

No. 56
STATE OF MICHIGAN
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House Chamber, Lansing, Tuesday, June 13, 2017.

10:00 a.m.

The House was called to order by the Speaker Pro Tempore.

The roll was called by the Clerk of the House of Representatives, who announced that a quorum was present.

Afendoulis—present	Frederick—present	Kelly—present	Reilly—present
Albert—present	Garcia—present	Kesto—present	Rendon—present
Alexander—present	Garrett—present	Kosowski—present	Roberts—present
Allor—present	Gay-Dagnogo—present	LaFave—present	Robinson—present
Barrett—present	Geiss—present	LaGrand—present	Runestad—present
Bellino—present	Glenn—present	LaSata—present	Sabo—present
Bizon—present	Graves—present	Lasinski—present	Santana—present
Brann—present	Green—present	Lauwers—present	Schor—present
Brinks—present	Greig—present	Leonard—present	Scott—present
Byrd—present	Greimel—present	Leutheuser—present	Sheppard—present
Calley—present	Griffin—present	Liberati—present	Singh—present
Camilleri—present	Guerra—present	Lilly—present	Sneller—present
Canfield—present	Hammoud—present	Love—present	Sowerby—present
Chang—present	Hauck—present	Lower—present	Tedder—present
Chatfield—present	Hernandez—present	Lucido—present	Theis—present
Chirkun—present	Hertel—present	Marino—present	VanderWall—present
Clemente—present	Hoadley—present	Maturen—excused	VanSingel—present
Cochran—present	Hoitenga—present	McCready—present	Vaupel—present
Cole—present	Hornberger—present	Miller—present	VerHeulen—present
Cox—present	Howell—present	Moss—present	Victory—present
Crawford—present	Howrylak—present	Neeley—present	Webber—present
Dianda—present	Hughes—present	Noble—present	Wentworth—present
Durhal—present	Iden—present	Pagan—present	Whiteford—present
Elder—present	Inman—present	Pagel—present	Wittenberg—present
Ellison—present	Johnson—present	Peterson—present	Yanez—present
Faris—present	Jones—present	Phelps—present	Yaroch—present
Farrington—present	Kahle—present	Rabhi—present	Zemke—present

e/d/s = entered during session

Rep. Jeff Noble, from the 20th District, offered the following invocation:

“Heavenly Father as we come before You this morning, we are humbled. We know Father that so many have stood here and prayed for us to have wisdom. God we know that all wisdom comes from You according to scriptures and from Your mouth comes knowledge and understanding, but God, today I would pray for something even more. I would pray first of all that You would give us a heart of humility, for Your word says ‘it is by grace I have given, I say every one of you do not think more highly of yourself than you are but rather think of yourself with sober judgement in accordance with the measure of faith God has given you.’ Father, I ask that You would make us respectful, because Your word again says ‘love the Lord your God with all your heart, your mind, your soul and your strength. That is the greatest commandment, but the second is to love your neighbor as yourself’ and God I pray that we would do that. Lord, I would also pray that You would make us mindful because Your word tells us in Philippians 4:8 ‘brothers whatever is true, whatever is noble, whatever is right, whatever is pure, whatever is lovely, whatever is admirable, if anything is excellent or praiseworthy, think about such things.’ Finally, Lord, I would ask that You would make us faithful. For the *Bible* tells us in Micha 6:8 ‘that He has shown us old man what is good. What does the Lord require of you? Well that is very simple, to act justly, to love mercy and to walk humbly with your God.’ Heavenly Father, I ask that You would give us these things today, that we may carry on business in the appropriate fashion and all for Your glory and for Your honor. I ask it in Jesus’ name, Amen.”

Rep. Lauwers moved that Rep. Maturen be excused from today’s session.
The motion prevailed.

Motions and Resolutions

Reps. Leutheuser, Chirkun, Cochran, Crawford, Ellison, Faris, Gay-Dagnogo, Geiss, Greig, Howrylak, Hughes, Jones, Kahle, Kelly, Kesto, Lauwers, Rabhi, Rendon, Singh, Sowerby, Wittenberg and Yanez offered the following resolution:

House Resolution No. 120.

A resolution to declare June 19-25, 2017, as Pollinator Week in the state of Michigan.

Whereas, Pollinating animals are essential parts of our ecosystem and a critical component to our planet’s food security; and

Whereas, Farmers depend on pollinator species such as honey bees, butterflies, birds, and bats to successfully produce approximately one-third of all agricultural output in the United States and 50 percent of Michigan’s agricultural output; and

Whereas; Pollinator loss poses a significant threat to United States agriculture and the ability of our farmers and rural gardeners to feed both themselves and a growing world population; and

Whereas, Urban and rural beekeepers play an important role in state and federal agricultural production and the preservation of honey bees which have seen their natural numbers decline to near crisis levels in recent years due to a combination of factors; and

Whereas, Michigan is a leader in honey production and many pollinator-dependent crops including apples, cranberries, blueberries, and cherries. Agriculture is a key driver of not just Michigan’s economy, agritourism, and farm-to-table industries, but also rural economies across the United States; and

Whereas, The state of Michigan recognizes the serious threats posed by pollinator loss and the key role state stakeholders play in providing guidance on best apiary management and stewardship practices, proper use of pesticide products, and technical assistance to farmers and other private landowners; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare June 19-25, 2017, as Pollinator Week in the state of Michigan; and be it further

Resolved, That we encourage all citizens to build support for protecting and sustaining pollinators through increased awareness and the implementation of pollinator-friendly best practices that enhance their habitat and strengthen their numbers. We highlight the importance of pollinators, stress the negative ramifications of continued pollinator loss, and encourage the awareness and use of pollinator best practices.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Liberati, Chirkun, Clemente, Cochran, Crawford, Ellison, Faris, Gay-Dagnogo, Geiss, Greig, Howrylak, Hughes, Jones, Kahle, Kelly, Kesto, Pagan, Rabhi, Rendon, Sabo, Schor, Singh, Sneller, Sowerby, Wittenberg and Yanez offered the following resolution:

House Resolution No. 121.

A resolution to declare July 22, 2017, as Fragile X Awareness Day in the state of Michigan.

Whereas, Fragile X is the most common inherited cause of developmental disability, cognitive impairment, and autism affecting people of every race, income level, and nationality; and

Whereas, Nearly 1.5 million Americans are living with the health impacts of a Fragile X mutation; and

Whereas, One in every 150 women and 1 in 400 men are carriers of a Fragile X mutation and can pass the mutation to their offspring; and

Whereas, One in every 4,000 male and 1 in every 8,000 female children are born with the Fragile X Syndrome and typically require a lifetime of special care at a cost of over \$2,000,000; and

Whereas, Fragile X remains frequently undiagnosed due to the lack of awareness about the condition, even within the medical community; and

Whereas, The genetic mutation causing Fragile X has been studied and is easily identified by testing; and

Whereas, Early intervention and therapy is necessary to provide the most opportunity for developing a full range of skills and behavior; and

Whereas, The Fragile X protein also plays a critical role in normal brain function and in other neuropsychiatric conditions including autism, schizophrenia, bi-polar disorder, clinical depression, and other forms of X-linked cognitive impairment; and

Whereas, The study of Fragile X provides a unique research opportunity for advancing the understanding of these other neuropsychiatric conditions; and

Whereas, With concerted research efforts, a targeted treatment for Fragile X will likely be developed; and

Whereas, Fragile X research has been vastly underfunded despite the prevalence of the condition, the great potential for the development of targeted treatments, and the significance that Fragile X research has for related disorders; and

Whereas, The U.S. Congress has designated July 22 as National Fragile X Awareness Day; and

Whereas, The Michigan House of Representatives as an institution and members of the Michigan Legislature as individuals are in unique positions to help raise public awareness about the need for increased funding for research, early diagnosis, and treatment for the condition known as Fragile X; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare July 22, 2017, as Fragile X Awareness Day in the state of Michigan.

The question being on the adoption of the resolution,

Rep. Liberati moved to substitute (H-1) the resolution as follows:

Substitute for House Resolution No. 121.

A resolution to declare July 22, 2017, as Fragile X Awareness Day in the state of Michigan.

Whereas, Fragile X is the most common inherited cause of developmental disability, cognitive impairment, and autism affecting people of every race, income level, and nationality; and

Whereas, Nearly 1.5 million Americans are living with the health impacts of a Fragile X mutation; and

Whereas, One in every 151 women and 1 in 468 men are carriers of a Fragile X mutation and can pass the mutation to their offspring; and

Whereas, One in every 4,000 male and 1 in every 6,000 female children are born with the Fragile X Syndrome and typically require a lifetime of special care which could cost over \$2,000,000; and

Whereas, Fragile X remains frequently undiagnosed until puberty; and

Whereas, The genetic mutation causing Fragile X has been studied and is easily identified by testing; and

Whereas, Early intervention and therapy is necessary to provide the most opportunity for developing a full range of skills and behavior; and

Whereas, The Fragile X protein also plays a critical role in normal brain function and in other neuropsychiatric conditions including autism, schizophrenia, bi-polar disorder, clinical depression, and other forms of X-linked cognitive impairment; and

Whereas, The study of Fragile X provides a unique research opportunity for advancing the understanding of these other neuropsychiatric conditions; and

Whereas, With concerted research efforts, a targeted treatment for Fragile X will likely be developed; and

Whereas, Fragile X research has been vastly underfunded despite the prevalence of the condition, the great potential for the development of targeted treatments, and the significance that Fragile X research has for related disorders; and

Whereas, The U.S. Congress has designated July 22 as National Fragile X Awareness Day; and

Whereas, The Michigan House of Representatives as an institution and members of the Michigan Legislature as individuals are in unique positions to help raise public awareness about the need for increased funding for research, early diagnosis, and treatment for the condition known as Fragile X; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare July 22, 2017, as Fragile X Awareness Day in the state of Michigan.

The motion prevailed and the substitute (H-1) was adopted, a majority of the members serving voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Barrett, Miller, Wentworth, Sabo, Leutheuser, Graves, Albert, Glenn, Bellino, Tedder, Howell, VanderWall, Vaupel, Farrington, LaFave, Frederick, Hoitenga, Hornberger, Alexander, Bizon, Chirkun, Cochran, Crawford, Ellison, Faris, Gay-Dagnogo, Geiss, Greig, Howrylak, Hughes, Jones, Kahle, Kelly, Kesto, Liberati, Moss, Rabhi, Rendon, Schor, Singh, Sneller, Sowerby, Wittenberg and Yanez offered the following resolution:

House Resolution No. 122.

A resolution to declare June 27, 2017, as Post Traumatic Stress Injury Awareness Day in the state of Michigan.

Whereas, The brave men and women of the United States Armed Forces, who proudly serve the United States, risk their lives to protect the freedom of the United States and deserve the investment of every possible resource to ensure their lasting physical, mental, and emotional well-being; and

Whereas, More than 2,000,000 United States service members have deployed as part of overseas contingency operations since the events of September 11, 2001; and

Whereas, The military has sustained an operational tempo for a period of time unprecedented in the history of the United States, with many service members deploying multiple times to combat zones, placing them at high risk of post-traumatic stress injury (PTSI); and

Whereas, It is expected that 10,000 veterans will return to the state of Michigan every year for the next three to five years after spending a significant amount of time in combat environments, exposing thousands of soldiers to traumatic life threatening events; and

Whereas, The Department of Veterans Affairs reports that in fiscal year 2012, more than 500,000 veterans from all wars who sought care at a Department of Veterans Affairs medical center received treatment for PTSI; and

Whereas, PTSI significantly increases the risk of depression, suicide, and drug and alcohol related disorders and deaths; and

Whereas, The Department of Defense and the United States Department of Veterans Affairs have made significant advances in the prevention, diagnosis, and treatment of PTSI and its symptoms. However, many challenges remain; and

Whereas, The establishment of a Michigan Post Traumatic Stress Injury Awareness Day will raise public awareness about issues related to PTSI; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare June 27, 2017, as Post Traumatic Stress Injury Awareness Day in the state of Michigan. We urge the Michigan Veterans Affairs Agency and the Adjutant General to continue working to educate service members, veterans, the families of service members and veterans, and the public about the causes, symptoms, and treatment of post-traumatic stress injury; and be it further

Resolved, That a copy of this resolution be transmitted to the Governor of the State of Michigan.

The question being on the adoption of the resolution,

The resolution was adopted.

Reps. Kahle, Barrett, Bizon, Chirkun, Clemente, Cochran, Crawford, Ellison, Faris, Farrington, Gay-Dagnogo, Geiss, Greig, Howrylak, Hughes, Jones, Kelly, Kesto, Lauwers, Liberati, Love, Moss, Pagan, Rabhi, Rendon, Sabo, Schor, Singh, Sneller, Sowerby, Wittenberg and Yanez offered the following resolution:

House Resolution No. 123.

A resolution to declare June 2017 as Alzheimer's Awareness Month in the state of Michigan.

Whereas, Alzheimer's disease, a progressive neurodegenerative brain disorder, tragically robs individuals of their memories and leads to progressive mental and physical impairments; and

Whereas, There are no known treatments to prevent, cure, or even delay the onset or slow the progression of Alzheimer's disease; and

Whereas, An estimated 5.3 million people aged 65 and over have Alzheimer's disease and another 200,000 people under age 65 have younger-onset Alzheimer's disease; and

Whereas, In Michigan, there are an estimated 180,000 people living with Alzheimer's today; and

Whereas, Alzheimer's disease is the sixth leading cause of death in the United States and the fifth leading cause among the elderly; and

Whereas, According to the Alzheimer's Association's Facts and Figures report, the direct costs of caring for those with Alzheimer's to American society is valued at \$259 billion and more than 15 million caregivers provided over 18 billion hours of unpaid care those with Alzheimer's and other dementias in 2016. In Michigan, 511,000 family members and friends cared for people with Alzheimer's and other dementias, providing 582 million hours of unpaid care, with the annual value of this caregiving totaling \$7,361,000,000; and

Whereas, The state of Michigan recognizes the efforts of the Alzheimer's Association to raise funds and promote awareness to fight Alzheimer's disease and other dementias, thereby improving the quality of human life for those living with Alzheimer's disease and their caregivers; and

Whereas, The month of June 2017 has been declared Alzheimer's and Brain Awareness Month to help spread global awareness of the Alzheimer's Association's vision of imagining a world without Alzheimer's disease; now, therefore, be it

Resolved by the House of Representatives, That the members of this legislative body declare June 2017 as Alzheimer's Awareness Month in the state of Michigan. We recognize the individuals, families, friends, and caregivers dealing with Alzheimer's disease and the researchers who are seeking a cause or cure, and urge all residents to wear purple to help spread global awareness of the Alzheimer's Association's vision of imagining a world without Alzheimer's disease.

The question being on the adoption of the resolution,

The resolution was adopted.

Reports of Standing Committees

The Speaker laid before the House

House Resolution No. 113.

A resolution to urge the United States Congress to continue full funding for the Facility for Rare Isotope Beams on the campus of Michigan State University.

(For text of resolution, see House Journal No. 52, p. 711.)

(The resolution was reported by the Committee on Workforce and Talent Development on June 6.)

The question being on the adoption of the resolution,

The resolution was adopted.

The Speaker laid before the House

House Resolution No. 59.

A resolution to urge the President and Congress of the United States to continue funding the Essential Air Service program to the Upper Peninsula.

(For text of resolution, see House Journal No. 34, p. 392.)

(The resolution was reported by the Committee on Commerce and Trade on June 6, with substitute (H-1).)

(For substitute, see House Journal No. 53, p. 749.)

The question being on the adoption of the proposed substitute (H-1) recommended by the Committee,

The substitute (H-1) was adopted, a majority of the members present voting therefor.

The question being on the adoption of the resolution,

The resolution was adopted.

Messages from the Senate

The Speaker laid before the House

House Bill No. 4286, entitled

A bill to amend 1956 PA 40, entitled "The drain code of 1956," by amending sections 135 and 197 (MCL 280.135 and 280.197), section 197 as amended by 2013 PA 261.

(The bill was received from the Senate on June 6, with substitute (S-1), full title inserted and immediate effect given by the Senate, consideration of which, under the rules, was postponed until June 7, see House Journal No. 53, p. 750.)

The question being on concurring in the substitute (S-1) made to the bill by the Senate,

The substitute (S-1) was concurred in, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 197

Yeas—101

Afendoulis
Albert
Alexander
Allor

Farrington
Frederick
Garcia
Geiss

Kahle
Kelly
Kesto
Kosowski

Phelps
Rabhi
Reilly
Rendon

Barrett	Glenn	LaFave	Roberts
Bellino	Graves	LaGrand	Runestad
Bizon	Green	LaSata	Schor
Brann	Greig	Lasinski	Sheppard
Brinks	Greimel	Lauwers	Singh
Byrd	Griffin	Leonard	Sneller
Calley	Guerra	Leutheuser	Sowerby
Camilleri	Hammoud	Liberati	Tedder
Canfield	Hauck	Lilly	Theis
Chang	Hernandez	Love	VanderWall
Chatfield	Hertel	Lower	VanSingel
Chirkun	Hoadley	Lucido	Vaupel
Clemente	Hoitenga	Marino	VerHeulen
Cochran	Hornberger	McCready	Victory
Cole	Howell	Miller	Webber
Cox	Howrylak	Moss	Wentworth
Crawford	Hughes	Neeley	Whiteford
Dianda	Iden	Noble	Wittenberg
Durhal	Inman	Pagan	Yanez
Elder	Johnson	Pagel	Yaroch
Ellison	Jones	Peterson	Zemke
Faris			

Nays—6

Garrett	Robinson	Santana	Scott
Gay-Dagnogo	Sabo		

In The Chair: Chatfield

The House agreed to the full title.

The bill was referred to the Clerk for enrollment printing and presentation to the Governor.

