual costs incurred by a nonpublic school in complying with a health, safety, or welfare requirement mandated under state law containing each health, safety, or welfare requirement mandated by a law or administrative rule of this state applicable to a nonpublic school and with a reference to each relevant provision of law or administrative rule for the requirement. The form must be posted on the department's website in electronic form.

(3) By June 30 of each applicable fiscal year, a nonpublic school seeking reimbursement for actual costs incurred in complying with a health, safety, or welfare requirement under a law or administrative rule of this state during each applicable school year shall submit a completed form described in subsection (2) to the department. This section does not require a nonpublic school to submit a form described in subsection (2). A nonpublic school is not eligible for reimbursement under this section if the nonpublic school does not submit the form described in subsection (2) in a timely manner.

(4) By August 15 of each applicable fiscal year, the department shall distribute funds to each nonpublic school that submits a completed form described under subsection (2) in a timely manner. The superintendent shall determine the amount of funds to be paid to each nonpublic school in an amount that does not exceed the nonpublic

school's actual costs in complying with a health, safety, or welfare requirement under a law or administrative rule of this state. The superintendent shall calculate a nonpublic school's actual cost in accordance with this section.

(5) If the funds allocated under this section are insufficient to fully fund payments as otherwise calculated under this section, the department shall distribute funds under this section on a prorated or other equitable basis as determined by the superintendent.

(6) The department may review the records of a nonpublic school submitting a form described in subsection (2) only for the limited purpose of verifying the nonpublic school's compliance with this section. If a nonpublic school does not allow the department to review records under this subsection, the nonpublic school is not eligible for reimbursement under this section.

(7) The funds appropriated under this section are for purposes related to education, are considered to be incidental to the operation of a nonpublic school, are noninstructional in character, and are intended for the public purpose of ensuring the health, safety, and welfare of the children in nonpublic schools and to reimburse nonpublic schools for costs described in this section.

(8) Funds allocated under this section are not intended to aid or maintain any nonpublic school, support the attendance of any student at a nonpublic school, employ any person at a nonpublic school, support the attendance of any student at any location where instruction is offered to a nonpublic school student, or support the employment of any person at any location where instruction is offered to a nonpublic school student.

(9) For purposes of this section, "actual cost" means the hourly wage for the employee or employees performing a task or tasks required to comply with a health, safety, or welfare requirement under a law or administrative rule of this state identified by the department under subsection (2) and is to be calculated in accordance with the form published by the department under subsection (2), which must include a detailed itemization of costs. The nonpublic school shall not charge more than the hourly wage of its lowest-paid employee capable of performing a specific task regardless of whether that individual is available and regardless of who actually performs a specific task. Labor costs under this subsection must be estimated and charged in increments of 15 minutes or more, with all partial time increments rounded down. When calculating costs under subsection (4), fee components must be itemized in a manner that expresses both the hourly wage and the number of hours charged. The nonpublic school may not charge any applicable labor charge amount to cover or partially cover the cost of health or fringe benefits. A nonpublic school shall not charge any overtime wages in the calculation of labor costs.

(10) For the purposes of this section, the actual cost incurred by a nonpublic school for taking daily student attendance is considered an actual cost in complying with a health, safety, or welfare requirement under a law or administrative rule of this state. Training fees, inspection fees, and criminal background check fees are considered actual costs in complying with a health, safety, or welfare requirement under a law or administrative rule of this state.

(11) The funds allocated under this section for 2017-2018 are a work project appropriation, and any unexpended funds for 2017-2018 are carried forward into 2018-2019. The purpose of the work project is to continue to reimburse nonpublic schools for actual costs incurred in complying with a health, safety, or welfare requirement mandated by a law or administrative rule of this state. The estimated completion date of the work project is September 30, 2022.

(12) The funds allocated under this section for 2018-2019 are a work project appropriation, and any unexpended funds for 2018-2019 are carried forward into 2019-2020. The purpose of the work project is to continue to reimburse nonpublic schools for actual costs incurred in complying with a health, safety, or welfare requirement mandated by a law or administrative rule of this state. The estimated completion date of the work project is September 30, 2022.

(13) The funds allocated under this section for 2020-2021 are a work project appropriation, and any unexpended funds for 2020-2021 are carried forward into 2021-2022. The purpose of the work project is to continue to reimburse nonpublic schools for actual costs incurred in complying with a health, safety, or welfare requirement mandated by a law or administrative rule of this state. The estimated completion date of the work project is September 30, 2023.

Sec. 163. (1) Except as provided in the revised school code, the board of a district or intermediate district shall not permit any of the following:

(a) An individual who is not appropriately placed under a valid certificate, valid substitute permit, authorization, or approval issued under rules promulgated by the department to teach in an elementary or secondary school.

(b) An individual who does not satisfy the requirements of section 1233 of the revised school code, MCL 380.1233, and rules promulgated by the department to provide school counselor services to pupils in an elementary or secondary school.

(c) An individual who does not satisfy the requirements of section 1246 of the revised school code, MCL 380.1246, or who is not working under a valid substitute permit issued under rules promulgated by the department, to be employed as a superintendent, principal, or assistant principal, or as an individual whose primary responsibility is to administer instructional programs in an elementary or secondary school, or in a district or intermediate district.

(2) Except as provided in the revised school code, a district or intermediate district employing individuals in violation of this section shall have deducted the sum equal to the amount paid the individuals for the period of employment. Each intermediate superintendent shall notify the department of the name of the individual employed in violation of this section, and the district employing that individual and the amount of salary the individual was paid within a constituent district.

(3) If a school official is notified by the department that he or she is employing an individual in violation of this section and knowingly continues to employ that individual, the school official is guilty of a misdemeanor punishable by a fine of $1,500.00 for each incidence. This penalty is in addition to all other financial penalties otherwise specified in this article.

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, 2021, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is $425,667,600.00. After deducting total interdepartmental grants and intradepartmental transfers in the amount of $0.00, the adjusted gross appropriation is $425,667,600.00.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(*i*) Total federal revenues, $0.00.

(*ii*) Total local revenues, $0.00.

(*iii*) Total private revenues, $0.00.

(*iv*) Total other state restricted revenues, $425,667,600.00.

(*v*) State general fund/general purpose money, $0.00.

(2) Subject to subsection (3), the amount appropriated for community college operations is $325,440,000.00, allocated as follows:

(a) The appropriation for Alpena Community College is $5,767,500.00, $5,753,300.00 for operations, $0.00 for performance funding, and $14,200.00 for costs incurred under the North American Indian tuition waiver.

(b) The appropriation for Bay de Noc Community College is $5,719,500.00, $5,602,800.00 for operations, $0.00 for performance funding, and $116,700.00 for costs incurred under the North American Indian tuition waiver.

(c) The appropriation for Delta College is $15,208,200.00, $15,160,500.00 for operations, $0.00 for performance funding, and $47,700.00 for costs incurred under the North American Indian tuition waiver.

(d) The appropriation for Glen Oaks Community College is $2,651,200.00, $2,651,200.00 for operations, $0.00 for performance funding, and $0.00 for costs incurred under the North American Indian tuition waiver.

(e) The appropriation for Gogebic Community College is $4,923,300.00, $4,873,700.00 for operations, $0.00 for performance funding, and $49,600.00 for costs incurred under the North American Indian tuition waiver.

(f) The appropriation for Grand Rapids Community College is $19,007,000.00, $18,773,100.00 for operations, $0.00 for performance funding, and $233,900.00 for costs incurred under the North American Indian tuition waiver.

(g) The appropriation for Henry Ford College is $22,557,600.00, $22,533,100.00 for operations, $0.00 for performance funding, and $24,500.00 for costs incurred under the North American Indian tuition waiver.

(h) The appropriation for Jackson College is $12,814,200.00, $12,756,200.00 for operations, $0.00 for performance funding, and $58,000.00 for costs incurred under the North American Indian tuition waiver.

(i) The appropriation for Kalamazoo Valley Community College is $13,163,700.00, $13,099,900.00 for operations, $0.00 for performance funding, and $63,800.00 for costs incurred under the North American Indian tuition waiver.

(j) The appropriation for Kellogg Community College is $10,328,700.00, $10,267,100.00 for operations, $0.00 for performance funding, and $61,600.00 for costs incurred under the North American Indian tuition waiver.

(k) The appropriation for Kirtland Community College is $3,394,800.00, $3,358,400.00 for operations, $0.00 for performance funding, and $36,400.00 for costs incurred under the North American Indian tuition waiver.

(*l*) The appropriation for Lake Michigan College is $5,711,300.00, $5,702,700.00 for operations, $0.00 for performance funding, and $8,600.00 for costs incurred under the North American Indian tuition waiver.

(m) The appropriation for Lansing Community College is $33,010,000.00, $32,852,000.00 for operations, $0.00 for performance funding, and $158,000.00 for costs incurred under the North American Indian tuition waiver.

(n) The appropriation for Macomb Community College is $34,319,500.00, $34,276,100.00 for operations, $0.00 for performance funding, and $43,400.00 for costs incurred under the North American Indian tuition waiver.

(o) The appropriation for Mid Michigan Community College is $5,309,200.00, $5,184,400.00 for operations, $0.00 for performance funding, and $124,800.00 for costs incurred under the North American Indian tuition waiver.

(p) The appropriation for Monroe County Community College is $4,746,700.00, $4,746,200.00 for operations, $0.00 for performance funding, and $500.00 for costs incurred under the North American Indian tuition waiver.

(q) The appropriation for Montcalm Community College is $3,577,700.00, $3,570,600.00 for operations, $0.00 for performance funding, and $7,100.00 for costs incurred under the North American Indian tuition waiver.

(r) The appropriation for C.S. Mott Community College is $16,464,000.00, $16,440,000.00 for operations, $0.00 for performance funding, and $24,000.00 for costs incurred under the North American Indian tuition waiver.

(s) The appropriation for Muskegon Community College is $9,363,000.00, $9,289,100.00 for operations, $0.00 for performance funding, and $73,900.00 for costs incurred under the North American Indian tuition waiver.

(t) The appropriation for North Central Michigan College is $3,562,700.00, $3,389,300.00 for operations, $0.00 for performance funding, and $173,400.00 for costs incurred under the North American Indian tuition waiver.

(u) The appropriation for Northwestern Michigan College is $9,843,100.00, $9,567,100.00 for operations, $0.00 for performance funding, and $276,000.00 for costs incurred under the North American Indian tuition waiver.

(v) The appropriation for Oakland Community College is $22,246,800.00, $22,211,700.00 for operations, $0.00 for performance funding, and $35,100.00 for costs incurred under the North American Indian tuition waiver.

(w) The appropriation for Schoolcraft College is $13,236,500.00, $13,196,200.00 for operations, $0.00 for performance funding, and $40,300.00 for costs incurred under the North American Indian tuition waiver.

(x) The appropriation for Southwestern Michigan College is $7,016,600.00, $6,979,400.00 for operations, $0.00 for performance funding, and $37,200.00 for costs incurred under the North American Indian tuition waiver.

(y) The appropriation for St. Clair County Community College is $7,388,600.00, $7,385,200.00 for operations, $0.00 for performance funding, and $3,400.00 for costs incurred under the North American Indian tuition waiver.

(z) The appropriation for Washtenaw Community College is $13,888,200.00, $13,855,900.00 for operations, $0.00 for performance funding, and $32,300.00 for costs incurred under the North American Indian tuition waiver.

(aa) The appropriation for Wayne County Community College is $17,608,300.00, $17,593,400.00 for operations, $0.00 for performance funding, and $14,900.00 for costs incurred under the North American Indian tuition waiver.

(bb) The appropriation for West Shore Community College is $2,612,100.00, $2,585,600.00 for operations, $0.00 for performance funding, and $26,500.00 for costs incurred under the North American Indian tuition waiver.

(3) The amount appropriated in subsection (2) for community college operations is $325,440,000.00 and is appropriated from the state school aid fund.

(4) From the appropriations described in subsection (1), both of the following apply:

(a) Subject to section 207a, the amount appropriated for fiscal year 2020-2021 to offset certain fiscal year 2020-2021 retirement contributions is $1,733,600.00, appropriated from the state school aid fund.

(b) For fiscal year 2020-2021, there is allocated an amount not to exceed $12,394,000.00 for payments to participating community colleges, appropriated from the state school aid fund. A community college that receives money under this subdivision shall use that money solely for the purpose of offsetting the normal cost contribution rate.

(5) From the appropriations described in subsection (1), subject to section 207b, the amount appropriated for payments to community colleges that are participating entities of the retirement system is $83,900,000.00 appropriated from the state school aid fund.

(6) From the appropriations described in subsection (1), subject to section 207c, the amount appropriated for renaissance zone tax reimbursements is $2,200,000.00, appropriated from the state school aid fund. Each community college receiving funds in this subsection shall accrue these payments to its institutional fiscal year ending June 30, 2021.

Sec. 202a. As used in this article:

(a) “Center” means the center for educational performance and information created in section 94a.

(b) “Michigan renaissance zone act” means the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

(c) “Participating college” means a community college that is a reporting unit of the retirement system and that reports employees to the retirement system for the state fiscal year.

(d) “Retirement board” means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(e) "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

Sec. 203. Unless otherwise specified, a community college that receives appropriations in section 201 and the center shall use the internet to fulfill the reporting requirements of this article. This requirement includes transmission of reports via electronic mail to the recipients identified for each reporting requirement and placement of reports on an internet site.

Sec. 205. To the extent possible, the principal executive officer of each community college that receives appropriations in section 201 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each principal executive officer shall strongly encourage businesses with which the community college contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 206. (1) The funds appropriated in section 201 are appropriated for community colleges with fiscal years ending June 30, 2021 and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2020. Each community college shall accrue its July and August 2021 payments to its institutional fiscal year ending June 30, 2021.

(2) If the state budget director determines that a community college failed to submit any of the information described in subdivisions (a) to (f) in the form and manner specified by the center, the state treasurer shall, subject to subdivision (g), withhold the monthly installments from that community college until those data are submitted:

(a) The Michigan community colleges verified data inventory data for the preceding academic year to the center by the first business day of December for fiscal year 2020-2021 and the first business day of November of each year thereafter as specified in section 217.

(b) The college credit opportunity data set as specified in section 209.

(c) The longitudinal data set for the preceding academic year to the center as specified in section 219.

(d) The annual independent audit as specified in section 222.

(e) Tuition and mandatory fees information for the current academic year as specified in section 225.

(f) The number and type of associate degrees and other certificates awarded during the previous academic year as specified in section 226.

(g) The state budget director shall notify the chairs of the house and senate appropriations subcommittees on community colleges at least 10 days before withholding funds from any community college.

Sec. 207a. All of the following apply to the allocation of the fiscal year 2020-2021 appropriations described in section 201(4):

(a) A community college that receives money under section 201(4) shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the college for that fiscal year.

(b) The amount allocated to each participating community college under section 201(4) shall be based on each college's percentage of the total covered payroll for all community colleges that are participating colleges in the immediately preceding fiscal year.

Sec. 207b. All of the following apply to the allocation of the fiscal year 2020-2021 appropriations described in section 201(5) for payments to community colleges that are participating entities of the retirement system:

(a) The amount of a payment under section 201(5) shall be the difference between the unfunded actuarial accrued liability contribution rate as calculated under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

(b) The amount allocated to each community college under section 201(5) shall be based on each community college's percentage of the total covered payroll for all community colleges that are participating colleges in the immediately preceding fiscal year. A community college that receives funds under this subdivision shall use the funds solely for the purpose of retirement contributions under section 201(5).

(c) Each participating college that receives funds under section 201(5) shall forward an amount equal to the amount allocated under subdivision (b) to the retirement system in a form and manner determined by the retirement system.

Sec. 207c. All of the following apply to the allocation of the appropriations described in section 201(6) to community colleges described in section 12(3) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692:

(a) The amount allocated to each community college under section 201(6) for fiscal year 2020-2021 shall be based on that community college's proportion of total revenue lost by community colleges as a result of the exemption of property taxes levied in 2020 under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

(b) The appropriations described in section 201(6) shall be made to each eligible community college within 60 days after the department of treasury certifies to the state budget director that it has received all necessary information to properly determine the amounts payable to each eligible community college under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

Sec. 209. (1) Within 30 days after the board of a community college adopts its annual operating budget for the following fiscal year, or after the board adopts a subsequent revision to that budget, the community college shall make all of the following available through a link on its website homepage:

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

(b) A link to the most recent "Michigan Community College Data Inventory Report".

(c) General fund revenue and expenditure projections for the current fiscal year and the next fiscal year.

(d) A listing of all debt service obligations, detailed by project, anticipated payment of each project, and total outstanding debt for the current fiscal year.

(e) Links to all of the following for the community college:

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

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

(*iii*) Audits and financial reports for the most recent fiscal year for which they are available.

(*iv*) A copy of the board of trustees resolution regarding compliance with best practices for the local strategic value component described in section 230(2).

(f) A map that includes the boundaries of the community college district.

(2) For statewide consistency and public visibility, community colleges must use the icon badge provided by the department of technology, management, and budget consistent with the icon badge developed by the department of education for K-12 school districts. It must appear on the front of each community college's homepage. The size of the icon may be reduced to 150 x 150 pixels.

(3) The state budget director shall determine whether a community college has complied with this section. The state budget director may withhold a community college's monthly installments described in section 206 until the community college complies with this section. The state budget director shall notify the chairs of the house and senate appropriations subcommittee on community colleges at least 10 days before withholding funds from any community college.

(4) Each community college shall report the following information to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget office by December 15 for fiscal year 2020-2021 and November 15 of each fiscal year thereafter and post that information on its website as required under subsection (1):

(a) Budgeted current fiscal year general fund revenue from tuition and fees.

(b) Budgeted current fiscal year general fund revenue from state appropriations.

(c) Budgeted current fiscal year general fund revenue from property taxes.

(d) Budgeted current fiscal year total general fund revenue.

(e) Budgeted current fiscal year total general fund expenditures.

(5) By the first business day of November of each year, a community college shall post the following information on its website under the budget transparency icon badge:

(a) Opportunities for earning college credit through the following programs:

(*i*) State approved career and technical education or a tech prep articulated program of study.

(*ii*) Direct college credit or concurrent enrollment.

(*iii*) Dual enrollment.

(*iv*) An early college/middle college program.

(b) For each program described in subdivision (a) that the community college offers, all of the following information:

(*i*) The number of high school students participating in the program.

(*ii*) The number of school districts that participate in the program with the community college.

(*iii*) Whether a college professor, qualified local school district employee, or other individual teaches the course or courses in the program.

(*iv*) The total cost to the community college to operate the program.

(*v*) The cost per credit hour for the course or courses in the program.

(*vi*) The location where the course or courses in the program are held.

(*vii*) Instructional resources offered to the program instructors.

(*viii*) Resources offered to the student in the program.

(*ix*) Transportation services provided to students in the program.

Sec. 209a. (1) A public community college shall develop, maintain, and update a "campus safety information and resources" link, prominently displayed on the homepage of its website, to a section of its website containing all of the information required under subsection (2).

(2) The "campus safety information and resources" section of a public community college's website shall include, but not be limited to, all of the following information:

(a) Emergency contact numbers for police, fire, health, and other services.