Third Reading of Bills

House Bill No. 4508, entitled

A bill to create a program under which volunteers may provide services to organizations in this state to respond to cybersecurity incidents; to provide for protection from liability for personal injury and property damage; to provide for the powers and duties of state governmental officers and agencies; and to create the Michigan cyber civilian corps advisory board and prescribe its powers and duties.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 198

Yeas—104

Afendoulis	Farrington	Kahle	Rabhi
Albert	Frederick	Kelly	Rendon
Alexander	Garcia	Kesto	Roberts
Allor	Garrett	Kosowski	Runestad
Barrett	Gay-Dagnogo	LaFave	Sabo
Bellino	Geiss	LaGrand	Santana
Bizon	Glenn	LaSata	Schor

Brann	Graves	Lasinski	Scott
Brinks	Green	Lauwers	Sheppard
Byrd	Greig	Leonard	Singh
Calley	Greimel	Leutheuser	Sneller
Camilleri	Griffin	Liberati	Sowerby
Canfield	Guerra	Lilly	Tedder
Chang	Hammoud	Love	Theis
Chatfield	Hauck	Lower	VanderWall
Chirkun	Hernandez	Lucido	VanSingel
Clemente	Hertel	Marino	Vaupel
Cochran	Hoadley	McCready	VerHeulen
Cole	Hoitenga	Miller	Victory
Cox	Hornberger	Moss	Webber
Crawford	Howell	Neeley	Wentworth
Dianda	Howrylak	Noble	Whiteford
Durhal	Hughes	Pagan	Wittenberg
Elder	Iden	Pagel	Yanez
Ellison	Inman	Peterson	Yaroch
Faris	Jones	Phelps	Zemke

Nays—3

Johnson	Reilly	Robinson
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In The Chair: Chatfield

The House agreed to the title of the bill.

Rep. Lauwers moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 159, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 722 (MCL 257.722), as amended by 2016 PA 72.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 199**Yeas—96**

Afendoulis	Ellison	Inman	Peterson
Albert	Farrington	Jones	Phelps
Alexander	Frederick	Kahle	Rabhi
Allor	Garcia	Kelly	Rendon
Barrett	Garrett	Kesto	Roberts
Bellino	Gay-Dagnogo	Kosowski	Robinson
Bizon	Geiss	LaFave	Sabo
Brann	Glenn	LaGrand	Santana
Brinks	Graves	LaSata	Scott
Byrd	Green	Lasinski	Sheppard
Calley	Greig	Lauwers	Singh
Camilleri	Griffin	Leonard	Sneller
Canfield	Guerra	Leutheuser	Sowerby
Chang	Hammoud	Lilly	Tedder
Chatfield	Hauck	Love	Theis

Chirkun	Hernandez	Lower	VanderWall
Clemente	Hertel	Lucido	VanSingel
Cochran	Hoadley	Marino	Vaupel
Cole	Hoitenga	McCready	VerHeulen
Cox	Hornberger	Miller	Victory
Crawford	Howell	Neeley	Webber
Dianda	Howrylak	Noble	Wentworth
Durhal	Hughes	Pagan	Whiteford
Elder	Iden	Pagel	Yaroch

Nays—11

Faris	Liberati	Runestad	Yanez
Greimel	Moss	Schor	Zemke
Johnson	Reilly	Wittenberg	

In The Chair: Chatfield

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of manufacturers, the manufacturers of certain devices, the manufacturers of automated technology, upfitters, owners, and operators of vehicles and service of process on residents and nonresidents; to regulate the introduction and use of certain evidence; to regulate and certify the manufacturers of certain devices; to provide for approval and certification of installers and servicers of certain devices; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date.”

The House agreed to the full title.

Rep. Lauwers moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Senate Bill No. 239, entitled

A bill to amend 1925 PA 12, entitled “An act to provide for the laying out and establishing of additional trunk line mileage; to make all roads that have been improved as federal aid projects, and all roads that have been, or that may hereafter be, approved for federal aid, trunk line highways; to provide for the widening, altering or straightening of trunk line highways; to provide for the abandonment, alteration or change of any portion of the trunk line highway; and to repeal all acts and parts of acts inconsistent herewith,” (MCL 250.111 to 250.115) by adding section 3.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 200

Yeas—107

Afendoulis	Frederick	Kelly	Rendon
Albert	Garcia	Kesto	Roberts
Alexander	Garrett	Kosowski	Robinson
Allor	Gay-Dagnogo	LaFave	Runestad
Barrett	Geiss	LaGrand	Sabo

Bellino	Glenn	LaSata	Santana
Bizon	Graves	Lasinski	Schor
Brann	Green	Lauwers	Scott
Brinks	Greig	Leonard	Sheppard
Byrd	Greimel	Leutheuser	Singh
Calley	Griffin	Liberati	Sneller
Camilleri	Guerra	Lilly	Sowerby
Canfield	Hammoud	Love	Tedder
Chang	Hauck	Lower	Theis
Chatfield	Hernandez	Lucido	VanderWall
Chirkun	Hertel	Marino	VanSingel
Clemente	Hoadley	McCready	Vaupel
Cochran	Hoitenga	Miller	VerHeulen
Cole	Hornberger	Moss	Victory
Cox	Howell	Neeley	Webber
Crawford	Howrylak	Noble	Wentworth
Dianda	Hughes	Pagan	Whiteford
Durhal	Iden	Pagel	Wittenberg
Elder	Inman	Peterson	Yanez
Ellison	Johnson	Phelps	Yaroch
Faris	Jones	Rabhi	Zemke
Farrington	Kahle	Reilly	

Nays—0

In The Chair: Chatfield

The House agreed to the title of the bill.

Rep. Lauwers moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

House Bill No. 4403, entitled

A bill to amend 1939 PA 280, entitled "The social welfare act," by amending section 109 (MCL 400.109), as amended by 2016 PA 551.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 201**Yeas—105**

Afendoulis	Frederick	Kesto	Rendon
Albert	Garcia	Kosowski	Roberts
Alexander	Garrett	LaFave	Robinson
Allor	Gay-Dagnogo	LaGrand	Runestad
Barrett	Geiss	LaSata	Sabo
Bellino	Glenn	Lasinski	Santana
Bizon	Graves	Lauwers	Schor
Brann	Green	Leonard	Scott
Brinks	Greig	Leutheuser	Sheppard
Byrd	Greimel	Liberati	Singh
Calley	Griffin	Lilly	Sneller
Camilleri	Guerra	Love	Sowerby
Canfield	Hammoud	Lower	Tedder
Chang	Hauck	Lucido	Theis
Chatfield	Hernandez	Marino	VanderWall

Chirkun	Hertel	McCready	VanSingel
Clemente	Hoadley	Miller	Vaupel
Cochran	Hoitenga	Moss	VerHeulen
Cole	Hornberger	Neeley	Victory
Cox	Howell	Noble	Webber
Crawford	Howrylak	Pagan	Wentworth
Dianda	Hughes	Pagel	Whiteford
Durhal	Iden	Peterson	Wittenberg
Elder	Inman	Phelps	Yanez
Ellison	Jones	Rabhi	Yaroch
Faris	Kahle	Reilly	Zemke
Farrington			

Nays—2

Johnson Kelly

In The Chair: Chatfield

The House agreed to the title of the bill.
Rep. Lauwers moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

House Bill No. 4405, entitled

A bill to amend 1978 PA 368, entitled “Public health code,” (MCL 333.1101 to 333.25211) by adding section 17751a.
The bill was read a third time.
The question being on the passage of the bill,

Rep. Canfield moved to amend the bill as follows:

1. Amend page 1, line 3, after “**IF**” by striking out “**THE**” and inserting “**BOTH OF THE FOLLOWING ARE MET: (A) THE**”.
2. Amend page 1, following line 6, by inserting:

“(B) THE PHARMACIST NOTIFIES THE PRESCRIBER THAT THE PRESCRIPTION WAS NOT DISPENSED AND EXPLAINS TO THE PRESCRIBER WHY THE PRESCRIPTION WAS NOT DISPENSED. HOWEVER, IF THE PHARMACIST’S REFUSAL TO DISPENSE THE PRESCRIPTION IS BECAUSE THE PHARMACIST HAS A REASONABLE AND GOOD-FAITH BELIEF THAT THE PRESCRIPTION WAS NOT WRITTEN BY THE PRESCRIBER IN GOOD FAITH, THE PHARMACIST SHALL NOTIFY THE DEPARTMENT INSTEAD OF NOTIFYING THE PRESCRIBER.”

The motion was seconded and the amendments were not adopted, a majority of the members serving not voting therefor.
The question being on the passage of the bill,
The bill was then passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 202

Yeas—91

Afendoulis	Gay-Dagnogo	Kelly	Roberts
Albert	Geiss	Kesto	Runestad
Alexander	Glenn	Kosowski	Sabo
Allor	Graves	LaFave	Schor
Barrett	Green	LaGrand	Sheppard
Bellino	Greig	LaSata	Singh
Brann	Greimel	Lasinski	Sneller
Brinks	Griffin	Lauwers	Sowerby

Byrd	Guerra	Leonard	Tedder
Calley	Hammoud	Lilly	Theis
Camilleri	Hauck	Love	VanderWall
Chang	Hernandez	Lower	VanSingel
Chatfield	Hertel	Lucido	Vaupel
Clemente	Hoadley	Marino	VerHeulen
Cole	Hornberger	McCready	Victory
Cox	Howell	Miller	Webber
Crawford	Howrylak	Moss	Wentworth
Dianda	Hughes	Neeley	Whiteford
Durhal	Iden	Noble	Wittenberg
Ellison	Inman	Pagan	Yanez
Farrington	Johnson	Phelps	Yaroach
Frederick	Jones	Reilly	Zemke
Garcia	Kahle	Rendon	

Nays—16

Bizon	Elder	Leutheuser	Rabhi
Canfield	Faris	Liberati	Robinson
Chirkun	Garrett	Pagel	Santana
Cochran	Hoitenga	Peterson	Scott

In The Chair: Chatfield

The House agreed to the title of the bill.

Rep. Lauwers moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

House Bill No. 4406, entitled

A bill to amend 1978 PA 368, entitled "Public health code," (MCL 333.1101 to 333.25211) by adding section 7113a.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 203**Yeas—102**

Afendoulis	Farrington	Kosowski	Roberts
Albert	Frederick	LaFave	Robinson
Alexander	Garcia	LaGrand	Runestad
Allor	Garrett	LaSata	Sabo
Barrett	Gay-Dagnogo	Lasinski	Santana
Bellino	Geiss	Lauwers	Schor
Bizon	Glenn	Leonard	Scott
Brann	Graves	Leutheuser	Sheppard
Brinks	Green	Liberati	Singh
Byrd	Greig	Lilly	Sneller
Calley	Greimel	Love	Sowerby
Camilleri	Griffin	Lower	Tedder
Canfield	Guerra	Lucido	Theis
Chang	Hammoud	Marino	VanderWall
Chatfield	Hauck	McCready	VanSingel
Chirkun	Hertel	Miller	Vaupel
Clemente	Hoadley	Moss	VerHeulen

Cochran	Hornberger	Neeley	Victory
Cole	Howell	Noble	Webber
Cox	Howrylak	Pagan	Wentworth
Crawford	Hughes	Pagel	Whiteford
Dianda	Iden	Peterson	Wittenberg
Durhal	Inman	Phelps	Yanez
Elder	Jones	Rabhi	Yarocho
Ellison	Kahle	Rendon	Zemke
Faris	Kesto		

Nays—5

Hernandez	Johnson	Kelly	Reilly
Hoitenga			

In The Chair: Chatfield

The House agreed to the title of the bill.

Rep. Lauwers moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

The Speaker Pro Tempore called Associate Speaker Pro Tempore Glenn to the Chair.

House Bill No. 4407, entitled

A bill to amend 1976 PA 451, entitled “The revised school code,” (MCL 380.1 to 380.1852) by adding section 1503.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 204**Yeas—102**

Afendoulis	Farrington	Kosowski	Roberts
Albert	Frederick	LaFave	Robinson
Alexander	Garcia	LaGrand	Runestad
Allor	Garrett	LaSata	Sabo
Barrett	Gay-Dagnogo	Lasinski	Santana
Bellino	Geiss	Lauwers	Schor
Bizon	Glenn	Leonard	Scott
Brann	Graves	Leutheuser	Sheppard
Brinks	Green	Liberati	Singh
Byrd	Greig	Lilly	Sneller
Calley	Greimel	Love	Sowerby
Camilleri	Griffin	Lower	Tedder
Canfield	Guerra	Lucido	Theis
Chang	Hammoud	Marino	VanderWall
Chatfield	Hauck	McCready	VanSingel
Chirkun	Hertel	Miller	Vaupel
Clemente	Hoadley	Moss	VerHeulen
Cochran	Hornberger	Neeley	Victory

Cole	Howell	Noble	Webber
Cox	Howrylak	Pagan	Wentworth
Crawford	Hughes	Pagel	Whiteford
Dianda	Iden	Peterson	Wittenberg
Durhal	Inman	Phelps	Yanez
Elder	Jones	Rabhi	Yaroch
Ellison	Kahle	Rendon	Zemke
Faris	Kesto		

Nays—5

Hernandez	Johnson	Kelly	Reilly
Hoitenga			

In The Chair: Glenn

The question being on agreeing to the title of the bill,

Rep. Lauwers moved to amend the title to read as follows:

A bill to amend 1976 PA 451, entitled “The revised school code,” (MCL 380.1 to 380.1852) by adding section 1170b.

The motion prevailed.

The House agreed to the title as amended.

Rep. Lauwers moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

House Bill No. 4408, entitled

A bill to amend 1978 PA 368, entitled “Public health code,” by amending sections 16221 and 16226 (MCL 333.16221 and 333.16226), as amended by 2016 PA 379, and by adding section 7303b.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

Roll Call No. 205**Yeas—81**

Afendoulis	Ellison	Iden	Rendon
Albert	Farrington	Inman	Roberts
Alexander	Frederick	Jones	Runestad
Allor	Garcia	Kahle	Sabo
Barrett	Gay-Dagnogo	Kosowski	Schor
Bellino	Geiss	LaFave	Sheppard
Brann	Graves	LaSata	Singh
Brinks	Greig	Lasinski	Sneller
Byrd	Greimel	Lauwers	Sowerby
Calley	Griffin	Leonard	Tedder
Camilleri	Guerra	Lilly	VanderWall
Chang	Hammoud	Lucido	VanSingel
Chatfield	Hauck	Marino	Vaupel
Chirkun	Hernandez	Miller	VerHeulen
Clemente	Hertel	Moss	Victory
Cole	Hoadley	Noble	Webber
Cox	Hornberger	Pagan	Wentworth
Crawford	Howell	Peterson	Wittenberg
Dianda	Howrylak	Rabhi	Yaroch
Durhal	Hughes	Reilly	Zemke
Elder			

Nays—26

Bizon	Hoitenga	Love	Robinson
Canfield	Johnson	Lower	Santana
Cochran	Kelly	McCready	Scott
Faris	Kesto	Neeley	Theis
Garrett	LaGrand	Pagel	Whiteford
Glenn	Leutheuser	Phelps	Yanez
Green	Liberati		

In The Chair: Glenn

The House agreed to the title of the bill.
Rep. Lauwers moved that the bill be given immediate effect.
The motion prevailed, 2/3 of the members serving voting therefor.

Associate Speaker Pro Tempore Glenn called Associate Speaker Pro Tempore Tedder to the Chair.

Second Reading of Bills**House Bill No. 4654, entitled**

A bill to amend 2016 PA 407, entitled “Skilled trades regulation act,” by amending section 733 (MCL 339.5733).

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Communications and Technology,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Hoitenga moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

House Bill No. 4655, entitled

A bill to amend 1972 PA 230, entitled “Stille-DeRossett-Hale single state construction code act,” by amending section 28a (MCL 125.1528a), as added by 2013 PA 70.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Communications and Technology,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Griffin moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

House Bill No. 4054, entitled

A bill to amend 1990 PA 187, entitled “The pupil transportation act,” (MCL 257.1801 to 257.1877) by adding section 12.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Transportation and Infrastructure,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Greimel moved to amend the bill as follows:

1. Amend page 4, following line 6, by inserting:

“(4) A SCHOOL BUS PURCHASED BY A SCHOOL ON OR AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION SHALL BE EQUIPPED WITH 1 SAFETY BELT FOR EACH PUPIL BEING TRANSPORTED BY THE SCHOOL BUS.” and renumbering the remaining subsection.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Faris moved to amend the bill as follows:

1. Amend page 4, following line 6, by inserting:

“(4) FOR THE 2016-2017 FISCAL YEAR, \$3,000,000.00 IS HEREBY APPROPRIATED FROM THE GENERAL FUND TO BE USED FOR A MATCHING GRANT PROGRAM DEVELOPED AND ADMINISTERED BY THE DEPARTMENT OF STATE POLICE IN CONJUNCTION WITH THE DEPARTMENT OF EDUCATION TO ASSIST SCHOOL DISTRICTS THAT HAVE A POPULATION OF 50% OR MORE STUDENTS CONSIDERED TO BE AT RISK UNDER SECTION 31A OF THE STATE SCHOOL AID ACT OF 1979, 1979 PA 94, MCL 388.1631A, WITH INSTALLING THE SIGNS DESCRIBED IN THIS SECTION.” and renumbering the remaining subsection.

The motion did not prevail and the amendment was not adopted, a majority of the members serving not voting therefor.

Rep. Hughes moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

House Bill No. 4396, entitled

A bill to amend 1967 PA 281, entitled “Income tax act of 1967,” by amending section 30 (MCL 206.30), as amended by 2015 PA 161.