(b) Hours, locations, phone numbers, and electronic mail contacts for campus public safety offices and title IX offices.

(c) A list of safety and security services provided by the community college, including transportation, escort services, building surveillance, anonymous tip lines, and other available security services.

(d) A public community college's policies applicable to minors on community college property.

(e) A directory of resources available at the community college or surrounding community for students or employees who are survivors of sexual assault or sexual abuse.

(f) An electronic copy of "A Resource Handbook for Campus Sexual Assault Survivors, Friends and Family", published in 2018.

(g) Campus security policies and crime statistics pursuant to the student right-to-know and campus security act, Public Law 101-542, 104 Stat 2381. Information shall include all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat 2381.

(3) A community college shall certify to the state budget director by October 1, 2020 that it is in compliance with this section. The state budget director may withhold a public community college's monthly installments described in section 206 until the public community college complies with this section.

Sec. 217. (1) The center shall do all of the following:

(a) Establish, maintain, and coordinate the state community college database commonly known as the "Michigan Community College Data Inventory".

(b) Collect data concerning community colleges and community college programs in this state, including data required by law.

(c) Establish procedures to ensure the validity and reliability of the data and the collection process.

(d) Develop model data collection policies, including, but not limited to, policies that ensure the privacy of any individual student data. Privacy policies shall ensure that student Social Security numbers are not released to the public for any purpose.

(e) Provide data in a useful manner to allow state policymakers and community college officials to make informed policy decisions.

(f) Compile and publish electronically the demographic enrollment profile.

(g) Compile and publish the community college performance improvement and performance completion rate data to support the performance funding formula metrics specified in section 230(1)(c) and (e).

(2) There is created within the center the Michigan Community College Data Inventory advisory committee. The committee shall provide advice to the director of the center regarding the management of the state community college database, including, but not limited to:

(a) Determining what data are necessary to collect and maintain to enable state and community college officials to make informed policy decisions.

(b) Defining the roles of all stakeholders in the data collection system.

(c) Recommending timelines for the implementation and ongoing collection of data.

(d) Establishing and maintaining data definitions, data transmission protocols, and system specifications and procedures for the efficient and accurate transmission and collection of data.

(e) Establishing and maintaining a process for ensuring the accuracy of the data.

(f) Establishing and maintaining policies related to data collection, including, but not limited to, privacy policies related to individual student data.

(g) Ensuring that the data are made available to state policymakers and citizens of this state in the most useful format possible.

(h) Addressing other matters as determined by the director of the center or as required by law.

(3) The Michigan Community College Data Inventory advisory committee created in subsection (2) shall consist of the following members:

(a) One representative from the house fiscal agency, appointed by the director of the house fiscal agency.

(b) One representative from the senate fiscal agency, appointed by the director of the senate fiscal agency.

(c) One representative from the department of labor and economic opportunity, appointed by the director of the department of labor and economic opportunity.

(d) One representative from the center, appointed by the director of the center.

(e) One representative from the state budget office, appointed by the state budget director.

(f) One representative from the governor's policy office, appointed by that office.

(g) Four representatives of the Michigan Community College Association, appointed by the president of the association, that represent a diverse mix of college sizes.

Sec. 222. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the center before December 15 for fiscal year 2020-2021 and November 15 of each year thereafter. The center shall provide this information to members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the department of labor and economic opportunity, and the state budget director. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges". A community college shall make the information the community college is required to provide under this section available to the public on its website.

Sec. 223. (1) By January 15 of each year, the department of civil rights shall annually submit to the state budget director, the house and senate appropriations subcommittees on community colleges, and the house and senate fiscal agencies a report on North American Indian tuition waivers for the preceding academic year that includes, but is not limited to, all of the following information:

(a) The number of waiver applications received and the number of waiver applications approved.

(b) For each community college submitting information under subsection (2), all of the following:

(*i*) The number of North American Indian students enrolled each term for the previous academic year.

(*ii*) The number of North American Indian waivers granted each term, including continuing education students, and the monetary value of the waivers for the previous academic year.

(*iii*) The number of students attending under a North American Indian tuition waiver who withdrew from the college each term during the previous academic year. For purposes of this subparagraph, a withdrawal occurs when a student who has been awarded the waiver withdraws from the institution at any point during the term, regardless of enrollment in subsequent terms.

(*iv*) The number of students attending under a North American Indian tuition waiver who successfully complete a degree or certificate program, separated by degree or certificate level, and the graduation rate for students attending under a North American Indian tuition waiver who complete a degree or certificate within 150% of the normal time to complete, separated by the level of the degree or certificate.

(2) A community college that receives funds under section 201 or a tribal institution that receives funding for the North American Indian tuition waiver shall provide to the department of civil rights any information necessary for preparing the report described in subsection (1), using guidelines and procedures developed by the department of civil rights.

(3) The department of civil rights may consolidate the report required under this section with the report required under section 268, but a consolidated report must separately identify data for universities and data for community colleges.

Sec. 226. Each community college shall report to the center by October 15 of each year the numbers and type of associate degrees and other certificates awarded by the community college during the previous academic year for inclusion in the statewide P-20 longitudinal data system.

Sec. 226a. A community college receiving an appropriation in section 201 shall place a prominent link to the website created under section 260 on its website homepage.

Sec. 226b. (1) By September 30, 2021, each community college receiving an appropriation in section 201 shall submit a report to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director containing the following information:

(a) The number of students enrolled during the 2020-2021 academic year.

(b) The number of courses offered by course type.

(c) The number of students enrolled by course type.

(d) The drop rate and pass/fail rate by course type.

(e) The average number of credit hours for which each student was enrolled at the start and end of each semester.

(f) The number of students residing on campus each semester.

(g) The number of students residing on campus between semesters.

(2) By November 1, 2020, each community college receiving an appropriation in section 201 shall submit a report to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director containing the following information:

(a) A list of any student fees assessed related to online learning, and the amount of those fees.

(b) A list of any student fees assessed related to COVID-19, and the amount of those fees.

(c) A timeline of when decisions regarding the course types offered during the 2020-2021 academic year were made, and whether there were changes to those decisions before the academic year began.

(d) An overview of COVID-19 mitigation strategies employed or that may be employed, if necessary.

(e) An overview of COVID-19 testing criteria and mitigation strategies employed for controlling an outbreak on campus.

(3) As used in this section, "course type" means the style of course delivery as being in-person, online, or as a hybrid of in-person and online learning.

Sec. 226d. By February 1, 2021, each community college shall submit to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director a report on activities related to strategic planning and internal assessment or reassessment to best provide for open and free expression and speech, while protecting students from hate-speech, violence, and discrimination.

Sec. 226e. It is the intent of the legislature to ensure that 60% of Michigan's residents achieve a postsecondary credential, high-quality industry certification, associate degree, or bachelor's degree by 2030.

Sec. 229. (1) Each community college that receives an appropriation in section 201 is expected to include in its admission application process a specific question as to whether an applicant for admission has ever served or is currently serving in the United States Armed Forces or is the spouse or dependent of an individual who has served or is currently serving in the United States Armed Forces, in order to more quickly identify potential educational assistance available to that applicant.

(2) It is expected that each public community college that receives an appropriation in section 201 shall work with the house and senate community college subcommittees, the Michigan Community College Association, and veterans groups to review the issue of in-district tuition for veterans of this state when determining tuition rates and fees.

(3) Each community college that receives an appropriation in section 201 is expected to provide reasonable programming and scheduling accommodations necessary to facilitate a student's military, national guard, or military reserves duties and training obligations.

(4) As used in this section, "veteran" means an honorably discharged veteran entitled to educational assistance under the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to 3327.

Sec. 229a. Included in the fiscal year 2020-2021 appropriations for the department of technology, management, and budget are appropriations totaling $35,696,200.00 to provide funding for the state share of costs for previously constructed capital projects for community colleges. Those appropriations for state building authority rent represent additional state general fund support for community colleges, and the following is an estimate of the amount of that support to each community college:

(a) Alpena Community College, $701,800.00.

(b) Bay de Noc Community College, $686,600.00.

(c) Delta College, $3,845,000.00.

(d) Glen Oaks Community College, $124,700.00.

(e) Gogebic Community College, $56,800.00.

(f) Grand Rapids Community College, $2,604,800.00.

(g) Henry Ford College, $1,042,600.00.

(h) Jackson College, $2,194,800.00.

(i) Kalamazoo Valley Community College, $1,969,600.00.

(j) Kellogg Community College, $688,600.00.

(k) Kirtland Community College, $228,200.00.

(*l*) Lake Michigan College, $1,032,500.00.

(m) Lansing Community College, $1,157,200.00.

(n) Macomb Community College, $1,672,400.00.

(o) Mid Michigan Community College, $1,637,900.00.

(p) Monroe County Community College, $1,585,200.00.

(q) Montcalm Community College, $984,800.00.

(r) C.S. Mott Community College, $2,157,600.00.

(s) Muskegon Community College, $996,000.00.

(t) North Central Michigan College, $694,700.00.

(u) Northwestern Michigan College, $1,857,000.00.

(v) Oakland Community College, $471,600.00.

(w) Schoolcraft College, $1,770,800.00.

(x) Southwestern Michigan College, $834,200.00.

(y) St. Clair County Community College, $758,600.00.

(z) Washtenaw Community College, $1,699,800.00.

(aa) Wayne County Community College, $1,482,800.00.

(bb) West Shore Community College, $759,600.00.

Sec. 230. (1) With the exception of fiscal year 2020-2021, money included in the appropriations for community college operations under section 201(2) for performance funding is distributed based on the following formula:

(a) Allocated proportionate to fiscal year 2018-2019 base appropriations, 30%.

(b) Based on a weighted student contact hour formula as provided for in the 2016 recommendations of the performance indicators task force, 30%.

(c) Based on the performance improvement as provided for in the 2016 recommendations of the performance indicators task force and based on data provided by the center, 10%.

(d) Based on the performance completion number as provided for in the 2016 recommendations of the performance indicators task force, 10%.

(e) Based on the performance completion rate as provided for in the 2016 recommendations of the performance indicators task force and based on data provided by the center, 10%.

(f) Based on administrative costs, 5%.

(g) Based on the local strategic value component, as developed in cooperation with the Michigan Community College Association and described in subsection (2), 5%.

(2) Money included in the appropriations for community college operations under section 201(2) for local strategic value shall be allocated to each community college that certifies to the state budget director, through a board of trustees resolution on or before October 15, 2020, that the college has met 4 out of 5 best practices listed in each category described in subsection (3). The resolution shall provide specifics as to how the community college meets each best practice measure within each category. One-third of funding available under the strategic value component shall be allocated to each category described in subsection (3). Amounts distributed under local strategic value shall be on a proportionate basis to each college's fiscal year 2019-2020 operations funding. Payments to community colleges that qualify for local strategic value funding shall be distributed with the November installment payment described in section 206.

(3) For purposes of subsection (2), the following categories of best practices reflect functional activities of community colleges that have strategic value to the local communities and regional economies:

(a) For Category A, economic development and business or industry partnerships, the following:

(*i*) The community college has active partnerships with local employers including hospitals and health care providers.

(*ii*) The community college provides customized on-site training for area companies, employees, or both.

(*iii*) The community college supports entrepreneurship through a small business assistance center or other training or consulting activities targeted toward small businesses.

(*iv*) The community college supports technological advancement through industry partnerships, incubation activities, or operation of a Michigan technical education center or other advanced technology center.

(*v*) The community college has active partnerships with local or regional workforce and economic development agencies.

(b) For Category B, educational partnerships, the following:

(*i*) The community college has active partnerships with regional high schools, intermediate school districts, and career-tech centers to provide instruction through dual enrollment, concurrent enrollment, direct credit, middle college, or academy programs.

(*ii*) The community college hosts, sponsors, or participates in enrichment programs for area K-12 students, such as college days, summer or after-school programming, or Science Olympiad.

(*iii*) The community college provides, supports, or participates in programming to promote successful transitions to college for traditional age students, including grant programs such as talent search, upward bound, or other activities to promote college readiness in area high schools and community centers.

(*iv*) The community college provides, supports, or participates in programming to promote successful transitions to college for new or reentering adult students, such as adult basic education, a high school equivalency test preparation program and testing, or recruiting, advising, or orientation activities specific to adults. As used in this subparagraph, "high school equivalency test preparation program" means that term as defined in section 4.

(*v*) The community college has active partnerships with regional 4-year colleges and universities to promote successful transfer, such as articulation, 2+2, or reverse transfer agreements or operation of a university center.

(c) For Category C, community services, the following:

(*i*) The community college provides continuing education programming for leisure, wellness, personal enrichment, or professional development.

(*ii*) The community college operates or sponsors opportunities for community members to engage in activities that promote leisure, wellness, cultural or personal enrichment such as community sports teams, theater or musical ensembles, or artist guilds.

(*iii*) The community college operates public facilities to promote cultural, educational, or personal enrichment for community members, such as libraries, computer labs, performing arts centers, museums, art galleries, or television or radio stations.

(*iv*) The community college operates public facilities to promote leisure or wellness activities for community members, including gymnasiums, athletic fields, tennis courts, fitness centers, hiking or biking trails, or natural areas.

(*v*) The community college promotes, sponsors, or hosts community service activities for students, staff, or community members.

(4) Payments for performance funding under section 201(2) shall be made to a community college only if that community college actively participates in the Michigan Transfer Network sponsored by the Michigan Association of Collegiate Registrars and Admissions Officers and submits timely updates, including updated course equivalencies at least every 6 months, to the Michigan transfer network. The state budget director shall determine if a community college has not satisfied this requirement. The state budget director may withhold payments for performance funding until a community college is in compliance with this section.

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, 2021, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is $1,699,925,400.00. After deducting total interdepartmental grants and intradepartmental transfers in the amount of $0.00, the adjusted gross appropriation is $1,699,925,400.00.

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(*i*) Total federal revenues, $126,026,400.00.

(*ii*) Total local revenues, $0.00.

(*iii*) Total private revenues, $0.00.

(*iv*) Total other state restricted revenues, $356,063,300.00.

(*v*) State general fund/general purpose money, $1,217,835,700.00.

(2) Amounts appropriated for public universities are as follows:

(a) The appropriation for Central Michigan University is $89,564,500.00, $87,600,000.00 for operations, $0.00 for performance funding, and $1,964,500.00 for costs incurred under the North American Indian tuition waiver.

(b) The appropriation for Eastern Michigan University is $77,555,200.00, $77,253,700.00 for operations, $0.00 for performance funding, and $301,500.00 for costs incurred under the North American Indian tuition waiver.

(c) The appropriation for Ferris State University is $55,934,300.00, $55,025,500.00 for operations, $0.00 for performance funding, and $908,800.00 for costs incurred under the North American Indian tuition waiver.

(d) The appropriation for Grand Valley State University is $73,490,700.00, $72,313,500.00 for operations, $0.00 for performance funding, and $1,177,200.00 for costs incurred under the North American Indian tuition waiver.

(e) The appropriation for Lake Superior State University is $15,252,100.00, $13,307,000.00 for operations, $0.00 for performance funding, and $945,100.00 for costs incurred under the North American Indian tuition waiver, and $1,000,000.00 for a 1-time pass-through payment for Bay Mills Community College.

(f) The appropriation for Michigan State University is $354,009,100.00, $287,331,700.00 for operations, $0.00 for performance funding, $1,604,000.00 for costs incurred under the North American Indian tuition waiver, $34,937,300.00 for MSU AgBioResearch, and $30,136,100.00 for MSU Extension.

(g) The appropriation for Michigan Technological University is $50,795,200.00, $50,101,600.00 for operations, $0.00 for performance funding, and $693,600.00 for costs incurred under the North American Indian tuition waiver.

(h) The appropriation for Northern Michigan University is $48,869,700.00, $47,809,100.00 for operations, $0.00 for performance funding, and $1,060,600.00 for costs incurred under the North American Indian tuition waiver.

(i) The appropriation for Oakland University is $53,413,500.00, $53,147,400.00 for operations, $0.00 for performance funding, and $266,100.00 for costs incurred under the North American Indian tuition waiver.

(j) The appropriation for Saginaw Valley State University is $30,803,300.00, $30,583,800.00 for operations, $0.00 for performance funding, and $219,500.00 for costs incurred under the North American Indian tuition waiver.

(k) The appropriation for University of Michigan – Ann Arbor is $322,931,100.00, $321,970,100.00 for operations, $0.00 for performance funding, and $961,000.00 for costs incurred under the North American Indian tuition waiver.

(*l*) The appropriation for University of Michigan – Dearborn is $26,334,800.00, $26,167,000.00 for operations, $0.00 for performance funding, and $167,800.00 for costs incurred under the North American Indian tuition waiver.

(m) The appropriation for University of Michigan – Flint is $23,964,400.00, $23,616,200.00 for operations, $0.00 for performance funding, and $348,200.00 for costs incurred under the North American Indian tuition waiver.

(n) The appropriation for Wayne State University is $203,458,900.00, $202,996,700.00 for operations, $0.00 for performance funding, and $462,200.00 for costs incurred under the North American Indian tuition waiver.

(o) The appropriation for Western Michigan University is $112,363,900.00, $111,522,200.00 for operations, $0.00 for performance funding, and $841,700.00 for costs incurred under the North American Indian tuition waiver.

(3) The amount appropriated in subsection (2) for public universities is $1,538,740,700.00, appropriated from the following:

(a) State school aid fund, $343,168,300.00.

(b) State general fund/general purpose money, $1,195,572,400.00.

(4) The amount appropriated for Michigan public school employees' retirement system reimbursement is $11,695,000.00, appropriated from the state school aid fund.

(5) The amount appropriated for state and regional programs is $315,000.00, appropriated from general fund/general purpose money and allocated as follows:

(a) Higher education database modernization and conversion, $200,000.00.

(b) Midwestern Higher Education Compact, $115,000.00.

(6) The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks program is $2,691,500.00, appropriated from general fund/general purpose money and allocated as follows:

(a) Select student support services, $1,956,100.00.

(b) Michigan college/university partnership program, $586,800.00.

(c) Morris Hood, Jr. educator development program, $148,600.00.

(7) Subject to subsection (8), the amount appropriated for grants and financial aid is $145,283,200.00, allocated as follows:

(a) State competitive scholarships, $29,861,700.00.

(b) Tuition grants, $42,021,500.00.

(c) Tuition incentive program, $68,800,000.00.

(d) Children of veterans and officer's survivor tuition grant programs, $1,400,000.00.

(e) Project GEAR-UP, $3,200,000.00.

(8) The money appropriated in subsection (7) for grants and financial aid is appropriated from the following:

(a) Federal revenues under the United States Department of Education, Office of Elementary and Secondary Education, GEAR-UP program, $3,200,000.00.

(b) Federal revenues under the social security act, temporary assistance for needy families, $122,826,400.00.

(c) State general fund/general purpose money, $19,256,800.00.