Was read a second time, and the question being on the adoption of the proposed substitute (H-1) previously recommended by the Committee on Tax Policy,

The substitute (H-1) was adopted, a majority of the members serving voting therefor.

Rep. Bellino moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

House Bill No. 4608, entitled

A bill to amend 1980 PA 299, entitled “Occupational code,” by amending section 2404 (MCL 339.2404), as amended by 2014 PA 176.

The bill was read a second time.

Rep. Noble moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Senate Bill No. 249, entitled

A bill to create the educational instruction access act; to limit the powers of local governmental bodies regarding the selling, transferring, leasing, or renting of property; and to provide remedies and penalties.

The bill was read a second time.

Rep. Lauwers moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Lauwers moved that House Committees be given leave to meet during the balance of today’s session.

The motion prevailed.

By unanimous consent the House returned to the order of

Motions and Resolutions

Rep. Lauwers moved that when the House adjourns today it stand adjourned until Wednesday, June 14, at 10:00 a.m.

The motion prevailed.

Announcement by the Clerk of Printing and Enrollment

The Clerk announced the enrollment printing and presentation to the Governor on Thursday, June 8, for his approval of the following bills:

Enrolled House Bill No. 4209 at 12:37 p.m.

Enrolled House Bill No. 4210 at 12:39 p.m.

The Clerk announced that the following bills had been reproduced and made available electronically on Thursday, June 8:

House Bill Nos.	4718	4719	4720	4721	4722	4723	4724	4725	4726	4727	4728	4729	4730	4731
	4732	4733	4734	4735	4736	4737	4738	4739	4740	4741	4742	4743		

The Clerk announced that the following bills had been reproduced and made available electronically on Tuesday, June 13:
Senate Bill Nos. 447 448 449

Reports of Select Committees

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning
House Bill No. 4234, entitled

A bill to make appropriations for the department of education for the fiscal year ending September 30, 2018; and to provide for the expenditure of the appropriations.

Recommends:

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

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

A bill to make appropriations for the department of education for the fiscal year ending September 30, 2018; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of education for the fiscal year ending September 30, 2018, from the following funds:

DEPARTMENT OF EDUCATION

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	603.5	
GROSS APPROPRIATION		\$ 350,539,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		\$ 350,539,500
Federal revenues:		
Total federal revenues.....		254,084,700
Special revenue funds:		
Total local revenues.....		5,817,200
Total private revenues.....		2,034,300
Total other state restricted revenues		8,567,600
State general fund/general purpose		\$ 80,035,700

Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions	11.0	
Unclassified positions—6.0 FTE positions		\$ 851,900
Education commission of the states		120,800
State board of education, per diem payments		24,400
State board/superintendent operations—11.0 FTE positions.....		<u>2,104,200</u>
GROSS APPROPRIATION		\$ 3,101,300

Appropriated from:

Federal revenues:		
Federal revenues.....		234,800
Special revenue funds:		
Private foundations		28,100
Certification fees		773,300
State general fund/general purpose		\$ 2,065,100

Sec. 103. DEPARTMENTAL ADMINISTRATION AND SUPPORT

Full-time equated classified positions	23.6	
Central support operations—23.6 FTE positions		\$ 3,712,000
Federal and private grants		3,000,000

	For Fiscal Year Ending Sept. 30, 2018
Property management	3,181,700
Terminal leave payments	353,300
Training and orientation workshops	150,000
Worker's compensation	25,100
GROSS APPROPRIATION	\$ 10,422,100
Appropriated from:	
Federal revenues:	
Federal revenues	3,628,500
Federal indirect funds	2,445,800
Special revenue funds:	
Private foundations	1,000,000
Certification fees	400,000
Teacher testing fees	4,000
Training and orientation workshop fees	150,000
State general fund/general purpose	\$ 2,793,800
Sec. 104. INFORMATION TECHNOLOGY	
Information technology services and projects	\$ 4,225,200
GROSS APPROPRIATION	\$ 4,225,200
Appropriated from:	
Federal revenues:	
Federal revenues	621,700
Federal indirect funds	1,838,500
Special revenue funds:	
Certification fees	400,600
State general fund/general purpose	\$ 1,364,400
Sec. 105. SPECIAL EDUCATION SERVICES	
Full-time equated classified positions	47.0
Special education operations—47.0 FTE positions	\$ 9,164,800
GROSS APPROPRIATION	\$ 9,164,800
Appropriated from:	
Federal revenues:	
Federal revenues	8,584,200
Special revenue funds:	
Private foundations	110,100
Certification fees	44,700
State general fund/general purpose	\$ 425,800
Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	
Full-time equated classified positions	82.0
Camp Tuhsmeheeta—1.0 FTE position	\$ 296,100
Low incidence outreach program	450,000
Michigan schools for the deaf and blind operations—81.0 FTE positions	13,456,000
Private gifts - blind	200,000
Private gifts - deaf	150,000
GROSS APPROPRIATION	\$ 14,552,100
Appropriated from:	
Federal revenues:	
Federal revenues	7,431,900
Special revenue funds:	
Local cost sharing (schools for deaf/blind)	5,805,500
Gifts, bequests, and donations	646,100
Low incidence outreach fund	450,000
Student insurance revenue	218,600
State general fund/general purpose	\$ 0
Sec. 107. PROFESSIONAL PREPARATION SERVICES	
Full-time equated classified positions	33.0
Professional preparation operations—33.0 FTE positions	\$ 5,679,600
GROSS APPROPRIATION	\$ 5,679,600

For Fiscal Year
Ending Sept. 30,
2018

Appropriated from:	
Federal revenues:	
Federal revenues.....	1,465,900
Special revenue funds:	
Certification fees	3,623,900
Teacher testing fees	364,900
State general fund/general purpose	\$ 224,900
Sec. 108. MICHIGAN OFFICE OF GREAT START	
Full-time equated classified positions	66.0
Child development and care external support	\$ 28,368,900
Child development and care public assistance.....	162,396,100
Head start collaboration office—1.0 FTE position	310,600
Office of great start operations—65.0 FTE positions	25,598,400
GROSS APPROPRIATION	\$ 216,674,000
Appropriated from:	
Federal revenues:	
Federal revenues.....	175,056,100
Special revenue funds:	
Private foundations	250,000
Certification fees	64,600
State general fund/general purpose	\$ 41,303,300
Sec. 109. STATE AID AND SCHOOL FINANCE SERVICES	
Full-time equated classified positions	11.5
State aid and school finance operations—11.5 FTE positions.....	\$ 1,648,600
GROSS APPROPRIATION	\$ 1,648,600
Appropriated from:	
State general fund/general purpose	\$ 1,648,600
Sec. 110. AUDIT SERVICES	
Full-time equated classified positions	4.5
Audit operations—4.5 FTE positions.....	\$ 615,300
GROSS APPROPRIATION	\$ 615,300
Appropriated from:	
Federal revenues:	
Federal indirect funds.....	488,800
Special revenue funds:	
Certification fees	62,500
State general fund/general purpose	\$ 64,000
Sec. 111. ADMINISTRATIVE LAW SERVICES	
Full-time equated classified positions	2.0
Administrative law operations—2.0 FTE positions.....	\$ 1,375,400
GROSS APPROPRIATION	\$ 1,375,400
Appropriated from:	
Federal revenues:	
Federal revenues.....	568,000
Special revenue funds:	
Certification fees	707,700
State general fund/general purpose	\$ 99,700
Sec. 112. ACCOUNTABILITY SERVICES	
Full-time equated classified positions	64.6
Accountability services operations—64.6 FTE positions.....	\$ 14,666,300
GROSS APPROPRIATION	\$ 14,666,300
Appropriated from:	
Federal revenues:	
Federal revenues.....	12,517,200
State general fund/general purpose	\$ 2,149,100

For Fiscal Year
Ending Sept. 30,
2018

Sec. 113. SCHOOL SUPPORT SERVICES

Full-time equated classified positions	83.6	
School support services operations—83.6 FTE positions		\$ 15,571,200
GROSS APPROPRIATION		\$ 15,571,200
Appropriated from:		
Federal revenues:		
Federal revenues		14,522,300
Special revenue funds:		
Local school district service fees		11,700
Certification fees		87,600
Commodity distribution fees		71,700
State general fund/general purpose		\$ 877,900

Sec. 114. FIELD SERVICES

Full-time equated classified positions	47.0	
Field services operations—47.0 FTE positions		\$ 9,400,800
GROSS APPROPRIATION		\$ 9,400,800
Appropriated from:		
Federal revenues:		
Federal revenues		8,636,300
Special revenue funds:		
Certification fees		37,300
State general fund/general purpose		\$ 727,200

Sec. 115. EDUCATIONAL IMPROVEMENT AND INNOVATION SERVICES

Full-time equated classified positions	44.7	
Educational improvement and innovation operations—44.7 FTE positions		\$ 9,010,100
GROSS APPROPRIATION		\$ 9,010,100
Appropriated from:		
Federal revenues:		
Federal revenues		5,898,200
Special revenue funds:		
Certification fees		565,100
State general fund/general purpose		\$ 2,546,800

Sec. 116. CAREER AND TECHNICAL EDUCATION

Full-time equated classified positions	29.0	
Career and technical education operations—29.0 FTE positions		\$ 5,252,700
GROSS APPROPRIATION		\$ 5,252,700
Appropriated from:		
Federal revenues:		
Federal revenues		3,904,900
State general fund/general purpose		\$ 1,347,800

Sec. 117. LIBRARY OF MICHIGAN

Full-time equated classified positions	33.0	
Library of Michigan operations—31.0 FTE positions		\$ 4,826,400
Library services and technology program—1.0 FTE position		5,611,400
Michigan eLibrary—1.0 FTE position		1,753,100
Renaissance zone reimbursements		3,300,000
State aid to libraries		11,067,700
GROSS APPROPRIATION		\$ 26,558,600

Appropriated from:		
Federal revenues:		
Federal revenues		5,611,400
Special revenue funds:		
Library fees		300,000
State general fund/general purpose		\$ 20,647,200

Sec. 118. EDUCATOR TALENT AND POLICY COORDINATION

Full-time equated classified positions	17.0	
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	For Fiscal Year Ending Sept. 30, 2018
Educator talent and policy coordination operations—17.0 FTE positions.....	\$ 2,621,200
GROSS APPROPRIATION	\$ 2,621,200
Appropriated from:	
Federal revenues:	
Federal revenues	630,200
Special revenue funds:	
Certification fees	241,000
State general fund/general purpose	\$ 1,750,000
Sec. 119. PARTNERSHIP DISTRICT SUPPORT	
Full-time equated classified positions	4.0
Partnership district support operations—4.0 FTE positions.....	\$ 100
GROSS APPROPRIATION	\$ 100
Appropriated from:	
State general fund/general purpose	\$ 100
Sec. 120. ONE-TIME APPROPRIATIONS	
Drinking water declaration of emergency	\$ 100
GROSS APPROPRIATION	\$ 100
Appropriated from:	
Special revenue funds:	
Drinking water emergency reserve fund.....	100
State general fund/general purpose	\$ 0

PART 2
PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2017-2018

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2017-2018 is \$88,603,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2017-2018 is \$14,367,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF EDUCATION

State aid to libraries..	\$ 11,067,700
Renaissance zone reimbursements.....	3,300,000
Total department of education.....	\$ 14,367,700

Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

- (a) "ACT" means the American College Testing Corporation.
- (b) "Department" means the Michigan department of education.
- (c) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.
- (d) "FTE" means full-time equated.

Sec. 204. The departments and agencies receiving appropriations in part 1 shall use the internet to fulfill the reporting requirements of this part. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an internet or intranet site.

Sec. 205. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The state superintendent of public instruction 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. The state superintendent of public instruction shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 207. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and

unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget director. The report must include the following information:

(a) The dates of each travel occurrence.

(b) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

Sec. 208. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 209. Not later than November 30, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees and the senate and house fiscal agencies.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$700,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$250,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$3,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) Job specifications and wage rates.

Sec. 212. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide the senate and house appropriations chairpersons, the chairpersons of the senate and house appropriations subcommittees responsible for the department budget, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2017 and September 30, 2018.

Sec. 213. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the agency's performance.

Sec. 214. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2018 are estimated at \$15,429,100.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at \$7,939,900.00. Total agency appropriations for retiree health care legacy costs are estimated at \$7,489,200.00.

Sec. 215. The department shall provide through the internet the state board of education agenda and all supporting documents, and shall notify the state budget director and the senate and house fiscal agencies that the agenda and supporting documents are available on the internet, at the time the agenda and supporting documents are provided to state board of education members.

Sec. 217. The department may assist the department of health and human services, other departments, and local school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department may submit reports of direct expenses related to this effort to the department of health and human services for reimbursement.

Sec. 219. From the funds appropriated in part 1, the department shall ensure that kindergarten benchmark data include a method for information to be provided regarding a child's participation in the great start readiness program.

Sec. 220. The department shall post on its website a link to the federal Institute of Education Sciences' What Works Clearinghouse. The department also shall work to disseminate knowledge about the What Works Clearinghouse to districts and intermediate districts so that it may be used to improve reading proficiency for pupils in grades K to 3.

Sec. 221. The department shall require all districts and intermediate school districts to maintain complete records within the personnel file of a teacher or school employee of any disciplinary actions taken by the governing board against the teacher or employee for sexual misconduct. The records shall not be destroyed or removed from the teacher's or employee's personnel file except as required by a court order.

Sec. 222. The department shall not take disciplinary action against an employee who communicates truthfully and factually with a member of the legislature or his or her staff.

Sec. 223. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 225. (1) The department shall do all of the following:

(a) Not later than October 1, 2017, send districts and post on its publicly accessible website a list of the grants available in the 2017-2018 state fiscal year under article 1 of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772.

(b) Not later than November 1, 2017, open the grant application process for grant funds appropriated in the 2017-2018 state fiscal year under article 1 of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772.

(2) If the department fails to comply with either subdivision (a) or subdivision (b), the state money appropriated in part 1 for state board/superintendent operations shall be reduced by 1%.

Sec. 226. From the funds appropriated in part 1, the department shall coordinate with the other departments to streamline state services and resources, reduce duplication, and increase efficiency. This includes, but is not limited to, working with the department of technology, management, and budget to coordinate with the school reform office, working with the department of treasury to coordinate with the financial independence team and overseeing deficit districts, and working with the department of health and human services and department of licensing and regulatory affairs to coordinate with early childhood programs and overseeing child care providers.

Sec. 227. (1) The department shall provide data requested by a member of the legislature, his or her staff, or the house and senate fiscal agencies in a timely manner. If the department fails to provide reasonably requested data within 30 days after the request, the state money appropriated in part 1 for state board/superintendent operations shall be reduced by 1%.

(2) If the department fails to provide to the legislature reports and other data required by boilerplate or statute within 30 days after the date the information is due, the state money appropriated in part 1 for state board/superintendent operations shall be reduced by 1%.

Sec. 229. The department shall not enter into a contract funded under part 1 that exceeds \$1,000,000.00, submit federal accountability plans, or request amendments to federal accountability plans until after notification of the content to both the house and senate appropriations committees and the state budget director.

Sec. 230. From the funds appropriated in part 1, the department shall compile a report that identifies any new, or lack thereof, mandates required of nonpublic schools. In compiling the report, the department may consult with relevant statewide education associations in Michigan. The report compiled by the department shall indicate the type of mandate, including, but not limited to, student health, student or building safety, accountability, and educational requirements, and shall indicate whether a school has to report on the specified mandates. The report required under this section shall be completed by April 1, 2018 and transmitted to the state budget director, the house and senate appropriations subcommittees responsible for the department of education, and the senate and house fiscal agencies not later than April 15, 2018.

STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT

Sec. 301. (1) The appropriations in part 1 may be used for per diem payments to the state board for meetings at which a quorum is present or for performing official business authorized by the state board. The per diem payments shall be at a rate as follows:

(a) State board of education - president - \$110.00 per day.

(b) State board of education - member other than president - \$100.00 per day.

(2) A state board of education member shall not be paid a per diem for more than 30 days per year.

Sec. 302. From the amount appropriated in part 1 to the state board of education, not more than \$35,000.00 shall be expended in the current fiscal year for in-state travel and out-of-state travel directly related to the duties of the state board of education.

CENTRAL SUPPORT

Sec. 325. Within 10 days of the receipt of a grant appropriated in the federal and private grants line item in part 1, the department shall notify the house and senate chairpersons of the appropriations subcommittees responsible for the department budget, the house and senate fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

SPECIAL EDUCATION SERVICES

Sec. 350. From the funds in part 1 for special education operations, the department shall perform the following activities:

(a) Design and distribute to all parents of a student with a disability information about federal and state mandates regarding the rights and protections of students with disabilities, including, but not limited to, individualized education programs to ensure that parents and legal guardians are fully informed about laws, rules, procedural safeguards, problem-solving options, and any other information the department determines is necessary so that parents and legal guardians may be able to provide meaningful input in collaboration with districts to develop and implement an individualized education program.

(b) Train mediators who are knowledgeable about the dispute resolution system and state and federal mandates pertaining to the rights and protections of students with disabilities outlined in the federal individuals with disabilities education act, 20 USC 1400 to 1482, and the Michigan administrative rules for special education programs and services, R 340.1701 to R 340.1862 of the Michigan Administrative Code. This annual training will include coursework, resources, and materials.

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Sec. 401. The employees at the Michigan Schools for the Deaf and Blind who work on a school-year basis are considered annual employees for purposes of service credits, retirement, and insurance benefits.

Sec. 402. For each student enrolled at the Michigan Schools for the Deaf and Blind, the department shall assess the intermediate school district of residence 100% of the cost of operating the student's instructional program. The amount shall exclude room and board related costs and the cost of weekend transportation between the school and the student's home.