(9) For fiscal year 2020-2021 only, in addition to the allocation under subsection (4), from the appropriations described in subsection (1), there is allocated an amount not to exceed $1,200,000.00 for payments to participating public universities, appropriated from the state school aid fund. A university that receives money under this subsection shall use that money solely for the purpose of offsetting the normal cost contribution rate. As used in this subsection, "participating public universities" means public universities that are a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that pay contributions to the Michigan public school employees' retirement system for the state fiscal year.

Sec. 236b. In addition to the funds appropriated in section 236, there is appropriated for grants and financial aid in fiscal year 2020-2021 an amount not to exceed $6,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this article.

Sec. 236c. In addition to the funds appropriated for fiscal year 2020-2021 in section 236, appropriations to the department of technology, management, and budget in the act providing general appropriations for fiscal year 2020-2021 for state building authority rent, totaling an estimated $145,848,500.00 provide funding for the state share of costs for previously constructed capital projects for state universities. These appropriations for state building authority rent represent additional state general fund support provided to public universities, and the following is an estimate of the amount of that support to each university:

(a) Central Michigan University, $13,078,900.00.

(b) Eastern Michigan University, $7,074,300.00.

(c) Ferris State University, $7,939,200.00.

(d) Grand Valley State University, $7,229,800.00.

(e) Lake Superior State University, $1,805,200.00.

(f) Michigan State University, $15,199,500.00.

(g) Michigan Technological University, $6,805,300.00.

(h) Northern Michigan University, $7,334,200.00.

(i) Oakland University, $12,708,600.00.

(j) Saginaw Valley State University, $7,907,100.00.

(k) University of Michigan - Ann Arbor, $9,644,100.00.

(*l*) University of Michigan - Dearborn, $11,106,100.00.

(m) University of Michigan - Flint, $6,413,000.00.

(n) Wayne State University, $16,610,900.00.

(o) Western Michigan University, $14,989,300.00.

Sec. 237b. As used in this article, "center" means the center for educational performance and information created in section 94a.

Sec. 238. Unless otherwise specified, a public university receiving appropriations in section 236 shall use the internet to fulfill the reporting requirements of this article. This requirement includes transmission of reports via electronic mail to the recipients identified for each reporting requirement and placement of reports on an internet site.

Sec. 241. (1) Subject to sections 244 and 265a, the funds appropriated in section 236 to public universities shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2020. Except for Wayne State University, each institution shall accrue its July and August 2021 payments to its institutional fiscal year ending June 30, 2021.

(2) All public universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For public universities with fiscal years ending June 30, these data shall be submitted to the state budget director by November 15 for fiscal year 2020-2021 and October 15 of each fiscal year thereafter. Public universities with a fiscal year ending September 30, 2020 shall submit preliminary HEIDI data by November 15, 2020 and final data by December 15, 2020. If a public university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer may withhold the monthly installments under subsection (1) to the public university until those data are submitted.

Sec. 242. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided.

Sec. 245. (1) A public university shall maintain a public transparency website available through a link on its website homepage. The public university shall update this website within 30 days after the university's governing board adopts its annual operating budget for the next academic year, or after the governing board adopts a subsequent revision to that budget.

(2) The website required under subsection (1) shall include all of the following concerning the public university:

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

(b) A summary of current expenditures for the most recent fiscal year for which they are available, expressed as pie charts in the following 2 categories:

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

(A) Earnings and wages.

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

(C) Retirement benefit costs.

(D) All other personnel costs.

(*ii*) A chart of all current expenditures the public university reported as part of its higher education institutional data inventory data under section 241(2), broken into the same subcategories in which it reported those data.

(c) Links to all of the following for the public university:

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

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

(*iii*) Audits and financial reports for the most recent fiscal year for which they are available.

(d) A list of all positions funded partially or wholly through institutional general fund revenue that includes the position title and annual salary or wage amount for each position.

(e) General fund revenue and expenditure projections for the current fiscal year and the next fiscal year.

(f) A listing of all debt service obligations, detailed by project, anticipated fiscal year payment for each project, and total outstanding debt for the current fiscal year.

(g) The institution's policy regarding the transferability of core college courses between community colleges and the university.

(h) A listing of all community colleges that have entered into reverse transfer agreements with the university.

(3) On the website required under subsection (1), a public university shall provide a dashboard or report card demonstrating the university's performance in several "best practice" measures. The dashboard or report card shall include at least all of the following for the 3 most recent academic years for which the data are available:

(a) Enrollment.

(b) Student retention rate.

(c) Six-year graduation rates.

(d) Number of Pell grant recipients and graduating Pell grant recipients.

(e) Geographic origination of students, categorized as in-state, out-of-state, and international.

(f) Faculty to student ratios and total university employee to student ratios.

(g) Teaching load by faculty classification.

(h) Graduation outcome rates, including employment and continuing education.

(4) For statewide consistency and public visibility, public universities must use the icon badge provided by the department of technology, management, and budget consistent with the icon badge developed by the department of education for K-12 school districts. It must appear on the front of each public university's homepage. The size of the icon may be reduced to 150 x 150 pixels. The font size and style for this reporting must be consistent with other documents on each university's website.

(5) The state budget director shall determine whether a public university has complied with this section. The state budget director may withhold a public university's monthly installments described in section 241 until the public university complies with this section.

(6) By the first business day of November of each year, a public university shall post the following information on its website under the budget transparency icon badge:

(a) Opportunities for earning college credit through the following programs:

(*i*) State approved career and technical education or a tech prep articulated program of study.

(*ii*) Direct college credit or concurrent enrollment.

(*iii*) Dual enrollment.

(*iv*) An early college/middle college program.

(b) For each program described in subdivision (a) that the public university offers, all of the following information:

(*i*) The number of high school students participating in the program.

(*ii*) The number of school districts that participate in the program with the public university.

(*iii*) Whether a university professor, qualified local school district employee, or other individual teaches the course or courses in the program.

(*iv*) The total cost to the public university to operate the program.

(*v*) The cost per credit hour for the course or courses in the program.

(*vi*) The location where the course or courses in the program are held.

(*vii*) Instructional resources offered to the program instructors.

(*viii*) Resources offered to the student in the program.

(*ix*) Transportation services provided to students in the program.

(7) A public university shall collect and report the number and percentage of all enrolled students who complete the Free Application for Federal Student Aid, broken out by undergraduate and graduate/professional classifications, to the center and post the information on its website under the budget transparency icon badge.

Sec. 245a. (1) A public university shall develop, maintain, and update a "campus safety information and resources" link, prominently displayed on the homepage of its website, to a section of its website containing all of the information required under subsection (2).

(2) The "campus safety information and resources" section of a public university's website shall include, but not be limited to, all of the following information:

(a) Emergency contact numbers for police, fire, health, and other services.

(b) Hours, locations, phone numbers, and electronic mail contacts for campus public safety offices and title IX offices.

(c) A listing of safety and security services provided by the university, including transportation, escort services, building surveillance, anonymous tip lines, and other available security services.

(d) A public university's policies applicable to minors on university property.

(e) A directory of resources available at the university or surrounding community for students or employees who are survivors of sexual assault or sexual abuse.

(f) An electronic copy of "A Resource Handbook for Campus Sexual Assault Survivors, Friends and Family", published in 2018.

(g) Campus security policies and crime statistics pursuant to the student right-to-know and campus security act, Public Law 101-542, 104 Stat 2381. Information shall include all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat 2381.

(3) A public university shall certify to the state budget director by October 1, 2020 that it is in compliance with this section. The state budget director may withhold a public university's monthly installments described in section 241 until the public university complies with this section.

Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive program must be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program of the department of treasury.

(2) As used in this section:

(a) "Phase I" means the first part of the tuition incentive program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate. Students must be enrolled in a certificate or associate degree program and taking classes within the program of study for a certificate or associate degree. Tuition will not be covered for courses outside of a certificate or associate degree program.

(b) "Phase II" means the second part of the tuition incentive program that provides assistance in the third and fourth year of 4-year degree programs.

(c) "Department" means the department of treasury.

(d) "High school equivalency certificate" means that term as defined in section 4.

(3) An individual must meet the following basic criteria and financial thresholds to be eligible for tuition incentive program benefits:

(a) To be eligible for phase I, an individual must meet all of the following criteria:

(*i*) Be less than 20 years of age at the time he or she graduates from high school with a diploma or certificate of completion or achieves a high school equivalency certificate or, for students attending a 5-year middle college approved by the Michigan department of education, be less than 21 years of age when he or she graduates from high school.

(*ii*) Be a United States citizen and a resident of this state according to institutional criteria.

(*iii*) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or achievement of a high school equivalency certificate. All program eligibility expires 10 years after initial enrollment at a participating educational institution.

(*iv*) Meet the satisfactory academic progress policy of the educational institution he or she attends.

(b) To be eligible for phase II, an individual must meet either of the following criteria in addition to the criteria in subdivision (a):

(*i*) Complete at least 56 transferable semester or 84 transferable term credits.

(*ii*) Obtain an associate degree or certificate at a participating institution.

(c) To be eligible for phase I or phase II, an individual must be financially eligible as determined by the department. An individual is financially eligible for the tuition incentive program if he or she was eligible for Medicaid from this state for 24 months within the 36 consecutive months before application. The department shall accept certification of Medicaid eligibility only from the department of health and human services for the purposes of verifying if a person is Medicaid eligible for 24 months within the 36 consecutive months before application. Certification of eligibility may begin in the sixth grade.

(4) For phase I, the department shall provide payment on behalf of a person eligible under subsection (3). The department shall only accept standard per-credit hour tuition billings and shall reject billings that are excessive or outside the guidelines for the type of educational institution.

(5) For phase I, all of the following apply:

(a) Payments for associate degree or certificate programs must not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

(b) For persons enrolled at a Michigan community college, the department shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized.

(c) For persons enrolled at a Michigan public university, the department shall pay lower division resident tuition and mandatory fees for the current year.

(d) For persons enrolled at a Michigan independent, nonprofit degree-granting college or university, or a Michigan federal tribally controlled community college, or Focus: HOPE, the department shall pay mandatory fees for the current year and a per-credit payment that does not exceed the average community college in-district per-credit tuition rate as reported by the last business day of August for the immediately preceding academic year.

(6) A person participating in phase II may be eligible for additional funds not to exceed $500.00 per semester or $400.00 per term up to a maximum of $2,000.00 subject to the following conditions:

(a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year college or university.

(b) The tuition reimbursement is for coursework completed within 30 months of completion of the phase I requirements.

(7) The department shall work closely with participating institutions to provide the highest level of participation and ensure that all requirements of the program are met.

(8) The department shall notify students of their financial eligibility for the program any time after the student begins sixth grade.

(9) Except as otherwise provided in section 3(d) of the Michigan reconnect grant act, 2020 PA 84, MCL 390.1703, and section 17 of the Michigan reconnect grant recipient act, 2020 PA 68, MCL 390.1717, each institution shall ensure that all known available restricted grants for tuition and fees are used prior to billing the tuition incentive program for any portion of a student's tuition and fees.

(10) The department shall ensure that the tuition incentive program is well publicized and that eligible Medicaid clients are provided information on the program. The department shall provide the necessary funding and staff to fully operate the program.

(11) The department of treasury shall collaborate with the center to use the P-20 longitudinal data system to report the following information for each qualified postsecondary institution:

(a) The number of phase I students in the most recently completed academic year who in any academic year received a tuition incentive program award and who successfully completed a degree or certificate program. Cohort graduation rates for phase I students shall be calculated using the established success rate methodology developed by the center in collaboration with the postsecondary institutions.

(b) The number of students in the most recently completed academic year who in any academic year received a Pell grant at the reporting institution and who successfully completed a degree or certificate program. Cohort graduation rates for students who received Pell grants must be calculated using the established success rate methodology developed by the center in collaboration with the postsecondary institutions.

(12) Beginning in fiscal year 2020-2021, if a qualified postsecondary institution does not report the data necessary to complete the reporting in subsection (11) to the P-20 longitudinal data system by October 15 for the prior academic year, the department of treasury shall not award phase I tuition incentive program funding to otherwise eligible students enrolled in that institution until the data are submitted.

Sec. 259. It is the intent of the legislature that the department of treasury launch an aggressive campaign to inform high school students about the financial aid programs offered by this state and the eligibility requirements for participation in those financial aid programs.

Sec. 260. (1) The department of treasury shall work with student and postsecondary education groups, including the Michigan College Access Network, the Michigan Association of State Universities, the Michigan Community College Association, and the Michigan Independent Colleges and Universities, to provide an online informational resource for prospective and current student loan borrowers. The online informational resource

must be a website or a portion of an existing website designed and maintained by the department of treasury that, to the extent practicable, contains information including, but not limited to, all of the following:

(a) A list of public and private community support centers, student debt clinics, and other organizations and their contact information submitted by Michigan College Access Network that provides free information and services for student loan borrowers to help educate them about repayment options and to help them access student loan programs or benefits for which they may be eligible.

(b) Links to state and federal financial aid programs, including FAFSA and College Scorecard.

(c) Benefits of federal student loans that may no longer be available if a borrower refinances a loan.

(d) Links to net price calculators for community colleges receiving an appropriation in section 201 and universities receiving an appropriation in section 236, if available.

(e) A list of loan servicers, including FAFSA.gov for federal loans, and contact information for each and for federally held loans made through the William D. Ford Federal Direct Loan Program and the Federal Family Education Loan Program.

(f) Information on the fundamentals of borrowing and repayment, including, but not limited to, all of the following:

(*i*) Types of student loans and repayment options, including income-driven repayment, and a listing of employers in this state offering employment eligible for public service loan-forgiveness.

(*ii*) Deciding how much to borrow.

(*iii*) Creating a plan for borrowing and repayment.

(*iv*) Estimating how much borrowing is needed for a given school year.

(*v*) Evaluating financial aid offers.

(*vi*) Factors that affect total student loan costs.

(*vii*) Tips for graduating with less student loan debt.

(*viii*) A loan payment calculator or a link to a loan payment calculator that can be used for different types of loans.

(*ix*) Links to federal student loan entrance and exit counseling services and the FACT tool.

(*x*) Student loan debt relief scams.

(g) A list of student loan providers in this state.

(2) A university receiving an appropriation in section 236 shall place a prominent link to the website created under this section on its website homepage.

(3) Independent colleges and universities in this state are encouraged to place a link to the website created under this section on their website homepages.

Sec. 263. (1) Included in the appropriation in section 236 for fiscal year 2020-2021 for MSU AgBioResearch is $2,982,900.00 and included in the appropriation in section 236 for MSU Extension is $2,645,200.00 for Project GREEEN. Project GREEEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEEN" is an acronym for Generating Research and Extension to Meet Environmental and Economic Needs.

(2) The department of agriculture and rural development and Michigan State University, in consultation with agricultural commodity groups and other interested parties, shall develop Project GREEEN and its program priorities.

Sec. 264. Included in the appropriation in section 236 for fiscal year 2020-2021 for Michigan State University is $80,000.00 for the Michigan Future Farmers of America Association. This $80,000.00 allocation shall not supplant any existing support that Michigan State University provides to the Michigan Future Farmers of America Association.

Sec. 265. (1) Payments under section 265a for performance funding for fiscal years 2020-2021, 2021-2022, and 2022-2023 shall only be made to a public university that certifies to the state budget director by October 1, 2020 that its board did not adopt an increase in tuition and fee rates for resident undergraduate students after September 1, 2019 for the 2019-2020 academic year and that its board will not adopt an increase in tuition and fee rates for resident undergraduate students for the 2020-2021 academic year that is greater than 4.25% or $586.00, whichever is greater. As used in this subsection:

(a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of all resident undergraduate students at least once during their enrollment at a public university, as described in the higher education

institutional data inventory (HEIDI) user manual. A university increasing a fee that applies to a specific subset of students or courses shall provide sufficient information to prove that the increase applied to that subset will not cause the increase in the average amount of board-authorized total tuition and fees paid by resident undergraduate students in the 2020-2021 academic year to exceed the limit established in this subsection.

(b) "Tuition and fee rate" means the average of full-time rates paid by a majority of students in each undergraduate class, based on an unweighted average of the rates authorized by the university board and actually charged to students, deducting any uniformly rebated or refunded amounts, for the 2 semesters with the highest levels of full-time equated resident undergraduate enrollment during the academic year, as described in the higher education institutional data inventory (HEIDI) user manual.

(2) The state budget director shall implement uniform reporting requirements to ensure that a public university receiving a payment under section 265a for performance funding has satisfied the tuition restraint requirements of this section. The state budget director shall have the sole authority to determine if a public university has met the requirements of this section. Information reported by a public university to the state budget director under this subsection shall also be reported to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies.

(3) Universities that exceed the tuition and fee rate cap described in subsection (1) shall not receive a planning or construction authorization for a state-funded capital outlay project in fiscal years 2021-2022, 2022-2023, or 2023-2024.

(4) Notwithstanding any other provision of this act, the legislature may at any time adjust appropriations for a university that adopts an increase in tuition and fee rates for resident undergraduate students that exceeds the rate cap established in subsection (1).

Sec. 265b. (1) Appropriations to public universities in section 236 for the fiscal year ending September 30, 2021 for operations funding shall be reduced by 10% pursuant to the procedures described in subdivision (a) for a public university that fails to submit certification to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies by October 1, 2020 that the university complies with sections 274c and 274d and that it complies with all of the requirements described in subdivisions (b) to (i), as follows:

(a) If a university fails to submit certification, the state budget director shall withhold 10% of that university's annual operations funding until the university submits certification. If a university fails to submit certification by the end of the fiscal year, the 10% of its annual operations funding that is withheld shall lapse to the general fund.

(b) For title IX investigations of alleged sexual misconduct, the university prohibits the use of medical experts that have an actual or apparent conflict of interest.

(c) For title IX investigations of alleged sexual misconduct, the university prohibits the issuance of divergent reports to complainants, respondents, and administration and instead requires that identical reports be issued to them.

(d) Consistent with the university's obligations under 20 USC 1092(f), the university notifies each individual who reports having experienced sexual assault by a student, faculty member, or staff member of the university that the individual has the option to report the matter to law enforcement, to the university, to both, or to neither, as the individual may choose.

(e) The university provides both of the following:

(*i*) For all freshmen and incoming transfer students enrolled, an in-person sexual misconduct prevention presentation or course, which must include contact information for the title IX office of the university.

(*ii*) For all students not considered freshmen or incoming transfer students, an online or electronic sexual misconduct prevention presentation or course.

(f) The university prohibits seeking compensation from the recipient of any medical procedure, treatment, or care provided by a medical professional who has been convicted of a felony arising out of the medical procedure, treatment, or care.

(g) The university had a third party review its title IX compliance office and related policies and procedures by the end of the 2018-2019 academic year. A copy of the third-party review shall be transmitted to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies. After the third-party review has been conducted for the 2018-2019 academic year, the university shall have a third-party review once every three years and a copy of the third-party review shall be transmitted to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies.

(h) The university requires that the governing board and the president or chancellor of the university receive not less than quarterly reports from their title IX coordinator or title IX office. The report shall contain aggregated data of the number of sexual misconduct reports that the office received for the academic year, the types of reports received, including reports received against employees, and a summary of the general outcomes of the reports and investigations. A member of the governing board may request to review a title IX investigation report involving a complaint against an employee, and the university shall provide the report in a manner it considers appropriate. The university shall protect the complainant's anonymity, and the report shall not contain specific identifying information.