Sec. 406. (1) The Michigan Schools for the Deaf and Blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. The Michigan Schools for the Deaf and Blind shall distribute information detailing its services to all intermediate school districts in the state.

(2) Upon knowledge of or recognition by an intermediate school district that a child in the district is deaf or hard of hearing or blind or visually impaired, the intermediate school district shall provide to the parents of the child the literature distributed by the Michigan Schools for the Deaf and Blind to intermediate school districts under subsection (1).

(3) Parents will continue to have a choice regarding the educational placement of their deaf or hard-of-hearing children.

Sec. 407. Revenue received by the Michigan Schools for the Deaf and Blind from gifts, bequests, donations, and local district service fees that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and shall not revert to the general fund.

Sec. 408. (1) The funds appropriated in part 1 for the low incidence outreach fund are appropriated from money collected by the Michigan Schools for the Deaf and Blind and the low incidence outreach program for providing qualified services and may be used for any expenses necessary to provide the qualified services. Any money that is unexpended at the end of the current fiscal year may be carried forward into the succeeding fiscal year.

(2) As used in this section, "qualified services" means document reproduction and services; conducting conferences, workshops, and training classes; and providing specialized equipment, facilities, and software.

PROFESSIONAL PREPARATION SERVICES

Sec. 501. From the funds appropriated in part 1 for professional preparation services, the department shall maintain certificate revocation/felony conviction files of educational personnel.

Sec. 502. The department shall authorize teacher preparation institutions to provide an alternative program by which up to 1/2 of the required student internship or student teaching credits may be earned through substitute teaching. The department shall require that teacher preparation institutions collaborate with school districts to ensure that the quality of instruction provided to student teachers is comparable to that required in a traditional student teaching program.

Sec. 503. From the funds appropriated in part 1, the department shall, upon request, consult with the Michigan Virtual Research Institute and external stakeholders in connection with the department's implementation and administration of professional development training described in section 35a of the state school aid act of 1979, 1979 PA 94, MCL 388.1635a, including, but not limited to, the online training of educators of pupils in grades K to 3 described in that section.

Sec. 506. Revenue received from teacher testing fees that is unexpended at the end of the current fiscal year may be carried over to the succeeding fiscal year and shall not revert to the general fund.

Sec. 507. From the funds appropriated in part 1, the department shall adopt a teacher certification test that ensures that all newly certified elementary teachers have the skills to deliver evidence-based literacy instruction. The department may use teacher certification or teacher testing fee revenue to the extent allowable under law to implement this section, or may pass along increased testing fees to teachers as allowable and appropriate.

FIELD SERVICES

Sec. 701. (1) From the funds appropriated in part 1 for field services operations, the department shall produce a report detailing the progress made by districts with grades K to 3 receiving at-risk funding under section 31a of the state school

aid act of 1979, 1979 PA 94, MCL 388.1631a, in implementing multitiered systems of supports in the prior school fiscal year for grades 4 to 8, and in providing reading intervention services described in section 1280f of the revised school code, 1976 PA 451, MCL 380.1280f, for pupils in grades K to 3.

(2) The report described in subsection (1) shall include, at a minimum:

(a) A description of the training, coaching, and technical assistance offered by the department to districts to support the implementation of effective multitiered systems of supports and reading intervention programs.

(b) A list of districts determined by the department to have successfully implemented multitiered systems of supports and reading intervention programs.

(c) A list of best practices that the department has identified that may be used by districts to implement multitiered systems of supports and reading intervention programs.

(d) Other information the department determines would be useful to understanding the status of districts' implementation of effective multitiered systems of supports and reading intervention programs.

(3) The department shall provide the report described in subsection (1) to the state budget director, the house and senate subcommittees that oversee the department of education and school aid budgets, and the house and senate fiscal agencies by September 30, 2018.

LIBRARY OF MICHIGAN

Sec. 801. (1) The funds appropriated in part 1 for library fees are appropriated from money collected by the Library of Michigan for providing qualified services and may be used for any expenses necessary to provide the qualified services. Any money that is unexpended at the end of the current fiscal year may be carried forward into the succeeding fiscal year.

(2) As used in this section, "qualified services" means document reproduction and services; conducting conferences, workshops, and training classes; and providing specialized equipment, facilities, and software.

Sec. 803. It is the intent of the legislature that the Library of Michigan and the component programs currently within the Library of Michigan with the exception of the genealogical collections shall be kept together in a state department.

Sec. 804. (1) The funds appropriated in part 1 for renaissance zone reimbursements shall be used to reimburse public libraries under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2017. The allocations shall be made 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.

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

MICHIGAN OFFICE OF GREAT START

Sec. 1001. By November 1, 2017, the department shall submit a report to the house and senate appropriations subcommittees on the department of education budget and the house and senate fiscal agencies on the average number of eligible child care providers by type receiving payment for child care services from the department for the fiscal year ending September 30, 2017.

Sec. 1002. (1) From the funds appropriated in part 1 for child development and care public assistance, there is allocated \$19,430,000.00 for the following purposes:

(a) To increase the provider reimbursement rates for child care centers under the following guidelines:

(i) Increase the reimbursement rate for child care center providers with an empty star rating by \$0.25 per hour for each child.

(ii) Increase the reimbursement rate for child care center providers with a 1-star rating by \$0.25 per hour for each child.

(iii) Increase the reimbursement rate for child care center providers with a 2-star rating by \$0.25 per hour for each child.

(iv) Increase the reimbursement rate for child care center providers with a 3-star rating by \$0.50 per hour for each child.

(v) Increase the reimbursement rate for child care center providers with a 4-star rating by \$0.50 per hour for each child.

(vi) Increase the reimbursement rate for child care center providers with a 5-star rating by \$0.75 per hour for each child.

(b) To increase the provider reimbursement rates for group home providers under the following guidelines:

(i) Increase the reimbursement rate for group home providers with an empty star rating by \$0.25 per hour for each child.

(ii) Increase the reimbursement rate for group home providers with a 1-star rating by \$0.25 per hour for each child.

(iii) Increase the reimbursement rate for group home providers with a 2-star rating by \$0.25 per hour for each child.

(iv) Increase the reimbursement rate for group home providers with a 3-star rating by \$0.50 per hour for each child.

(v) Increase the reimbursement rate for group home providers with a 4-star rating by \$0.50 per hour for each child.

(vi) Increase the reimbursement rate for group home providers with a 5-star rating by \$0.75 per hour for each child.

(c) To increase the provider reimbursement rates for registered family homes under the following guidelines:

(i) Increase the reimbursement rate for registered family home providers with an empty star rating by \$0.25 per hour for each child.

(ii) Increase the reimbursement rate for registered family home providers with a 1-star rating by \$0.25 per hour for each child.

(iii) Increase the reimbursement rate for registered family home providers with a 2-star rating by \$0.25 per hour for each child.

(iv) Increase the reimbursement rate for registered family home providers with a 3-star rating by \$0.50 per hour for each child.

(v) Increase the reimbursement rate for registered family home providers with a 4-star rating by \$0.50 per hour for each child.

(vi) Increase the reimbursement rate for registered family home providers with a 5-star rating by \$0.75 per hour for each child.

(d) To increase the provider reimbursement rates for unlicensed providers under the following guidelines:

(i) Increase the reimbursement rate for unlicensed providers with a tier 1 rating by \$0.25 per hour for each child.

(ii) Increase the reimbursement rate for unlicensed providers with a tier 2 rating by \$0.75 per hour for each child.

(2) The department shall ensure that the final provider reimbursement rates determined under this section are published on the department and great start to quality webpages by the date that the new rates take effect.

Sec. 1003. (1) The department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on all funding appropriated to each person awarded a contract by the state to provide early childhood comprehensive systems planning during the previous fiscal year. The report is due by February 15 and must contain at least the following information:

(a) Total funding appropriated for contracts by the state to provide early childhood comprehensive systems planning during the previous fiscal year.

(b) The amount of funding for each grant awarded.

(c) The grant recipients.

(d) The activities funded by each grant.

(e) An analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(2) All department contracts for early childhood comprehensive systems planning must be bid out through a statewide request for proposal process that includes a minimum of 3 bids.

(3) From the funds appropriated in part 1 for office of great start operations, the department shall prepare a report that includes the contents of the early childhood comprehensive systems planning request for proposal described in subsection (2) to the state budget director, the house and senate subcommittees that oversee the department of education, and the house and senate fiscal agencies 30 days before the request for proposal is made public.

Sec. 1004. From the funds appropriated in part 1 for office of great start operations, there is allocated \$1,000,000.00 in federal discretionary funds to ensure that the TEACH scholarship program gives preference to the following providers:

(a) Providers that currently have a great start to quality star rating or are in the process to receive a star rating.

(b) Providers that are seeking to increase their great start to quality star rating and are only restricted from receiving the increased rating because they lack employees with the proper education level.

Sec. 1005. From the additional funds appropriated in part 1 for the child development and care external support, the department shall work with the department of licensing and regulatory affairs to provide fingerprinting services and background checks of employees of child care providers as required under the terms of the federal child care and development block grant.

Sec. 1007. (1) From the funds appropriated in part 1 for child development and care - external support, the department shall create progress reports that shall include, but are not limited to, the following:

(a) Both the on-site and off-site activities that are intended to improve child care provider quality and the number of times those activities are performed by the licensing consultants.

(b) How many on-site visits a single licensing consultant has made since the start of the current fiscal year.

(c) The types of on-site visits and the number of visits for each type that a single consultant has made since the start of the current fiscal year.

(d) The number of providers that have improved their quality rating since the start of the current fiscal year compared to the same time period in the preceding fiscal year, reported as the number of providers in each regional prosperity zone.

(e) The types of activities that are intended to improve licensing consultant performance and child care provider quality and the number of times those activities are performed by the managers and administrators.

(2) The progress reports shall be sent to the state budget director, the house and senate subcommittees that oversee the department of education, and the house and senate fiscal agencies by April 1, 2018 and September 30, 2018.

Sec. 1008. From the amount appropriated in part 1 for office of great start operations, the department shall work with the department of health and human services to coordinate services provided to families for home visits, reduce duplication of state services and spending, and increase efficiencies including the home visits funded under section 32p of the state school aid act of 1979, 1979 PA 94, MCL 388.1632p.

Sec. 1009. From the funds appropriated in part 1 for child development and care public assistance, there is allocated \$5,500,000.00 to raise the entrance threshold of the child development and care program from 125% of the federal poverty guidelines to 130% of the federal poverty guidelines.

ACCOUNTABILITY SERVICES

Sec. 1021. Using the funds appropriated in part 1, the department shall work in collaboration with the department of technology, management, and budget to renegotiate the contract with the ACT to ensure that it registers, issues, and ships to schools a printed national career readiness certificate (NCRC) to each Michigan student who takes the ACT WorkKeys test, successfully completes the exam, qualifies for the certificate, and ensures that the renegotiated contract results in minimal or no additional costs to the state. If a renegotiation cannot be completed that results in minimal or no additional costs to the state, the department shall rebid the contract for the workskills portion of the Michigan merit exam (MME).

ONE-TIME APPROPRIATIONS

Sec. 1101. (1) From the funds appropriated in part 1 for drinking water declaration of emergency, the department shall allocate funding to address the child care needs in a city in which a declaration of emergency was issued because of drinking water contamination. Funds shall be used to support the following activities in the city:

(a) Pilot the expansion of the child development and care eligibility to children ages 0 to 3 for 1/2-day child care services by increasing the household income entrance threshold to 300% of the federal poverty guidelines.

(b) Provide information to child care providers on identification and intervention services for children demonstrating potential developmental delays associated with exposure to lead.

(2) The department shall amend definitions and eligibility requirements in the child care and development fund state plan as necessary to implement this section.

(3) Each month, the department shall create a report concerning each city where there is a drinking water declaration of emergency or where a drinking water declaration of emergency has been lifted and the department continues to spend funds under this section. The report shall include, but is not limited to, all of the following:

(a) The number of children ages 0 to 3 in the city.

(b) The number of children ages 0 to 3 in the city served by the child development and care program before the implementation of the increase to the entrance threshold to 300% of the federal poverty guidelines.

(c) The number of children ages 0 to 3 in the city served by the child development and care program after the implementation of the increase to the entrance threshold to 300% of the federal poverty guidelines.

(d) The number of cases including a child aged 0 to 3 in the city being served by the child development and care program.

(e) The number of children receiving referrals for additional screenings, assessments, or services that are ages 0 to 3 in the city served by the child development and care program.

(f) The number of children ages 0 to 3 identified with developmental delays in the city served by the child development and care program.

(g) The number of children ages 0 to 3 who are in 1-parent households in the city served by the child development and care program.

(h) The number of children ages 0 to 3 who are in 2-parent households in the city served by the child development and care program.

(i) The number of child care providers that were provided training on identifying the impacts of lead exposure, as well as related developmental delays that are serving children ages 0 to 3 in the city participating in the child development and care program.

(j) The types and number of communications with parents or caretakers on the impact of developmental delays and available services for children ages 0 to 3 in the city being served by the child development and care program. The department shall create a list of communication types that includes, but is not limited to, all of the following: in person, telephone, letter, and electronic mail.

(4) The report created under subsection (3) shall be sent to the state budget director, the house and senate appropriations subcommittees that oversee the department's budget, and the house and senate fiscal agencies by the first of every month until the department has spent all of the money appropriated in part 1 for a drinking water declaration of emergency.

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

A bill to make appropriations for the department of education for the fiscal year ending September 30, 2018; and to provide for the expenditure of the appropriations.

Tim Kelly
Shane Hernandez
Conferees for the House

Goeff Hansen
Dave Hildenbrand
Hoon-Yung Hopgood
Conferees for the Senate

First Conference Report

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 4235, entitled**

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending sections 11 and 17b (MCL 388.1611 and 388.1617b), section 11 as amended by 2016 PA 249 and section 17b as amended by 2007 PA 137.

Recommends:

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

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

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending sections 3, 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 11s, 15, 18, 18c, 20, 20d, 20f, 20g, 20m, 22a, 22b, 22d, 22g, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 31j, 32d, 32p, 32q, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 55, 56, 61a, 61b, 61c, 62, 64b, 65, 67, 74, 81, 94, 94a, 98, 99h, 99s, 99t, 102d, 104, 104c, 104d, 107, 147, 147a, 147c, 152a, 152b, and 166b (MCL 388.1603, 388.1604, 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611r, 388.1611s, 388.1615, 388.1618, 388.1618c, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1620m, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1624, 388.1624a, 388.1624c, 388.1625f, 388.1625g, 388.1626b, 388.1626c, 388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1631j, 388.1632d, 388.1632p, 388.1632q, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1662, 388.1664b, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699h, 388.1699s, 388.1699t, 388.1702d, 388.1704, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1752b, and 388.1766b), sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 20d, 20f, 20g, 22a, 22b, 22d, 22g, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 35a, 39, 39a, 41, 51c, 51d, 53a, 54, 55, 56, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 99s, 102d, 104, 104d, 107, 147, 147a, 147c, 152a, and 166b as amended and sections 11s, 20m, 31b, 31j, 32q, 54b, and 152b as added by 2016 PA 249, section 8b as amended by 2015 PA 85, section 18c as amended by 2012 PA 201, sections 20, 61a, 61c, 98, 99h, 99t, and 104c as amended by 2016 PA 313, and section 51a as amended by 2016 PA 534, and by adding sections 21h, 21j, 22m, 64d, 67a, 95b, 99c, 99r, 99u, 104e, 147e, 160, 164g, and 164h; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

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

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

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

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

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

(7) (9) “District” means a local school district established under the revised school code or, except in sections 6(4), 6(6), 13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a public school academy. Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a, 105, 105c, and 166b, district also includes the education achievement system. Except in section 20, district also includes a community district.

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

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

Sec. 4. (1) “Education achievement system” means the achievement authority and all achievement schools.

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

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

(3) ~~(4)~~ “Fiscal year” means the state fiscal year that commences October 1 and continues through September 30.

(4) ~~(5)~~ “High school equivalency certificate” means a certificate granted for the successful completion of a high school equivalency test.

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

(6) ~~(7)~~ “High school equivalency test preparation program” means a program that has high school level courses in English language arts, social studies, science, and mathematics and that prepares an individual to successfully complete a high school equivalency test.

(7) ~~(8)~~ “High school pupil” means a pupil in membership in grades 7 to 12, except in a district not maintaining grades above the eighth grade.

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 shall serve all constituent districts within an intermediate district or shall serve 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 612 of part B 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 article, means for a district, a public school academy, ~~the education achievement system,~~ 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 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 for the immediately preceding school year. A district’s, public school academy’s, or intermediate district’s membership shall be 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. However, for a district that is a community district, ~~in its first year of operation,~~ “membership” means 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 community district on the pupil membership count day for the current school year, plus the product of .10 times **THE SUM OF** the final audited count from the supplemental count day of pupils in grades K to 12 actually enrolled and in regular daily attendance in a ~~qualifying school district as defined in section 5 of the revised school code, MCL 380.5,~~ **THE COMMUNITY DISTRICT FOR THE IMMEDIATELY PRECEDING SCHOOL YEAR PLUS THE FINAL AUDITED COUNT FROM THE SUPPLEMENTAL COUNT DAY OF PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY ATTENDANCE IN THE EDUCATION ACHIEVEMENT SYSTEM** 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. ~~For the purposes of this section and section 6a, for a school of excellence that is a cyber school, as defined in section 551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a, a pupil’s participation in the cyber school’s educational program is considered regular daily attendance; for the education achievement system, a pupil’s participation in a virtual educational program of the education achievement system or of an achievement school is considered regular daily attendance; and for a district a pupil’s participation in a virtual course as defined in section 21f is considered regular daily attendance.~~ 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, ~~the education achievement system,~~ or an intermediate district:

(a) Except as otherwise provided in this subsection, and pursuant to subsection (6), a pupil shall be counted in membership in the pupil's educating district or districts. An individual pupil shall 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 shall not be counted in membership in any district.