(i) If allegations against an employee are made in more than 1 title IX complaint that resulted in the university finding that no misconduct occurred, the university requires that the title IX officer promptly notify the president or chancellor and a member of the university's governing board in writing and take all appropriate steps to ensure that the matter is being investigated thoroughly, including hiring an outside investigator for future cases involving that employee. A third-party title IX investigation under this subdivision does not prohibit the university from simultaneously conducting its own title IX investigation through its own title IX coordinator.

(2) Each public university that receives an appropriation in section 236 shall also certify that its president or chancellor and a member of its governing board has reviewed all title IX reports involving the alleged sexual misconduct of an employee of the university, and shall send the certification to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director by October 1, 2020.

(3) For purposes of this section, "sexual misconduct" includes, but is not limited to, any of the following:

(a) Intimate partner violence.

(b) Nonconsensual sexual conduct.

(c) Sexual assault.

(d) Sexual exploitation.

(e) Sexual harassment.

(f) Stalking.

Sec. 267. All public universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2020-2021 as part of their higher education institutional data inventory (HEIDI) data by October 1, 2020, and by the last business day of August each year thereafter. A public university shall report any revisions for any semester of the reported academic year 2020-2021 tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 268. (1) For the fiscal year ending September 30, 2021, it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund.

(2) By January 15 of each year, the department of civil rights shall annually submit to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies a report on North American Indian tuition waivers for the preceding academic year that includes, but is not limited to, all of the following information:

(a) The number of waiver applications received and the number of waiver applications approved.

(b) For each university submitting information under subsection (3), all of the following:

(*i*) The number of graduate and undergraduate North American Indian students enrolled each term for the previous academic year.

(*ii*) The number of North American Indian waivers granted each term, including to continuing education students, and the monetary value of the waivers for the previous academic year.

(*iii*) The number of graduate and undergraduate students attending under a North American Indian tuition waiver who withdrew from the university each term during the previous academic year. For purposes of this subparagraph, a withdrawal occurs when a student who has been awarded the waiver withdraws from the institution at any point during the term, regardless of enrollment in subsequent terms.

(*iv*) The number of graduate and undergraduate students attending under a North American Indian tuition waiver who successfully complete a degree or certificate program, separated by degree or certificate level, and the graduation rate for graduate and undergraduate students attending under a North American Indian tuition waiver who complete a degree or certificate within 150% of the normal time to complete, separated by the level of the degree or certificate.

(3) A public university that receives funds under section 236, or a tribal college receiving pass-through funds under section 269, 270, or 270c, shall provide to the department of civil rights any information necessary for preparing the report detailed in subsection (2), using guidelines and procedures developed by the department of civil rights.

(4) The department of civil rights may consolidate the report required under this section with the report required under section 223, but a consolidated report must separately identify data for universities and data for community colleges.

Sec. 269. For fiscal year 2020-2021, from the amount appropriated in section 236 to Central Michigan University for costs incurred under the North American Indian tuition waiver, $79,700.00 shall be paid to Saginaw Chippewa Tribal College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253. It is the intent of the legislature that Saginaw Chippewa Tribal College provide the department of civil rights the necessary information for the college to be included in the report required under section 268.

Sec. 270. For fiscal year 2020-2021, from the amount appropriated in section 236 to Lake Superior State University for costs incurred under the North American Indian tuition waiver, $0.00 shall be paid to Bay Mills Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253. It is the intent of the legislature that Bay Mills Community College provide the department of civil rights the necessary information for the college to be included in the report required under section 268.

Sec. 270b. (1) For fiscal year 2020-2021, from the amount appropriated in section 236 to Lake Superior State University for 1-time pass-through payment for Bay Mills Community College, $1,000,000.00 is to be paid to Bay Mills Community College for the costs of educating non-Native American students.

(2) The state treasurer shall direct Lake Superior State University to provide the payment described in subsection (1) after the state budget director determines that Bay Mills Community College submitted all of the information described in subdivisions (a) to (f), as follows, in the form and manner specified by the center. If the state budget director determines that Bay Mills Community College failed to submit any of the following information in the form and manner specified by the center, the state treasurer shall, subject to subsection (3), direct Lake Superior State University to withhold the payment from the community college until that information is submitted:

(a) The Michigan community colleges verified data inventory data for the preceding academic year to the center by the first business day of December of each year as specified in section 217.

(b) The college credit opportunity data set as specified in section 209.

(c) The longitudinal data set for the preceding academic year to the center as specified in section 219.

(d) The annual independent audit as specified in section 222.

(e) Tuition and mandatory fees information for the current academic year as specified in section 225.

(f) The number and type of associate degrees and other certificates awarded during the previous academic year as specified in section 226.

(3) The state budget director shall notify the chairs of the house and senate appropriations subcommittees on community colleges at least 10 days before directing funds to be withheld from Bay Mills Community College under this section.

Sec. 270c. For fiscal year 2020-2021, from the amount appropriated in section 236 to Northern Michigan University for costs incurred under the North American Indian tuition waiver, $50,000.00 is to be paid to Keweenaw Bay Ojibwa Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253. It is the intent of the legislature that Keweenaw Bay Ojibwa Community College provide the department of civil rights the necessary information for the community college to be included in the report required under section 268.

Sec. 275. (1) Each public university that receives an appropriation in section 236 shall do all of the following:

(a) Meet the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to 3327, including voluntary participation in the Yellow Ribbon GI Education Enhancement Program established in that act in 38 USC 3317. By October 1 of each year, each public university shall report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the Michigan Association of State Universities on whether or not it has chosen to participate in the Yellow Ribbon GI

Education Enhancement Program. If at any time during the fiscal year a university participating in the Yellow Ribbon Program chooses to leave the Yellow Ribbon Program, it shall notify the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the Michigan Association of State Universities.

(b) Establish an on-campus veterans' liaison to provide information and assistance to all student veterans.

(c) Provide flexible enrollment application deadlines for all veterans.

(d) Include in its admission application process a specific question as to whether an applicant for admission is a veteran, an active member of the military, a member of the National Guard or military reserves, or the spouse or dependent of a veteran, active member of the military, or member of the National Guard or military reserves, in order to more quickly identify potential educational assistance available to that applicant.

(e) Consider all veterans residents of this state for determining their tuition rates and fees.

(f) Waive enrollment fees for all veterans.

(g) Provide reasonable programming and scheduling accommodations necessary to facilitate a student's military, National Guard, or military reserves duties and training obligations.

(2) By October 1 of each year, each public university shall report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the department of military and veterans affairs regarding services provided specifically to veterans and active military duty personnel, including, but not limited to, the services described in subsection (1).

(3) As used in this section, "veteran" means an honorably discharged veteran entitled to educational assistance under the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to 3327.

Sec. 275f. By February 1, 2021, each public university receiving an appropriation in section 236 shall submit to the senate and house appropriations subcommittees on higher education, the senate and house fiscal agencies, and the state budget director a report on activities related to strategic planning and internal assessment or reassessment to best provide for open and free expression and speech, while protecting students from hate-speech, violence, and discrimination.

Sec. 275g. (1) By September 30, 2021, each public university receiving an appropriation in section 236 shall submit a report to the senate and house appropriations subcommittees on higher education, the senate and house fiscal agencies, and the state budget director containing the following information:

(a) The number of students enrolled during the 2020-2021 academic year.

(b) The number of courses offered by course type.

(c) The number of students enrolled by course type.

(d) The drop rate and pass/fail rate by course type.

(e) The average number of credit hours for which each student was enrolled at the start and end of each semester.

(f) The number of students residing on campus each semester.

(g) The number of students residing on campus between semesters.

(2) By November 1, 2020, each public university receiving an appropriation in section 236 shall submit a report to the senate and house appropriations subcommittees on higher education, the senate and house fiscal agencies, and the state budget director containing the following information:

(a) A list of any student fees assessed related to online learning, and the amount of those fees.

(b) A list of any student fees assessed related to COVID-19, and the amount of those fees.

(c) A timeline of when decisions regarding the course types offered during the 2020-2021 academic year were made, and whether there were changes to those decisions before the academic year began.

(d) An overview of COVID-19 mitigation strategies employed or that may be employed, if necessary.

(e) An overview of COVID-19 testing criteria and mitigation strategies employed for controlling an outbreak on campus.

(3) As used in this section, "course type" means the style of course delivery as being in-person, online, or as a hybrid of in-person and online learning.

Sec. 275h. It is the intent of the legislature to ensure that 60% of Michigan's residents achieve a postsecondary credential, high-quality industry certification, associate degree, or bachelor's degree by 2030.

Sec. 275i. (1) Each public university receiving an appropriation in section 236 shall use a portion of those funds to collect demographic information about students with dependent children to better identify the needs of those students, barriers to degree and certification completion for them, and campus support structures and resources available to them. This demographic information must include at least all of the following:

(a) The number of students with dependent children enrolled per semester.

(b) The number of students with dependent children enrolled living in university residence halls, in dormitories, and in apartments.

(c) The names of programs and resources available to students with dependent children, as well as offices that support those students.

(d) Identified barriers to certificate or degree completion for students with dependent children.

(2) A public university shall collect demographic information from students with dependent children through a method best determined by the institution using best practice research methodology. This may include admission application questions, incoming-student orientation surveys, campus-wide climate surveys, financial aid surveys, housing surveys, or partnerships with government and nonprofit agencies that can provide general data that protects the individual privacy rights of students with dependent children.

(3) Student privacy rights must be protected during the collection process. Reporting must be voluntary on the part of students with dependent children. The public university shall include privacy protections for students and a description of the rationale for collecting the data.

(4) Each public university shall report to the senate and house appropriations subcommittees on higher education, the senate and house fiscal agencies, and the state budget director its collected data and survey results by the first business day of February.

(5) The collected data on students with dependent children will be used by the legislature to inform future appropriation decisions.

Sec. 276. (1) Included in the appropriation for fiscal year 2020-2021 for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool of academically or economically disadvantaged candidates pursuing faculty teaching careers in postsecondary education. Preference may not be given to applicants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage applications from applicants who would otherwise not adequately be represented in the graduate student and faculty populations. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in section 236 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each public university in a manner prescribed by the department of labor and economic opportunity. The department of labor and economic opportunity shall use a good faith effort standard to evaluate whether a fellowship is in default.

Sec. 277. (1) Included in the appropriation for fiscal year 2020-2021 for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) Individual program plans of each public university shall include a budget of equal contributions from this program, the participating public university, the participating school district, and the participating independent degree-granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in section 236 to the amount of funds allocated to the college day program.

(3) The program described in this section shall be administered by each public university in a manner prescribed by the department of labor and economic opportunity.

Sec. 278. (1) Included in section 236 for fiscal year 2020-2021 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically or economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) An award made under this program to any 1 institution shall not be greater than $150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program described in this section shall be administered by the department of labor and economic opportunity.

Sec. 279. (1) Included in section 236 for fiscal year 2020-2021 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year public and independent colleges and universities and public community colleges, which is intended to increase the number of academically or economically disadvantaged students who transfer from community colleges into baccalaureate programs. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the transfer student population.

(2) The grants shall be made under the program described in this section to Michigan public and independent colleges and universities. An award to any 1 institution shall not be greater than $150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program described in this section shall be administered by the department of labor and economic opportunity.

Sec. 280. (1) Included in the appropriation for fiscal year 2020-2021 for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of instructors in the classroom to provide role models for academically or economically disadvantaged students. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) The program described in this section shall be administered by the department of labor and economic opportunity.

Sec. 281. (1) Included in the appropriation for fiscal year 2020-2021 in section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of academically or economically disadvantaged students who enroll in and complete K-12 teacher education programs at the baccalaureate level. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the teacher education student population.

(2) The program described in this section shall be administered by each state-approved teacher education institution in a manner prescribed by the department of labor and economic opportunity.

(3) Approved teacher education institutions may and are encouraged to use student support services funding in coordination with the Morris Hood, Jr. funding to achieve the goals of the program described in this section.

Sec. 281a. (1) Each public university that receives an amount of the appropriations in section 236 for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiatives shall submit a report to the department of labor and economic opportunity by December 15 of each year containing, at a minimum, all of the following information from the immediately preceding academic year:

(a) For the future faculty program detailed in section 276, the number of completions by degree type, and the fellowship default rate.

(b) For the college day program detailed in section 277, the number of students served and the amount of matching funds from each college and participating school district.

(c) For the select student support services program detailed in section 278, the number of students served, the amount of any university matching funds for the program, and the number and percentage of program participants who graduate.

(d) For the college/university partnership program detailed in section 279, the number of students served, the number of bachelor's degrees conferred to program participants, the 6-year graduation rate of program participants, and the amount of any university matching funds for the program.

(e) For the visiting professors program detailed in section 280, the number of students who took a class taught by an instructor hired using program funds, the number of instructors hired using program funds, the number of class sections taught by instructors hired using program funds, and the amount of any university matching funds for the program.

(f) For the educator development program detailed in section 281, the number of students participating in the program and the number of education-related bachelor's degrees conferred to participants in the program.

(2) By February 15 of each year, the department of labor and economic opportunity shall compile the reports submitted under subsection (1) and submit them to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director.

Sec. 282. Each institution receiving funds for fiscal year 2020-2021 under section 278, 279, or 281 shall provide to the department of labor and economic opportunity by April 15, 2021 the unobligated and unexpended funds as of March 31, 2021 and a plan to expend the remaining funds by the end of the fiscal year. Notwithstanding the award limitations in sections 278 and 279, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 278, 279, or 281.

Sec. 289. (1) In accordance with section 299(4) of the management and budget act, 1984 PA 431, MCL 18.1299, at least once every 4 years, the auditor general shall audit higher education institutional data inventory (HEIDI) data submitted by all public universities under section 241 and may perform audits of selected public universities if determined necessary. The audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director in consultation with the HEIDI advisory committee. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1 of each year an audit takes place.

(2) Student credit hours reports shall not include the following:

(a) Student credit hours generated through instructional activity by faculty or staff in classrooms located outside Michigan, with the exception of instructional activity related to study-abroad programs or field programs.

(b) Student credit hours generated through credit by examination.

(c) Student credit hours generated in new degree programs created on or after January 1, 1975 and before January 1, 2013, that were not specifically authorized for funding by the legislature, except spin-off programs converted from existing core programs, and student credit hours generated in any new degree programs created after January 1, 2013, that are specifically excluded from reporting by the legislature under this section.

Sec. 296. (1) If the maximum amount appropriated under this act from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a.

(2) If the total maximum amount appropriated under all articles of this act from the state school aid fund and the school aid stabilization fund exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11j, 11m, 22a, 26a, 26b, 26c, 31d, 31f, 51a(2), 51a(11), 51c, 53a, 56, 147c, 147e(2)(a), and 152a shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or $5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (3). If proration is necessary, state payments under each of the other sections of article I from all state funding sources, and state appropriations to community colleges and public universities under articles II and III from the state school aid fund, shall be prorated in the manner prescribed in subsection (3) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30-calendar-day or 6-legislative-session-day period after that notification by the state budget director, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30-calendar-day or 6-legislative-session-day period after that notification by the state budget director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.

(3) If proration is necessary under subsection (2), the department shall calculate the proration in district and intermediate district payments under article I that is required under subsection (2), and the department of treasury shall calculate the proration in community college and public university payments under articles II and III that is required under subsection (2), as follows:

(a) The department and the department of treasury shall calculate the percentage of total state school aid fund money that is appropriated and allocated under this act for the affected fiscal year for each of the following:

(*i*) Districts.

(*ii*) Intermediate districts.

(*iii*) Entities receiving funding from the state school aid fund under article I other than districts or intermediate districts.

(*iv*) Community colleges and public universities that receive funding from the state school aid fund.

(b) The department shall recover a percentage of the proration amount required under subsection (2) that is equal to the percentage calculated under subdivision (a)(*i*) for districts by reducing payments to districts. This reduction shall be made by calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount and reducing each district's total state school aid from state sources, other than payments under sections 11j, 11m, 22a, 26a, 26b, 26c, 31d, 31f, 51a(2), 51a(11), 51c, 53a, 147c, 147e(2)(a), and 152a, by that amount.

(c) The department shall recover a percentage of the proration amount required under subsection (2) that is equal to the percentage calculated under subdivision (a)(*ii*) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each intermediate district, other than payments under sections 26a, 26b, 26c, 51a(2), 51a(11), 53a, 56, 147c, 147e(2)(a), and 152a, on an equal percentage basis.

(d) The department shall recover a percentage of the proration amount required under subsection (2) that is equal to the percentage calculated under subdivision (a)(*iii*) for entities receiving funding from the state school aid fund under article I other than districts and intermediate districts by reducing payments to these entities. This reduction shall be made by reducing the payments to each of these entities, other than payments under sections 11j, 11m, 26a, 26b, and 26c on an equal percentage basis.

(e) The department of treasury shall recover a percentage of the proration amount required under subsection (2) that is equal to the percentage calculated under subdivision (a)(*iv*) for community colleges and public universities that receive funding from the state school aid fund by reducing that portion of the payments under articles II and III to these community colleges and public universities, other than payments under sections 201(5) and 236(4), that is from the state school aid fund on an equal percentage basis.

Enacting section 1. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2019 PA 58, 2019 PA 162, 2020 PA 146, and this amendatory act, from state sources for fiscal year 2019-2020 is estimated at $13,051,648,700.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2019-2020 are estimated at $12,845,578,900.00. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2020 PA 147, 2020 PA 148, 2020 PA 149, and this amendatory act, from state sources for fiscal year 2020-2021 is estimated at $13,718,286,400.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2020-2021 are estimated at $13,546,289,200.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2020-2021 under article II of the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to 388.1830, is estimated at $425,667,600.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2020-2021 is estimated at $425,667,600.00.

(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2020-2021 under article III of the state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1891, is estimated at $1,573,899,000.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2020-2021 is estimated at $0.00.

Enacting section 2. (1) Article V of the state school aid act of 1979, 1979 PA 94, MCL 388.1897 to 388.1897*l*, is repealed effective October 1, 2020.

(2) Sections 31b, 35c, 54e, 61f, 64d, 74a, 95a, 99v, 102d, 201a, 201c, 210f, 236a, 236g, and 265c of the state school aid act of 1979, MCL 388.1631b, 388.1635c, 388.1654e, 388.1661f, 388.1664d, 388.1674a, 388.1695a, 388.1699v, 388.1702d, 388.1801a, 388.1801c, 388.1810f, 388.1836a, 388.1836g, and 388.1865c, are repealed effective October 1, 2020.

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 2020.

(2) Sections 11, 11p, 22a, 22b, 31n, 51c, 56, 62, and 99w of the state school aid act of 1979, MCL 388.1611, 388.1611p, 388.1622a, 388.1622b, 388.1631n, 388.1651c, 388.1656, 388.1662, and 388.1699w, as amended by this amendatory act, take effect upon enactment of this amendatory act.

This act is ordered to take immediate effect.

Secretary of the Senate

Clerk of the House of Representatives

Approved_____

_____
Governor