(c) A special education pupil educated by the intermediate district shall be 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, shall be 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 ~~SCHOOLS~~ for the deaf and blind ~~DEAF AND BLIND~~ shall be 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 pursuant to section 690 of the revised school code, MCL 380.690, shall be counted only in the pupil's district of residence.

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

~~(h) A pupil enrolled in an achievement school shall be counted in membership in the education achievement system.~~ **FOR THE PURPOSES OF THIS SECTION AND SECTION 6A, FOR A CYBER SCHOOL, AS 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 DEFINED IN SECTION 21F IS CONSIDERED REGULAR DAILY ATTENDANCE.**

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

(i) 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.

(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.

(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 shall exclude 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) In a district, a public school academy, the education achievement system, or an intermediate district operating~~ **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, shall be counted **IN MEMBERSHIP**.

(l) To be counted in membership, a pupil shall meet the minimum age requirement to be eligible to attend school under section 1147 of the revised school code, MCL 380.1147, or shall be enrolled under subsection (3) of that section, and shall 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 shall be 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 shall not be counted in membership. An individual who has achieved a high school equivalency certificate shall not be counted in membership unless the individual is a student with a disability as defined in R 340.1702 of the Michigan ~~administrative code~~. **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 talent and economic development, or participating in any successor of either of those 2 programs, shall not be counted in membership.

(n) If a pupil counted in membership in a public school academy ~~or the education achievement system~~ is also educated by a district or intermediate district as part of a cooperative education program, the pupil shall be counted in membership only in the public school academy ~~or the education achievement system~~ unless a written agreement signed by all parties designates the party or parties in which the pupil shall be counted in membership, and the instructional time scheduled for the pupil in the district or intermediate district shall be 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 ~~or the education achievement system~~ 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 ~~or the education achievement system~~ provides instruction for at least 1/2 of the class hours required under section 101, the public school academy ~~or the education achievement system~~ shall receive 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 ~~or the education achievement system~~ 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 shall be allocated to the district or intermediate district providing the remainder of the hours of instruction.

(ii) If the public school academy ~~or the education achievement system~~ 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 shall receive 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 shall be allocated to the public school academy, ~~or the education achievement system~~.

(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 shall not be 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 shall be consistent with section 101. In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution, a pupil shall not be considered to be less than a full-time equated pupil solely because of the effect of his or her postsecondary enrollment, 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 shall be 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 shall be 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, or the education achievement system~~ that has pupils enrolled in a grade level that was not offered by the district, ~~the OR public school academy, or the education achievement system~~ 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, as determined by the department. Membership shall be 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 shall be 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 ~~or the education achievement system~~ within 45 days after the pupil membership count day, the department shall adjust the district's ~~or the education achievement system'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.

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

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

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

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

(bb) A district, ~~a~~ **OR** public school academy, ~~or the education achievement system~~ 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 pursuant to section 1148(2) of the revised school code, MCL 380.1148, shall be counted in the educating district. ~~or the education achievement system.~~

(dd) For a pupil enrolled in a dropout recovery program that meets the requirements of section 23a, the pupil shall be 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 shall 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 shall instead be 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 shall be 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 ~~the education achievement system~~ **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 ~~the education achievement system~~ **OTHER PUBLIC SCHOOL ACADEMY** receives the same amount of membership aid for the pupil as if the pupil were counted in the district or ~~the education achievement system~~ **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 shall be 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 shall be counted in membership in the community district. ~~For a community district in its first fiscal year of operations only, until the department is able to calculate the community district's membership, the department shall consider the community district's membership to be the same as the membership for the immediately preceding fiscal year for a district with the same boundaries as the community district that had membership for that fiscal year.~~

(II) A PART-TIME PUPIL ENROLLED IN A NONPUBLIC SCHOOL IN GRADES K TO 12 IN ACCORDANCE WITH SECTION 166B SHALL 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.

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

(6) “Pupil” means ~~a person~~ **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. ~~or the education achievement system.~~
- (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 pursuant to 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, except for pupils enrolled in the youth challenge program at the site at which the youth challenge program operated for 2015-2016, 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.

(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, shall not be 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 shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, an intermediate district, a ~~OR~~ public school academy, ~~or the education achievement system~~ 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 shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, **OR** public school academy, ~~or education achievement system~~ within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be 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 a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

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

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

(11) "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.

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

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

(14) "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.

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

(16) "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.

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

(18) "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.

(19) "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 ~~or, for an achievement school, by the chancellor of the achievement authority~~ 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.

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

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

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

(3) For each school of excellence that is a cyber school and is authorized under part 6e of the revised school code, MCL 380.551 to 380.561, by a school district, intermediate school district, community college other than a federal tribally controlled

community college, or other authorizing body that is not empowered to authorize a school of excellence to operate statewide and is eligible to receive funding under this article, ~~the~~ **ALL OF THE FOLLOWING APPLY:**

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

(B) IF THE CYBER SCHOOL DOES NOT PROVIDE INSTRUCTION AT A SPECIFIC LOCATION, THE INTERMEDIATE DISTRICT THAT WOULD NORMALLY PROVIDE PROGRAMS AND SERVICES TO THE SCHOOL DISTRICT IN WHICH THE ADMINISTRATIVE OFFICE OF CYBER SCHOOL IS LOCATED SHALL PROVIDE PROGRAMS AND SERVICES TO THE CYBER SCHOOL. THE INTERMEDIATE SCHOOL DISTRICT REQUIRED TO PROVIDE PROGRAMS AND SERVICES TO A CYBER SCHOOL UNDER THIS SUBDIVISION REMAINS THE SAME FOR AS LONG AS THAT CYBER SCHOOL IS IN OPERATION.

Sec. 11. (1) ~~For the fiscal year ending September 30, 2016, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$11,905,439,300.00 from the state school aid fund and the sum of \$55,100,000.00 from the general fund. For the fiscal year ending September 30, 2017, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$12,052,309,300.00~~ **\$12,036,844,300.00** from the state school aid fund, the sum of \$218,900,000.00 from the general fund, an amount not to exceed \$72,000,000.00 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. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF \$12,325,982,900.00 FROM THE STATE SCHOOL AID FUND, THE SUM OF \$205,000,000.00 FROM THE GENERAL FUND, AN AMOUNT NOT TO EXCEED \$72,000,000.00 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 ~~other~~ available federal funds are appropriated each fiscal year for the fiscal years ending ~~September 30, 2016 and~~ September 30, 2017 **AND SEPTEMBER 30, 2018.**

(2) The appropriations under this section shall be allocated as provided in this article. Money appropriated under this section from the general fund shall 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 state 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 established by section 11 of article IX of the state constitution of 1963.

(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 shall 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 shall remain in the school aid stabilization fund and shall 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 shall be prorated in the manner provided under section 296(3).

(7) For 2016-2017 **AND FOR 2017-2018**, 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. 11j. From the appropriation in section 11, ~~there is allocated an amount not to exceed \$10,500,000.00 for 2015-2016 and there is allocated an amount not to exceed \$126,500,000.00~~ **\$125,500,000.00** for 2016-2017 ~~2017-2018~~ 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 shall be paid in full.

Sec. 11k. For ~~2016-2017~~, **2017-2018**, 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 2015-2016 an amount not to exceed \$1,000,000.00 and there is allocated for 2016-2017 an amount not to exceed \$3,000,000.00~~ **\$5,500,000.00 AND THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$6,500,000.00** for fiscal year cash-flow borrowing costs solely related to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

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

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

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

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

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

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

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

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

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

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

Sec. 11s. (1) From the general fund appropriation in section 11, there is allocated \$10,142,500.00 for 2016-2017 **AND THERE IS ALLOCATED \$8,730,000.00 FOR 2017-2018** for the purpose of providing services and programs to children who reside within the boundaries of a district with the majority of its territory located within the boundaries of a city for which an executive proclamation of emergency is issued in the current or immediately preceding ~~fiscal year~~ **2 FISCAL YEARS** under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. From the funding appropriated in section 11, there is allocated **FOR EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018** \$100.00 from the water emergency reserve fund for the purposes of this section.

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

(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) From the allocation in subsection (1), there is allocated to an intermediate district that has a constituent district described in subsection (2) an amount not to exceed \$1,195,000.00 **FOR 2016-2017 AND AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR 2017-2018** to augment staff for the purpose of providing additional early childhood services and for nutritional services to children described in subsection (1), regardless of location of school of attendance. ~~The~~ **FOR 2016-2017, THE** early childhood services to be provided under this subsection are state early intervention services as described in subsection (4) and early literacy services. **BEGINNING WITH 2017-2018, THE EARLY CHILDHOOD SERVICES TO BE PROVIDED UNDER THIS SUBSECTION ARE 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.** In addition, funds allocated under this subsection may also be expended to provide informational resources to parents, educators, and the community, and to coordinate services with other local agencies. The intermediate district shall provide a report to the department in a form, manner, and frequency approved by the department. The department shall provide a copy of that report to the governor, the house and senate school aid subcommittees, the house and senate fiscal agencies, and the state budget director within 5 days after receipt. The report shall provide at least the following information:

- (a) How many personnel were hired using the funds appropriated in this subsection.
- (b) A description of the services provided to children by those personnel.
- (c) What types of additional nutritional services were provided.
- (d) How many children received each type of service identified in subdivisions (b) and (c).
- (e) What types of informational resources and coordination efforts were provided.
- (f) Any other information the department considers necessary to ensure that the children described in subsection (1) received appropriate levels and types of services.

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

(5) From the allocation in subsection (1), there is allocated an amount not to exceed \$1,500,000.00 **FOR 2016-2017 AND AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR 2017-2018** to intermediate districts 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 39. The department shall administer this funding consistent with all other provisions of the great start readiness programs contained in section 32d and section 39.

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

(7) ~~(6)~~-In addition to other funding allocated and appropriated in this section, there is appropriated an amount not to exceed \$15,000,000.00 **EACH FISCAL YEAR** for 2016-2017 **AND 2017-2018** 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, PAYMENTS UNDER THIS SECTION SHALL BE PAID 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, affected payments shall be adjusted 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, shall 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~~**9** 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. **AT THE REQUEST OF A DISTRICT AND UPON THE DISTRICT PRESENTING EVIDENCE SATISFACTORY TO THE DEPARTMENT OF THE HARDSHIP, THE DEPARTMENT MAY WAIVE ALL OR A PORTION OF THE ADJUSTMENTS UNDER THIS SUBSECTION IF THE DEPARTMENT DETERMINES THAT ALL OF THE FOLLOWING APPLY:**

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

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

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

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

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

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

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

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

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. The money shall not be applied or taken 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.

(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 pie charts:

(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 benefits 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 shall 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 shall be done not later than November 1 each year for reporting the prior fiscal year 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 shall 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 November 1 each fiscal year, 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 shall 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 shall 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 shall include object classifications of salary, benefits, including categories for active employee health expenditures, purchased services, supplies, capital outlay, and other. Districts shall report the required level of detail consistent with the manual as part of the comprehensive annual financial report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(13) ~~Not later than~~ **BY** March 31, ~~2017,~~ **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.

(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, 2017, AND NOT LESS THAN ONCE EVERY 3 MONTHS AFTER THAT DATE, THE DEPARTMENT SHALL SUBMIT TO THE SENATE AND HOUSE SUBCOMMITTEES ON 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. THE REPORT SHALL DETAIL THE RECIPIENT OR RECIPIENTS, THE AMOUNT ALLOCATED, AND THE PURPOSE FOR WHICH THE FUNDS WERE DISTRIBUTED.

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

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

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

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

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

(3) Except as otherwise provided in this section, the amount of a district's foundation allowance shall be calculated 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 state fiscal year that was at least equal to the minimum foundation allowance for the immediately preceding state fiscal year, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the difference between the basic foundation allowance for the current state fiscal year and basic foundation allowance for the immediately preceding state fiscal year minus \$20.00) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year) divided by the difference between the basic foundation allowance for the current state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year.] However, the foundation allowance for a district that had less than the basic foundation allowance for the immediately preceding state fiscal year shall not exceed the basic foundation allowance for the current state fiscal year.

(b) Except as otherwise provided in this subsection, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance for ~~2016-2017~~ **2017-2018** in an amount equal to the basic foundation allowance for ~~2016-2017~~ **2017-2018**.

(c) For a district that had a foundation allowance for the immediately preceding state fiscal year that was greater than the basic foundation allowance for the immediately preceding state fiscal year, the district's foundation allowance is an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district's foundation allowance for the immediately preceding state 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 district's foundation allowance shall be rounded up to the nearest whole dollar.

(E) FOR A DISTRICT THAT RECEIVED A FOUNDATION ALLOWANCE SUPPLEMENTAL PAYMENT CALCULATED UNDER SECTION 20M AND PAID UNDER SECTION 22B FOR 2016-2017, THE DISTRICT'S 2016-2017 FOUNDATION ALLOWANCE IS CONSIDERED TO HAVE BEEN AN AMOUNT EQUAL TO THE SUM OF THE DISTRICT'S ACTUAL 2016-2017 FOUNDATION ALLOWANCE AS OTHERWISE CALCULATED UNDER THIS SECTION PLUS THE LESSER OF THE PER PUPIL AMOUNT OF THE DISTRICT'S SUPPLEMENTAL PAYMENT FOR 2016-2017 AS CALCULATED UNDER SECTION 20M OR THE PRODUCT OF THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE 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.

(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 basic foundation allowance for the current state 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 state 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 state portion of the district's foundation allowance shall be calculated 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 shall be 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 shall be 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 shall be 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. The calculation under this subsection shall take into account a district's per-pupil allocation under section 20m.

(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 foundation allowance of the district in which the public school academy is located or the state maximum public school academy allocation, whichever is less. ~~For~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR** pupils in membership, other than special education pupils, in a public school academy that is a cyber school and is authorized by a school district, 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 foundation allowance of the district that authorized the public school academy or the state maximum public school academy allocation, whichever is less. However, a public school academy that had an allocation under this subsection before 2009-2010 that was equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy is located and the state portion of that district's foundation allowance shall not have that allocation reduced as a result of the 2010 amendment to this subsection. 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 shall 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 shall not exceed the amount per membership pupil otherwise calculated under this subsection.

~~(7) Except as otherwise provided in this subsection, for pupils attending an achievement school and in membership in the education achievement system, other than special education pupils, the allocation calculated under this section is an amount per membership pupil other than special education pupils equal to the foundation allowance of the district in which the achievement school is located, not to exceed the basic foundation allowance. Notwithstanding section 101, for an achievement school that begins operation after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the achievement school 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 shall not exceed the amount per membership pupil otherwise calculated under this subsection. For the purposes of this subsection, if a public school is transferred from a district to the state school reform/redesign district or the achievement authority under section 1280c of the revised school code, MCL 380.1280c, that public school is considered to be an achievement school within the education achievement system and not a school that is part of a district, and a pupil attending that public school is considered to be in membership in the education achievement system and not in membership in the district that operated the school before the transfer.~~

~~(7) (8)~~ 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) (9)~~ 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 shall be 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. The calculation under this subsection shall take into account a district's per-pupil allocation under section 20m.

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

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

(a) The pupil membership factor shall be computed by dividing the estimated membership in the school year ending in the current state fiscal year, excluding intermediate district membership, by the estimated membership for the school year ending in the subsequent state 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 shall be computed by dividing the sum of the estimated total state school aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for the current state 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 state fiscal year plus the estimated total state school aid fund revenue for the immediately preceding state 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 school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(c) The index shall be 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 school aid appropriations not later than 7 days after the conclusion of the revenue conference.

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

(13) ~~(14)~~ 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) ~~(15)~~ 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 state fiscal year" means the state 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 state fiscal year" means the state fiscal year immediately preceding the current state 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) “Maximum public school academy allocation”, except as otherwise provided in this subdivision, means the maximum per-pupil allocation as calculated by adding the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year plus the difference between twice the amount of the difference between the basic foundation allowance for the current state fiscal year and the basic foundation allowance for the immediately preceding state fiscal year and [(the amount of the difference between the basic foundation allowance for the current state fiscal year and the basic foundation allowance for the immediately preceding state fiscal year minus \$20.00) times (the difference between the highest per-pupil allocation among all public school academies for the immediately preceding state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year) divided by the difference between the basic foundation allowance for the current state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year.] For the purposes of this subdivision, for ~~2016-2017~~, **2017-2018**, the maximum public school academy allocation is ~~\$7,511.00~~:**\$7,631.00**.

(k) “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.

(l) “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.

(m) “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.

(n) “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.

(o) “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.

(p) “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.

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

(r) “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 ~~2016-2017~~, **A SUBSEQUENT FISCAL YEAR**, 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 state 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 pursuant to this act in 1993-94 shall exclude 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 state 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 ~~article 5~~, **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 that an adjustment under this subdivision shall be made, 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 shall be calculated 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 ~~2016-2017~~**2017-2018** 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 ~~for 2016-2017~~ 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. 20g. (1) From the money appropriated under section 11, there is allocated an amount not to exceed \$1,200,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ for grants to eligible districts that first received payments under this section in 2013-2014 for transition costs related to the enrollment of pupils who were previously enrolled in a district that was dissolved under section 12 of the revised school code, MCL 380.12, allocated as provided under subsection (3). Payments under this section shall continue for a total of 4 fiscal years following the dissolution of a district, after which the payments shall cease.

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

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

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

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

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

Sec. 20m. (1) Foundation allowance supplemental payments for ~~2016-2017~~ **2017-2018** to districts that in the 2015-2016 fiscal year had a foundation allowance greater than \$8,169.00 shall be calculated under this section.

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

(3) If a district's local revenue per pupil does not exceed the sum of its foundation allowance under section 20 plus the per-pupil allocation under subsection (2), the total payment to the district calculated under this section shall be the product of the per-pupil allocation under subsection (2) multiplied by the district's membership excluding special education pupils. If a district's local revenue per pupil exceeds the foundation allowance under section 20 but does not exceed the sum of the foundation allowance under section 20 plus the per-pupil allocation under subsection (2), the total payment to the district calculated under this section shall be the product of the difference between the sum of the foundation allowance under section 20 plus the per-pupil allocation under subsection (2) minus the local revenue per pupil multiplied by the district's membership excluding special education pupils. If a district's local revenue per pupil exceeds the sum of the foundation allowance under section 20 plus the per-pupil allocation under subsection (2), there is no payment calculated under this section for the district.

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

SEC. 21H. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED \$100.00 FOR 2017-2018 FOR ASSISTING DISTRICTS ASSIGNED BY THE SUPERINTENDENT TO PARTICIPATE IN A PARTNERSHIP TO IMPROVE STUDENT ACHIEVEMENT. 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 AT THE SOLE DISCRETION OF THE SUPERINTENDENT.

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

(A) COMPLETES A COMPREHENSIVE NEEDS EVALUATION IN COLLABORATION WITH AN INTERMEDIATE SCHOOL DISTRICT, COMMUNITY MEMBERS, EDUCATION ORGANIZATIONS, AND POSTSECONDARY INSTITUTIONS, AS APPLICABLE AND APPROVED BY THE SUPERINTENDENT, WITHIN 90 DAYS OF ASSIGNMENT TO THE PARTNERSHIP DESCRIBED IN THIS SECTION. THE COMPREHENSIVE NEEDS EVALUATION SHALL 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) DEVELOPS AN INTERVENTION PLAN THAT HAS BEEN APPROVED BY THE SUPERINTENDENT AND THAT ADDRESSES THE NEEDS IDENTIFIED IN THE COMPREHENSIVE NEEDS EVALUATION COMPLETED UNDER SUBDIVISION (A). THE INTERVENTION PLAN SHALL 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.

(3) UPON APPROVAL OF THE INTERVENTION PLAN DEVELOPED UNDER SUBSECTION (2), THE DEPARTMENT 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 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.

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

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

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

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

(A) AN EDUCATIONAL MODEL THAT ALLOWS THE USE OF MULTIPLE AND INNOVATIVE METHODS TO DETERMINE PUPILS' ACHIEVEMENT OF GRADE-LEVEL COMPETENCIES AND CREDIT UNDER THE MICHIGAN MERIT CURRICULUM IN A SUBJECT AREA OR COMBINED SUBJECT AREAS, INCLUDING, AT LEAST, PUBLIC PRESENTATIONS, SUBMISSION OF RESEARCH PAPERS, ATTAINING MARKETABLE WORKFORCE CREDENTIALS, AND MENTORING OTHER STUDENTS. COMPETENCY ASSESSMENTS USED TO DETERMINE MASTERY MUST BE ALIGNED TO MICHIGAN'S ACADEMIC STANDARDS.

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

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

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

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

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

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

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

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

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

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

(B) THE NUMBER OF STUDENTS PARTICIPATING.

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

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

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

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

Sec. 22a. (1) From the appropriation in section 11, there is allocated ~~an amount not to exceed \$5,260,000,000.00 for 2015-2016 and an amount not to exceed \$5,205,000,000.00~~ **\$5,207,000,000.00** for 2016-2017 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$5,181,800,000.00 FOR 2017-2018** 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 state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c in order to fully fund those calculated allocations for the same fiscal year.

(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 state portion of the district's foundation allowance shall be calculated 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 ALLOCATION AS OTHERWISE CALCULATED UNDER THIS SECTION SHALL BE REDUCED 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 SHALL BE 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 shall be the sum of the amount calculated under subdivision (a) plus the amount calculated under this subdivision. The amount calculated under this subdivision shall 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 shall be an offset against any state payment calculated under this subdivision. If the result of a calculation under this subdivision is negative, there shall not be 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 shall be 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 state 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 shall be 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 ~~25f.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 state fiscal year" means the state 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 homestead, 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) "Homestead", "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.

(h) "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.

(i) "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.

(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 state 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 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, or the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

(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 homestead, 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 homestead, 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 state 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 state 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 from the appropriation in section 11 an amount not to exceed \$3,692,000,000.00 for 2015-2016, and there is allocated for 2016-2017 an amount not to exceed \$3,828,000,000.00~~ **\$3,841,000,000.00** from the state school aid fund and general fund appropriations in section 11 and an amount not to exceed \$72,000,000.00 from the community district education trust fund appropriation in section 11, **AND THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$3,965,500,000.00 FROM THE STATE SCHOOL AID FUND AND GENERAL FUND APPROPRIATIONS IN SECTION 11 AND AN AMOUNT NOT TO EXCEED \$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND APPROPRIATION IN SECTION 11.** Except for money allocated from the community district trust fund, money allocated under this section that is not expended in the state fiscal year for which it was allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c in order to fully fund those calculated allocations for the same fiscal year.

(2) Subject to subsection (3) and section 296, the allocation to a district under this section shall be an amount equal to the sum of the amounts calculated under sections 20, 20m, 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 SHALL BE 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 SHALL 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 shall 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.

(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 shall 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 shall be 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 shall have 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 shall be 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 1396v.

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

(2) From the allocation under subsection (1), there is allocated for ~~2016-2017~~ **2017-2018** 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) shall be determined under a spending plan developed as provided in this subsection and approved by the superintendent of public instruction. The spending plan shall 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 shall 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 ~~2016-2017~~ **2017-2018** an amount not to exceed \$4,042,700.00 for payments under this subsection to districts that have 7.3 or fewer pupils per square mile as determined by the department.

(5) The funds allocated under subsection (4) shall be allocated 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. 22g. (1) From the funds appropriated in section 11, there is allocated for 2016-2017 only an amount not to exceed \$500,000.00 for competitive assistance grants to districts and intermediate districts.

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

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

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

SEC. 22M. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$1,200,000.00 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(7).

(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. ENTITIES RECEIVING FUNDING UNDER THIS SECTION SHALL REPRESENT GEOGRAPHICALLY DIVERSE AREAS IN THIS STATE.

(5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION SHALL BE MADE 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 SHALL 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 BY A DATA HUB REGION OR AN INTERMEDIATE DISTRICT 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, 2018.

(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, 2018, THE DEPARTMENT 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. THE REPORT SHALL INCLUDE A SUMMARY OF COMPILED DATA FROM EACH ENTITY TO PROVIDE A MEANS TO EVALUATE THE EFFECTIVENESS OF THE PROJECT. THE DEPARTMENT SHALL SUBMIT THE REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL AID AND ON THE DEPARTMENT BUDGET AND TO THE HOUSE AND SENATE FISCAL AGENCIES.

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

Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed \$8,000,000.00 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 shall be calculated as prescribed under subsection (2).

(2) The total amount allocated under this section shall be allocated 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 shall be 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 shall be 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 shall not be funded under this section.

Sec. 24a. From the appropriation in section 11, ~~there is allocated an amount not to exceed \$1,301,000.00 for 2015-2016 and there is allocated an amount not to exceed \$1,328,100.00 for 2016-2017~~ **\$1,339,000.00 FOR 2017-2018** for payments to intermediate districts for pupils who are placed in juvenile justice service facilities operated by the department of health and human services. Each intermediate district shall receive 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 shall 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. 24c. From the appropriation in section 11, there is allocated an amount not to exceed ~~\$1,632,400.00 for 2016-2017~~ **\$1,528,400.00 FOR 2017-2018** for payments to districts for pupils who are enrolled in a nationally administered community-based education and youth mentoring program, known as the youth challenge program, that is administered by the department of military and veterans affairs. Both of the following apply to a district receiving payments under this section:

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

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

Sec. 25f. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed ~~\$750,000.00 for 2016-2017~~ **2017-2018** 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 shall 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 is an amount equal to the lesser of the strict discipline academy's added cost or the department's approved per-pupil allocation for the strict discipline academy. However, the sum of the amounts received by a strict discipline academy under this section and under section 24 shall 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 shall 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 shall be 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 shall not be funded under this section.

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

(6) Payments to districts under this section shall be made 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 2016-2017~~ **2017-2018** for the purposes of 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 shall not be based on more than 1.0 FTE for that pupil, and that portion of the FTE that exceeds 1.0 shall be 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 shall not be funded under this section.

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

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

Sec. 26a. From the funds appropriated in section 11, ~~there is allocated an amount not to exceed \$20,000,000.00 for 2015-2016 and there is allocated an amount not to exceed \$20,000,000.00~~ **\$17,000,000.00 EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-2018** to reimburse districts and intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in ~~2015 and 2016 as applicable.~~ **2016 AND 2017 AS APPLICABLE.** The allocations shall be made 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 for ~~2016-2017~~ **2017-2018** an amount not to exceed \$4,405,100.00 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 pursuant to section 2154 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

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

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

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

(3) The promise zone fund is created as a separate account 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 shall remain in the promise zone fund and shall 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 pursuant to 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, PAYMENTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

Sec. 31a. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$389,695,500.00~~ **\$510,207,300.00** for payments to eligible districts ~~, and eligible public school academies, and the education achievement system~~ for the purposes of ensuring that pupils are proficient in reading **ENGLISH LANGUAGE ARTS** by the end of grade 3, ~~and 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 or public school academy, or the education achievement system, to be eligible to receive funding under this section, other than funding under subsection (7) or (8), the sum of the district's or public school academy's or the education achievement system's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, must be less than or equal to the basic foundation allowance under section 20 for the current state fiscal year.~~

(2) FOR A DISTRICT THAT HAS COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL UNDER SECTIONS 20 AND 20M THAT IS GREATER THAN THE BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 FOR THE CURRENT FISCAL YEAR, THE ALLOCATION UNDER THIS SECTION SHALL BE

AN AMOUNT EQUAL TO 30% OF THE ALLOCATION FOR WHICH IT WOULD OTHERWISE BE ELIGIBLE UNDER THIS SECTION BEFORE ANY PRORATION UNDER SUBSECTION (12).

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

- (a) Implements effective instruction for all learners.
- (b) Intervenes early.
- (c) Provides a multi-tiered model of instruction and intervention that provides the following:
 - (i) A core curriculum and classroom interventions available to all pupils that meet the needs of most pupils.
 - (ii) Targeted group interventions.
 - (iii) Intense individual interventions.
- (d) Monitors pupil progress to inform instruction.
- (e) Uses data to make instructional decisions.
- (f) Uses assessments including universal screening, diagnostics, and progress monitoring.
- (g) Engages families and the community.
- (h) Implements evidence-based, scientifically validated, instruction and intervention.
- (i) Implements instruction and intervention practices with fidelity.
- (j) Uses a collaborative problem-solving model.

(4) Except as otherwise provided in this subsection, an eligible district or eligible public school academy or the education achievement system shall receive under this section for each membership pupil in the district or public school academy or the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769, and **WHO IS DETERMINED TO BE ECONOMICALLY DISADVANTAGED**, as reported to the department **CENTER** in the form and manner prescribed by the department **CENTER** not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year, and adjusted not later than December 31 of the immediately preceding fiscal year, an amount per pupil equal to 11.5% of the sum of the district's **STATEWIDE WEIGHTED AVERAGE** foundation allowance, or the public school academy's or the education achievement system's per pupil amount calculated under section 20 plus the amount of the district's per-pupil allocation under section 20m, not to exceed the basic foundation allowance under section 20 for the current state fiscal year, or of the public school academy's or the education achievement system's per membership pupil amount calculated under section 20 for the current state fiscal year. However, a public school academy that began operations as a public school academy ; an achievement school that began operations as an achievement school, or a community district that first enrolls pupils, after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy, in the education achievement system, or in the community district who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and **WHO IS DETERMINED TO BE ECONOMICALLY DISADVANTAGED**, as reported to the department **CENTER IN THE FORM AND MANNER PRESCRIBED BY THE CENTER** not later than the fifth Wednesday after the pupil membership count day of the current fiscal year, and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's, the education achievement system's, or the community district's per membership pupil amount calculated under section 20 for the current state fiscal year. **STATEWIDE WEIGHTED AVERAGE FOUNDATION ALLOWANCE.**

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

~~breakfast program~~, 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 ~~or the education achievement system~~ 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 ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$5,557,300.00~~ **\$6,057,300.00** to support child and adolescent health centers. These grants shall be awarded for 5 consecutive years beginning with ~~2003-2004~~ **PRIMARY HEALTH CARE SERVICES PROVIDED TO CHILDREN AND ADOLESCENTS UP TO AGE 21. THESE FUNDS SHALL BE EXPENDED** in a form and manner ~~approved~~ **DETERMINED** jointly by the department and the department of health and human services. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 5-year period after the noncompliance. To continue to receive funding for a child and adolescent health center under this section a grant recipient shall ensure that the child and adolescent health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A child and adolescent health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. Funding under this subsection shall be used to support child and adolescent health center services provided to children up to age 21. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (12) for that fiscal year.

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

(9) Each district or public school academy receiving funds under this section ~~and the education achievement system~~ shall submit to the department by July 15 of each fiscal year a report, ~~not to exceed 10 pages, on the usage by the district or public school academy or the education achievement system of funds under this section, which report shall include~~ **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 ~~or the education achievement system~~ 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 ~~or the education achievement system~~ 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 ~~or the education achievement system~~ complies with this subsection. If the district or public school academy ~~or the education achievement system~~ does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

(10) In order to receive funds under this section, a district or public school academy ~~or the education achievement system~~ shall 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 ~~or the education achievement system~~ shall reimburse the state for all disallowances found in the audit.

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

(11) A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT RECEIVES FUNDS UNDER THIS SECTION MAY USE UP TO 3% OF THOSE FUNDS TO PROVIDE RESEARCH-BASED PROFESSIONAL DEVELOPMENT TO DISTRICT AND SCHOOL LEADERSHIP AND TEACHERS THAT IS ALIGNED TO PROFESSIONAL LEARNING STANDARDS; IS INTEGRATED INTO DISTRICT, SCHOOL BUILDING, AND CLASSROOM PRACTICES; AND IS 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.

(12) If necessary, and before any proration required under section 296, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated

under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (4). **ALLOCATION AS OTHERWISE CALCULATED UNDER THIS SECTION BY AN EQUAL PERCENTAGE PER DISTRICT.**

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

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

- (a) Is a victim of child abuse or neglect.
- (b) Is a pregnant teenager or teenage parent.
- (c) Has a family history of school failure, incarceration, or substance abuse.
- (d) 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.
- (e) Is a pupil who is at risk of not meeting the district’s core academic curricular objectives in English language arts or mathematics, as demonstrated on local assessments.
- (f) The pupil is enrolled in a priority or priority-successor school, as defined in the elementary and secondary education act of 2001 flexibility waiver approved by the United States Department of Education.
- (g) In the absence of state or local assessment data, the pupil meets at least 2 of the following criteria, as documented in a form and manner approved by the department:
 - (i) The pupil is eligible for free or reduced-price breakfast, lunch, or milk.
 - (ii) The pupil is absent more than 10% of enrolled days or 10 school days during the school year.
 - (iii) The pupil is homeless.
 - (iv) The pupil is a migrant.
 - (v) The pupil is an English language learner.
 - (vi) The pupil is an immigrant who has immigrated within the immediately preceding 3 years.
 - (vii) 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.

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

- (a) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represents the number of pupils in grade 3 that are not proficient in English language arts by the end of grade 3, and the district, public school academy, or the education achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other methods of improving grade 3 English language arts proficiency.
- (b) The district, public school academy, or the education achievement system shall determine the proportion of total at-risk pupils that represent the number of pupils in grade 11 that are not career- and college-ready as measured by the student’s score on the English language arts, mathematics, and science content area assessments on the grade 11 summative assessment under section 1279g(2)(a) of the revised school code, MCL 380.1279g, and the district, public school academy, or the education achievement system shall expend that same proportion multiplied by 1/2 of its total at-risk funds under this section on tutoring and other activities to improve scores on the college entrance examination portion of the Michigan merit examination.

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

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

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

(18) FOR THE PURPOSE OF DETERMINING THE NUMBER OF ECONOMICALLY DISADVANTAGED PUPILS ENROLLED IN A COMMUNITY DISTRICT FOR 2017-2018, DISADVANTAGED PUPILS WHO WERE ENROLLED IN THE EDUCATION ACHIEVEMENT SYSTEM FOR 2016-2017 SHALL BE CONSIDERED TO HAVE BEEN ENROLLED IN THE COMMUNITY DISTRICT FOR 2016-2017.

(19) AS USED IN THIS SECTION:

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

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

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

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

(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 1769; 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 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. FOR THE PURPOSES OF THIS CALCULATION, A DISTRICT'S FOUNDATION ALLOWANCE SHALL NOT EXCEED THE BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 FOR THE CURRENT STATE FISCAL YEAR.

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

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

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

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

(ii) At least 50% of the pupils in membership in the district met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to ~~1769~~ **1769J**.

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

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

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

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

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

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

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

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

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

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

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

Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$22,495,100.00 for ~~2016-2017~~ **2017-2018** 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 shall be used to pay the amount necessary to reimburse districts for 6.0127% of the necessary costs of the state mandated portion of the school lunch programs provided by those districts. The amount due to each district under this section shall be computed by the department using the methods of calculation adopted by the Michigan supreme court in the consolidated cases known as Durant v State of Michigan, ~~Michigan supreme court docket no. 104458-104492~~ **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 school 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 school lunch program shall 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.

(5) From the federal funds appropriated in section 11, there is allocated for ~~2016-2017~~ **2017-2018** all available federal funding, estimated at ~~\$510,000,000.00~~ **\$520,000,000.00** for the national school lunch program and all available federal funding, estimated at \$3,200,000.00 for the emergency food assistance program.

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

(7) In purchasing food for a school lunch program funded under this section, preference shall be given 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 \$2,500,000.00 for 2015-2016 and there is allocated an amount not to exceed \$2,500,000.00 for 2016-2017~~ **\$4,500,000.00 EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018** 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 shall be 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 220 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 breakfast served, as determined and approved by the department, less federal reimbursement, participant payments, and other state reimbursement. The statewide average cost shall be determined by the department using costs as reported in a manner approved by the department for the preceding school year.

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

(5) In purchasing food for a school breakfast program funded under this section, preference shall be given 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 ~~\$250,000.00~~ **\$375,000.00** for ~~2016-2017~~ **2017-2018** for a pilot project to support districts in the purchase of locally grown fruits and vegetables as described in this section.

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

(3) The department shall develop and implement a competitive grant program for districts within the identified prosperity regions to assist in paying for the costs incurred by the district 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 shall be based on the number of meals served by the school district during the previous school year under the Richard B. Russell national school lunch act, 42 USC 1751 to ~~1769-1769J~~. The department shall collaborate with the Michigan department of agriculture and rural development to provide training to newly participating schools and electronic information on Michigan agriculture.

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

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

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

(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), matching reimbursements shall be made 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 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 prosperity region offices, 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 on plans for educational activities that promote the goals of the program.

(9) The department shall give preference to districts 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; and connect to a school's farm-to-school procurement activities.

(10) In awarding grants, the department shall also consider all of the following: 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 ~~1769-1769J~~; the variety of school sizes and geographic locations within the identified prosperity regions; and existing or future collaboration opportunities between more than 1 district in a prosperity region.

(11) As a condition of receiving a grant under this section, a district shall provide or direct its vendors to provide to prosperity region offices 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, and the name and Michigan location of the farm that grew the products. The district shall also provide to the prosperity region 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 and school 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 March 1, ~~2017-2018~~, each prosperity region office shall submit a report to the department on expected outcomes and related measurements for economic development and children's nutrition and readiness to learn based on progress so far. The report shall include at least all of the following:

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

(i) The data used to determine the amount of this increase shall be the total dollar amount of Michigan or local fruits, vegetables, and legumes purchased by schools, along with the number of different types of products purchased; school 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 prosperity region office shall use purchasing data collected for the project and surveys of school food service directors on the impact and success of the project 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 increase their consumption of those foods. All of the following apply for purposes of this subdivision:

(i) The data used to determine whether this subparagraph is met shall be the number of pupils exposed to Michigan-grown fruits, vegetables, and legumes at schools; 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 prosperity region office shall use purchasing data collected for the project, meal count and enrollment numbers, school menu calendars, and surveys of school food service directors as the source for the data described in subparagraph (i).

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

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 \$243,600,000.00 for ~~2016-2017~~**2017-2018**. Funds allocated under this section for great start readiness programs shall be used to provide part-day, school-day, or ~~GSRP/head start~~**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 shall 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 shall meet those eligibility and prioritization guidelines.

(2) Funds allocated under subsection (1) shall be 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 shall 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 \$300,000.00 for ~~2016-2017~~**2017-2018** for a competitive grant to continue a longitudinal evaluation of children who have participated in great start readiness programs.

(4) To be eligible for funding under this section, a program shall prepare children for success in school through comprehensive part-day, school-day, or ~~GSRP/head start~~**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 shall 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, 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 level. If the intermediate district determines that all eligible children are being served and that there are no children on the waiting list under section 39(1)(d) who live with families with a household income that is equal to or less than 250% of the federal poverty level, 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 level. The enrollment process shall consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education plans recommending placement in an inclusive preschool setting shall be considered to live with families with household income equal to or less than 250% of the federal poverty level regardless of actual family income and shall be 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 shall consist 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 shall consist 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 shall indicate the extent to which these funds will supplement other federal, state, local, or private funds. Funds received under this section shall not be used 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 shall be 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~~ **GSRP/HEAD START** blended program, the grant recipient shall ensure that all ~~head start~~ **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 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 shall be considered program costs or a contracted program fee for service.

(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) 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 level 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 level, 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 under section 39(1)(d) who live with families with a household income that is equal to or less than 250% of the federal poverty level, 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 level. The enrollment process shall consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education plans recommending placement in an inclusive preschool setting shall be considered to live with families with household income equal to or less than 250% of the federal poverty level regardless of actual family income and shall be 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 ~~slot~~ allocation. For the purposes of this 30% allocation, an intermediate district or consortium of intermediate districts may count children served by a ~~head start~~ **HEAD START** grantee or delegate in a blended ~~head start~~ **HEAD START** and great start readiness school-day program. Children served in a program funded only through ~~head start~~ **HEAD START** shall not be 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~~ **HEAD START** grantee or delegate, and district or intermediate district, and the number and proportion of its total ~~slot~~ 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 ~~slot~~-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 ~~slot~~-allocation and was not able to do so, then the intermediate district or consortium may retain and use all of its ~~allocated slots~~-**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 ~~slot~~-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 ~~slot~~-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 ~~slot~~-allocation, as required under subsection (1), the department shall reduce the ~~slots allocated~~-**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 ~~slot~~-allocation awarded to community-based providers and 30% of its total ~~slot~~-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 ~~slot~~-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~~-**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 shall ensure that regulators process all prospective providers at the same pace on a first-come, first-served basis and shall 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 December 1 of each year, compile the results of the information reported by each intermediate district or consortium under subsection (10) 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 ~~slot~~-allocation allocated to community-based providers by provider type, including private for-profit, private nonprofit, community college or university, ~~head start~~-**HEAD START** grantee or delegate, and district or intermediate district.

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

(17) As used in this section:

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

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

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

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

(19) From the amount appropriated in subsection (1), there is allocated an amount not to exceed \$10,000,000.00 for reimbursement of transportation costs for children attending great start readiness programs funded under this section. To receive reimbursement under this subsection, not later than November 1, 2016-~~2017~~, 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 shall be no more than the projected transportation budget or ~~\$150.00~~-\$300.00 multiplied by the number of ~~slots~~-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 reimbursement shall be prorated in an equal amount per ~~slot~~-CHILD funded. Payments shall be made 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) 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 COMPLETE THE APPROVAL PROCESS AND MAKE AVAILABLE TO INTERMEDIATE DISTRICTS AT LEAST 2 APPROVED CLASSROOM LEVEL QUALITY ASSESSMENTS NO LATER THAN APRIL 1, 2018.

(21) 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 OF PUBLIC INSTRUCTION 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.

Sec. 32p. (1) From the ~~school aid fund~~ appropriation in section 11, there is allocated an amount not to exceed \$13,400,000.00 to intermediate districts for ~~2016-2017~~-2017-2018 for the purpose of providing early childhood funding to intermediate school districts to support the activities 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 shall be 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 shall provide an application to the office of great start not later than September 15 of the immediately preceding fiscal year indicating the activities 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 shall be 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 ~~vocabulary~~-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 shall be used for the purpose of providing home visits to at-risk children and their families. The home visits shall 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 shall be to improve school readiness using evidence-based methods, including ~~vocabulary development~~, **A FOCUS ON DEVELOPMENTALLY APPROPRIATE OUTCOMES FOR EARLY LITERACY**, to reduce the number of pupils retained in grade level, and to reduce the number of pupils requiring special education services. 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 activities actually provided during the immediately preceding school year and the families and children actually served. At a minimum, the report shall 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, any change in the number of pupils retained at grade level, and any change in the number of pupils receiving special education services. 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. 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. 32q. From the state school aid fund allocation under section 11, there is allocated to an eligible intermediate district an amount equal to \$175,000.00 in ~~2016-2017~~ **2017-2018** for the purpose of this section. An intermediate district receiving a grant under this section shall partner with an early childhood collaborative to conduct a pilot program as provided under this section. It is the intent of the legislature that this is the ~~first~~ **SECOND** of 3 years of funding, and that funding shall continue in ~~2017-2018 and~~ 2018-2019. Funding allocated to an intermediate district shall be used in partnership with a collaborative to conduct a pilot program to evaluate the relative impact on vulnerable children of 1 versus 2 years of preschool education. All of the following apply to the pilot program funded under this section:

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

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

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

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

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

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

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

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

(i) By December 1, 2019, the early learning collaborative, in partnership with the intermediate district, shall provide a pilot program report and evaluation to the office of great start. The office of great start shall review the pilot program report and evaluation and, by February 15, 2020, provide a report to the senate and house appropriations subcommittees on state school aid and to the senate and house fiscal agencies of its evaluation of the pilot program.

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

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

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

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

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

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

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

(3) (a) The department shall award grants to districts **A DISTRICT THAT RECEIVES FUNDS UNDER SUBSECTION (5) MAY USE UP TO 5% OF THOSE FUNDS** to administer department-approved screening and diagnostic tools to monitor the development of early literacy and early reading skills of pupils in grades 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 K to 3. The department shall award grants to eligible districts in an amount determined by the department.

(b) 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) (i) Phonemic awareness - segmentation, blending, and sound manipulation (deletion and substitution).
- (B) (ii) Phonics - decoding (reading) and encoding (spelling).
- (C) (iii) Fluency - reading rate, accuracy, and expression.
- (D) (iv) Comprehension - making meaning of text.

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

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

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

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

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

- (i) Current state literacy standards for pupils in grades K to 3.
- (ii) Implementing an instructional delivery model based on frequent use of formative, screening, and diagnostic tools, known as a multi-tiered system of support, to determine individual progress for pupils in grades K to 3 so that pupils are reading at grade level by the end of grade 3.
- (iii) The use of data from diagnostic tools to determine the necessary additional supports and interventions needed by individual pupils in grades 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. An intermediate district must provide matching funds for at least 50% of the cost of the literacy coach. The department shall provide this funding in the following manner:

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

(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 ~~\$37,500.00~~ **\$75,000.00** per early literacy coach. The number of funded early literacy coaches for each intermediate district shall be 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. For each additional early literacy coach funded under this subparagraph, the department shall not make an award to an intermediate district under this subparagraph in an amount that is less than the amount necessary to pay 1/2 of the total cost of that additional early literacy coach.

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

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

(5) From the allocations under subsection (1), there is allocated an amount not to exceed ~~\$13,600,000.00~~ for 2015-2016 and an amount not to exceed ~~\$17,500,000.00~~ **\$20,900,000.00** for 2016-2017-2017-2018 to districts that provide additional

instructional time to those pupils in grades K to 3 who have been identified by using department-approved screening and diagnostic tools as needing additional supports and interventions in order to be reading at grade level by the end of grade 3. Additional instructional time may be provided before, during, and after regular school hours or as part of a year-round balanced school calendar. All of the following apply to funding under this subsection:

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

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

(A) Implements effective instruction for all learners.

(B) Intervenes early.

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

(D) Monitors pupil progress to inform instruction.

(E) Uses data to make instructional decisions.

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

(G) Engages families and the community.

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

(I) Implements instruction and intervention practices with fidelity.

(J) Uses a collaborative problem-solving model.

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

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

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

(a) By August 1 of the ~~applicable-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's replication of the Michigan Reading Corps program 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 Michigan Reading Corps on this state in terms of numbers of children and programs receiving support. This portion of the report shall 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 shall include details on the total number of assessments and interventions completed and the range, median, mean, and standard deviation for all assessments.

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

(A) Growth rate by grade 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 Michigan Reading Corps 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. THE DEPARTMENT SHALL AWARD THE ENTIRE \$2,500,000.00 ALLOCATED UNDER THIS SUBSECTION TO THE MICHIGAN EDUCATION CORPS AND SHALL NOT CONDITION THE AWARDED OF THIS FUNDING ON THE IMPLEMENTATION OF AN INDEPENDENT EVALUATION.

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

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 state fiscal year. The application shall include a comprehensive needs assessment using aggregated data from the applicant's entire service area and a community collaboration plan that is endorsed by the local great start collaborative and is part of the community's great start strategic plan that includes, but is not limited to, great start readiness program and head start providers, and shall identify all of the following:

(a) ~~The~~ **FOR 2017-2018 CALCULATIONS, THE** estimated total number of children in the community who meet the criteria of section 32d, and ~~how that calculation was made.~~ **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. BEGINNING IN 2018-2019, 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 by ~~other early childhood development programs operating in the community, and how that calculation was made.~~ **EXCLUSIVELY BY HEAD START PROGRAMS OPERATING IN THE COMMUNITY.**

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

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

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

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

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

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

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

multiplying the number of slots in each district within the applicant's service area filled in the immediately preceding fiscal year or the number of slots the applicant indicates it will be able to fill under subsection (1)(c), whichever is less, minus the number of slots for which the applicant received funding in subsection (4) by \$3,625.00:

(4) (6) If funds allocated for eligible applicants under section 32d remain after the allocations under subsections (4) and (5), remaining funds shall be distributed to each eligible applicant under section 32d in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of slots the applicant indicates it will be able to fill under subsection (1)(c) exceeds the number of slots for which funds have been received under subsections (4) and (5), the allocation under this subsection shall be determined by multiplying the number of slots the applicant indicates it will be able to fill under subsection (1)(c) less the number of slots for which funds have been received under subsections (4) and (5) by \$3,625.00 until the funds allocated for eligible applicants in section 32d are distributed. **SUBSECTION (3), THE DEPARTMENT SHALL DISTRIBUTE THE REMAINING FUNDS TO EACH INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS THAT SERVES LESS THAN THE STATE PERCENTAGE BENCHMARK DETERMINED UNDER SUBSECTION (5). THESE REMAINING FUNDS SHALL BE DISTRIBUTED TO EACH ELIGIBLE APPLICANT BASED UPON EACH APPLICANT'S PROPORTIONATE SHARE OF THE REMAINING UNSERVED CHILDREN NECESSARY TO MEET THE STATEWIDE PERCENTAGE BENCHMARK IN INTERMEDIATE DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS SERVING LESS THAN THE STATE PERCENTAGE BENCHMARK. WHEN ALL APPLICANTS HAVE BEEN GIVEN THE OPPORTUNITY TO REACH THE STATEWIDE PERCENTAGE BENCHMARK, THE STATEWIDE PERCENTAGE BENCHMARK MAY BE RESET, AS DETERMINED BY THE DEPARTMENT, UNTIL GREATER EQUITY OF OPPORTUNITY TO SERVE ELIGIBLE CHILDREN ACROSS ALL INTERMEDIATE SCHOOL DISTRICTS HAS BEEN ACHIEVED.**

(5) **FOR THE PURPOSES OF SUBSECTION (4), FOR THE 2017-2018 PROGRAM YEAR, THE DEPARTMENT SHALL CALCULATE A PERCENTAGE OF CHILDREN SERVED BY EACH INTERMEDIATE DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS BY DIVIDING THE NUMBER OF CHILDREN SERVED IN THE IMMEDIATELY PRECEDING YEAR BY THAT INTERMEDIATE DISTRICT OR CONSORTIUM 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). FOR 2017-2018, THE STATEWIDE PERCENTAGE BENCHMARK IS 60%.**

(6) (7) 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 shall 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, "SCHOOL-DAY PROGRAM", "GSRP/HEAD START BLENDED PROGRAM", AND "PART-DAY PROGRAM" MEAN THOSE TERMS AS DEFINED IN SECTION 32D.**

Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-2018** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at ~~\$821,939,900.00~~ **\$744,039,900.00 FOR 2016-2017 AND \$731,600,000.00 FOR 2017-2018** 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 ~~\$2,000,000.00~~ **\$1,200,000.00 EACH FISCAL YEAR** 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 \$111,111,900.00 **FOR 2016-2017 AND \$100,000,000.00 FOR 2017-2018** 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 \$12,200,000.00 **FOR 2016-2017 AND \$11,000,000.00 FOR 2017-2018** 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 \$250,000.00 **FOR 2016-2017 ONLY** for the Michigan charter school subgrant program, funded from DED-OESE, charter school funds.

(e) An amount estimated at \$3,000,000.00 **FOR 2016-2017 AND \$2,800,000.00 FOR 2017-2018** for rural and low income schools, funded from DED-OESE, rural and low income school funds.

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

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

(h) An amount estimated at \$39,000,000.00 **EACH FISCAL YEAR** 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.

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

(j) An amount estimated at ~~\$55,900,000.00~~ **\$15,400,000.00 EACH FISCAL YEAR** 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 for 2016-2017 **AND FOR 2017-2018** to districts, intermediate districts, and other eligible entities all available federal funding, estimated at \$30,800,000.00 **FOR 2016-2017 AND \$30,000,000.00 FOR 2017-2018** for the following programs that are funded by federal grants:

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

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

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

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

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid 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 a strict discipline academy is eligible, the department shall allocate to strict discipline academies out of title I, part A funds equal to what a 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-OVAE” means the DED Office of Vocational and Adult Education.

(d) “HHS” means the United States Department of Health and Human Services.

(e) “HHS-SAMHSA” means the HHS Substance Abuse and Mental Health Services Administration.

Sec. 41. ~~(1) From the appropriation in section 11, there is allocated an amount not to exceed \$1,200,000.00 for 2016-2017 to applicant districts and intermediate districts offering programs of instruction for pupils of limited English-speaking ability under section 1153 of the revised school code, MCL 380.1153. Reimbursement shall be on a per-pupil basis and shall be based on the number of pupils of limited English-speaking ability in membership on the pupil membership count day. Funds allocated under this section shall be used solely for instruction in speaking, reading, writing, or comprehension of English. A pupil shall not be counted under this section or instructed in a program under this section for more than 3 years.~~ **FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION, THE DISTRICT OR PUBLIC SCHOOL ACADEMY MUST ADMINISTER TO ENGLISH LANGUAGE LEARNERS THE ENGLISH LANGUAGE PROFICIENCY ASSESSMENT KNOWN AS THE “WIDA ACCESS FOR ENGLISH LANGUAGE LEARNERS” OR THE “WIDA ALTERNATE ACCESS”. FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$6,000,000.00 FOR 2017-2018 FOR PAYMENTS TO ELIGIBLE DISTRICTS AND ELIGIBLE PUBLIC SCHOOL ACADEMIES FOR SERVICES FOR ENGLISH LANGUAGE LEARNERS WHO HAVE BEEN ADMINISTERED THE WIDA ACCESS FOR ENGLISH LANGUAGE LEARNERS.**

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

(A) \$620.00 PER FULL-TIME EQUIVALENT ENGLISH LANGUAGE LEARNER WHO HAS BEEN ASSESSED UNDER THE WIDA ACCESS FOR ENGLISH LANGUAGE LEARNERS OR THE WIDA ALTERNATE ACCESS

WITH A WIDA ACCESS OR WIDA ALTERNATE ACCESS COMPOSITE SCORE BETWEEN 1.0 AND 1.9, OR LESS, AS APPLICABLE TO EACH ASSESSMENT.

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

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

(4) 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, NOT TO EXCEED 10 PAGES, ON THE USAGE BY THE DISTRICT OR PUBLIC SCHOOL ACADEMY OF FUNDS UNDER THIS SECTION, IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, WHICH SHALL INCLUDE A BRIEF DESCRIPTION OF EACH PROGRAM CONDUCTED OR SERVICES PERFORMED BY THE DISTRICT OR PUBLIC SCHOOL ACADEMY USING FUNDS UNDER THIS SECTION AND THE AMOUNT OF FUNDS UNDER THIS SECTION ALLOCATED TO EACH OF THOSE PROGRAMS OR SERVICES. IF A DISTRICT OR PUBLIC SCHOOL ACADEMY DOES NOT COMPLY WITH THIS SECTION, 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 SECTION BY THE END OF THE STATE FISCAL YEAR, THE WITHHELD FUNDS SHALL BE FORFEITED TO THE SCHOOL AID FUND.

(5) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A DISTRICT OR PUBLIC SCHOOL ACADEMY SHALL 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 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 \$945,246,100.00 for 2015-2016 and an amount not to exceed \$973,046,100.00~~ **\$941,946,100.00** for 2016-2017 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$956,246,100.00 FOR 2017-2018** from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at \$370,000,000.00 each fiscal year for ~~2015-2016 and for 2016-2017~~ **AND FOR 2017-2018**, plus any carryover federal funds from previous year appropriations. **IN ADDITION, FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2017-2018 FOR THE PURPOSE OF SUBSECTION (16).** The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or 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 pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated the amount necessary, ~~estimated at \$263,500,000.00 for 2015-2016 and estimated at \$271,600,000.00~~ **\$260,700,000.00** for 2016-2017 **AND ESTIMATED AT \$264,200,000.00 FOR 2017-2018**, 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 shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated 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 plus the amount of the district's per-pupil allocation under section 20m, not to exceed the basic foundation allowance under section 20 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) or, for a pupil described in this subsection who is counted in membership

in the education achievement system, times an amount equal to the amount per membership pupil under section 20(7). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (11), and shall be 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 basic foundation allowance under section 20 for the current fiscal year, and that district's per-pupil allocation under section 20m.

(b) After the allocations under subdivision (a), districts and intermediate districts for which the payments calculated under subdivision (a) do not fulfill the specified percentages shall be paid 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 2015-2016 an amount not to exceed \$1,000,000.00 and there is allocated~~ **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-2018** an amount not to exceed ~~\$1,100,000.00~~ **\$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. Adjustments for reductions in special education program operations or services shall be made 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 shortfall shall be paid to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted 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 payments under subsection (3) shall be adjusted 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 shall be no deduction under this subsection.

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed \$3,500,000.00 may be allocated by the department each fiscal year ~~for 2015-2016 and for 2016-2017~~ **AND FOR 2017-2018** to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed \$2,200,000.00 each fiscal year ~~for 2015-2016 and for 2016-2017~~ **AND FOR 2017-2018** 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. Net increase in necessary costs shall be determined 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" shall be determined in a manner specified by the department and may include indirect costs, but shall 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 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 shall be 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 reimbursement for that district or intermediate district shall be calculated 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 calculations and resulting reimbursement under this subdivision shall be prorated on an equal percentage basis. Beginning in 2015-2016, the amount of reimbursement under this subdivision for a fiscal year shall 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, shall not be 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, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be 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 shall not be included in the membership count of a district, but shall be 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 shall be 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. Money that is refunded shall be deposited 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 ~~\$3,800,000.00 for 2015-2016 and estimated at \$3,700,000.00~~ **\$3,500,000.00** for 2016-2017, **AND ESTIMATED AT \$3,600,000.00 FOR 2017-2018**, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated 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 plus the amount of the district's per-pupil allocation under section 20m, not to exceed the basic foundation allowance under section 20 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) or, for a pupil described in this subsection who is counted in membership in the education achievement system, times an amount equal to the amount per membership pupil under section 20(7). The allocation to an intermediate district under this subsection shall be 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 basic foundation allowance under section 20 for the current fiscal year, and that district's per-pupil allocation under section 20m. 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 remaining expenditures from the allocation in subsection (1) shall be made in the following order:

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

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

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

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

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

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

(14) If a public school academy **THAT IS NOT A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551**, enrolls pursuant to ~~UNDER~~ this section a pupil who resides outside of the intermediate district in which the public school academy is located and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the ~~provision of special education programs and services and the payment of the added costs of special education programs and services for the pupil are the responsibility of the district and intermediate district in which the pupil resides unless the enrolling district or intermediate district has~~ **INTERMEDIATE DISTRICT IN WHICH THE PUBLIC SCHOOL ACADEMY IS LOCATED AND THE PUBLIC SCHOOL ACADEMY SHALL ENTER INTO** a written agreement with the district or intermediate district in which the pupil resides or the public school academy for the purpose of providing the pupil with a free appropriate public education, and the written agreement includes ~~SHALL 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) Beginning in 2016-2017, a district, public school academy, or intermediate district that fails to comply with subsection (14) or with the requirements of federal regulations regarding the treatment of public school academies and public school academy pupils for the purposes of special education, 34 CFR 300.209, forfeits from its total state aid an amount equal to 10% of its total state aid.

(15) **FOR THE PURPOSE OF RECEIVING ITS FEDERAL ALLOCATION UNDER PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446, A PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551, AND IS IN COMPLIANCE WITH SECTION 553A OF THE REVISED SCHOOL CODE, MCL 380.553A, SHALL DIRECTLY RECEIVE THE FEDERAL ALLOCATION UNDER PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446, FROM THE INTERMEDIATE DISTRICT IN WHICH THE CYBER SCHOOL IS LOCATED, AS THE SUBRECIPIENT. IF THE INTERMEDIATE DISTRICT DOES NOT DISTRIBUTE THE FUNDS DESCRIBED IN THIS SUBSECTION TO THE CYBER SCHOOL BY THE PART B APPLICATION DUE DATE OF JULY 1, THE DEPARTMENT MAY DISTRIBUTE THE FUNDS DESCRIBED IN THIS SUBSECTION DIRECTLY TO THE CYBER SCHOOL ACCORDING TO THE FORMULA PRESCRIBED IN 34 CFR 300.705 AND 34 CFR 300.816.**

(16) **FOR A PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551, AND IS IN COMPLIANCE WITH SECTION 553A OF THE REVISED SCHOOL CODE, MCL 380.553A, THAT ENROLLS A PUPIL UNDER THIS SECTION, THE INTERMEDIATE DISTRICT IN WHICH THE CYBER SCHOOL IS LOCATED SHALL ENSURE THAT THE CYBER SCHOOL COMPLIES WITH SECTIONS 1701A, 1703, 1704, 1751, 1752, 1756, AND 1757 OF THE REVISED SCHOOL CODE, MCL 380.1701A, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756, AND 380.1757; APPLICABLE RULES; AND THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446. FROM THE GENERAL FUND APPROPRIATION UNDER SUBSECTION (1), THE DEPARTMENT SHALL PROVIDE APPROPRIATE ADMINISTRATIVE FUNDING TO THE INTERMEDIATE DISTRICT IN WHICH THAT CYBER SCHOOL IS LOCATED FOR THE PURPOSE OF ENSURING THAT COMPLIANCE.**

(17) ~~(16)~~ For the purposes of this section, the department or the center shall only require a district or intermediate district to report information that is not already available from the financial information database maintained by the center.

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492, **456 MICH 175 (1997)**, from the allocation under section 51a(1), there is allocated each fiscal year for 2015-2016 and for 2016-2017 **AND FOR 2017-2018** the amount necessary, estimated at \$624,800,000.00 for 2015-2016 and estimated at \$644,500,000.00 **\$624,600,000.00** for 2016-2017 **AND \$635,300,000.00 FOR 2017-2018**, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-2018**, all available federal funding, estimated at ~~\$71,000,000.00~~, **\$61,000,000.00 EACH FISCAL YEAR**, for special education programs and services that are funded by federal grants. All federal funds allocated under this section shall be distributed in accordance with federal law. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the federal funds allocated under subsection (1), the following amounts are allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-2018**:

(a) An amount estimated at \$14,000,000.00 **EACH FISCAL YEAR** for handicapped infants and toddlers, funded from DED-OSERS, handicapped infants and toddlers funds.

(b) An amount estimated at \$12,000,000.00 **EACH FISCAL YEAR** for preschool grants (Public Law 94-142), funded from DED-OSERS, handicapped preschool incentive funds.

(c) An amount estimated at ~~\$45,000,000.00~~ **\$35,000,000.00 EACH FISCAL YEAR** 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. 53a. (1) For districts, reimbursement for pupils described in subsection (2) shall be 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 pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766, minus the district's foundation allowance calculated under section 20 and minus the district's per-pupil allocation under section 20m. For intermediate districts, reimbursement for pupils described in subsection (2) shall be 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 basic foundation allowance under section 20 for the current fiscal year, and that district's per-pupil allocation under section 20m.

(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 shall be funded under this section and shall not be reimbursed under section 58.

(5) Not more than \$10,500,000.00 of the allocation for ~~2016-2017~~ **2017-2018** in section 51a(1) shall be allocated under this section.

Sec. 54. Each intermediate district shall receive an amount per-pupil for each pupil in attendance at the Michigan schools for the deaf and blind. The amount shall be proportionate to the total instructional cost at each school. Not more than \$1,688,000.00 of the allocation for ~~2016-2017~~ **2017-2018** in section 51a(1) shall be allocated under this section.

Sec. 54b. (1) From the general fund appropriation in section 11, there is allocated an amount not to exceed ~~\$1,125,000.00 for 2016-2017 to begin~~ **\$1,600,000.00 FOR 2017-2018 TO CONTINUE THE** implementation of the recommendations of the special education reform task force published in January 2016.

(2) ~~From the allocation in subsection (1), there is allocated for 2016-2017 an amount not to exceed \$625,000.00 EXCEPT AS PROVIDED IN SUBSECTION (3), 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 ~~at least 3~~ **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.

(3) ~~From the allocation in subsection (1), there is allocated for 2016-2017 an amount not to exceed \$500,000.00 IN ADDITION TO THE PURPOSE UNDER SUBSECTION (2), THE DEPARTMENT SHALL USE FUNDS ALLOCATED UNDER THIS SECTION~~ for the purpose of providing training to intermediate districts and districts related to the safe implementation of emergency restraints and seclusion. The department shall develop and implement a training program that is based on the state board's adopted standards and on any other legislation enacted by the legislature regarding the emergency use of seclusion and restraint.

Sec. 55. (1) From the money appropriated in section 11, there is allocated an amount not to exceed \$150,000.00 for ~~2016-2017~~ **2017-2018** to Michigan State University, Department of Epidemiology, for a study of the Conductive Learning Center located at Aquinas College. This funding shall be used to develop and implement an evaluation of the effectiveness of conductive education for children with cerebral palsy. The evaluation shall be multidimensional and shall include a control group of children with cerebral palsy not enrolled in conductive education. It should include an assessment of the motor system itself as well as the impact of conductive education on each of the following:

- (a) The acquisition of skills permitting complex motor functions.
 - (b) The performance of tasks essential to daily living.
 - (c) The attitudes and feelings of both children and parents.
 - (d) The long-term need for special education for children with cerebral palsy.
- (2) This funding is for the ~~second of 2~~ **THIRD OF 3** years of funding for this purpose.

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 pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743, 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 380.1743, membership and taxable value of the district shall not be included in the membership and taxable value of the intermediate district.

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed \$37,758,100.00 each fiscal year for ~~2015-2016 and for 2016-2017~~ **AND FOR 2017-2018** to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan.

~~(3) Reimbursement for those millages levied in 2014-2015 shall be made in 2015-2016 at an amount per 2014-2015 membership pupil computed by subtracting from \$175,300.00 the 2014-2015 taxable value behind each membership pupil and multiplying the resulting difference by the 2014-2015 millage levied.~~

~~(3) (4) Reimbursement for those millages levied in 2015-2016 shall be made in 2016-2017 at an amount per 2015-2016 membership pupil computed by subtracting from \$179,600.00~~ **\$180,900.00** ~~the 2015-2016 taxable value behind each membership pupil and multiplying the resulting difference by the 2015-2016 millage levied.~~

(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2016-2017 SHALL BE MADE IN 2017-2018 AT AN AMOUNT PER 2016-2017 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$183,200.00 THE 2016-2017 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2016-2017 MILLAGE LEVIED, AND THEN SUBTRACTING FROM THAT AMOUNT THE 2016-2017 LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR SPECIAL EDUCATION PURPOSES BEHIND EACH MEMBERSHIP PUPIL 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 amount paid to a single intermediate district under this section shall not exceed 62.9% of the total amount allocated under subsection (2).

(6) The amount paid to a single intermediate district under this section shall not be 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 appropriation in section 11, there is allocated an amount not to exceed \$36,611,300.00 for ~~2016-2017~~ **2017-2018** 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 shall 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 allocation of added cost funds shall be prioritized 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 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 shall 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, districts and intermediate districts shall be reimbursed 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 definition of what constitutes administration and reimbursement shall be pursuant to guidelines adopted by the superintendent. Not more than \$800,000.00 of the allocation in subsection (1) shall be distributed 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.

(4) In addition to the money allocated under subsection (1), from the general fund money appropriated in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed \$79,000.00 to an eligible Michigan-approved 501(c)(3) organization for the purposes of teaching or training restaurant management and culinary arts for career and professional development. The department shall oversee funds distributed to an eligible grantee under this section. As used in this subsection, "eligible Michigan-approved 501(c)(3) organization" means an organization that is exempt from taxation under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, that provides the ProStart curriculum and training to state-approved career and technical education programs with classification of instructional programs (CIP) codes in the 12.05xx category, and that administers national certification for the purpose of restaurant management and culinary arts for career and professional development.

(5) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1), FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR COMPETITIVE GRANTS TO INTERMEDIATE DISTRICTS TO HIRE CAREER AND TECHNICAL EDUCATION COUNSELORS. ALL OF THE FOLLOWING APPLY TO THIS FUNDING:

(A) AN INTERMEDIATE DISTRICT SEEKING A GRANT UNDER THIS SUBSECTION SHALL APPLY TO THE DEPARTMENT IN A FORM AND MANNER SPECIFIED BY THE DEPARTMENT.

(B) THE DEPARTMENT SHALL AWARD GRANTS UNDER THIS SUBSECTION ON A COMPETITIVE BASIS TO NO MORE THAN 3 INTERMEDIATE DISTRICTS BUT SHALL GIVE PRIORITY TO THE INTERMEDIATE DISTRICT THAT HAS THE GREATEST NUMBER OF PUPILS ENROLLED IN ITS CONSTITUENT DISTRICTS AND SHALL ENSURE THAT GRANTS ARE EQUITABLY DISTRIBUTED TO THE VARIOUS GEOGRAPHIC AREAS OF THIS STATE AND TO URBAN AND RURAL AREAS.

(C) TO BE ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION, AN INTERMEDIATE DISTRICT SHALL DO ALL OF THE FOLLOWING:

(i) CATALOG ALL AVAILABLE K-12 AND OTHER WORKFORCE DEVELOPMENT PROGRAMS AND SERVICES, INCLUDING JOB SEARCH, JOB TRAINING, PRE-EMPLOYMENT CERTIFICATIONS, CAREER AWARENESS PROGRAMS, CAREER AND TECHNICAL EDUCATION PROGRAMS, AND OTHER RELATED PROGRAMS AND SERVICES OFFERED BY DISTRICTS OR INTERMEDIATE DISTRICTS, POSTSECONDARY INSTITUTIONS, AND OTHER PRIVATE OR PUBLIC SERVICE ORGANIZATIONS.

(ii) DEVELOP AN OUTREACH PROGRAM THAT EDUCATES STUDENTS ABOUT CAREER AND TECHNICAL EDUCATION OPTIONS AND CONNECTS STUDENTS TO THE SERVICES CATALOGED UNDER SUBPARAGRAPH (i).

(iii) TRACK STUDENT PLACEMENT AND REPORT ON STUDENT PLACEMENT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID NO LATER THAN JUNE 30, 2018 IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.

Sec. 61b. (1) From the appropriation in section 11, there is allocated ~~an amount not to exceed \$1,000,000.00 for 2015-2016 and there is allocated an amount not to exceed \$9,000,000.00~~ **\$8,000,000.00 EACH FISCAL YEAR** for 2016-2017 **AND 2017-2018** 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), an amount as determined under this subsection shall be allocated 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 prosperity regions and subregions 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 prosperity region or subregion as described in this section.

(b) Collaborate with the talent district career council that is located in the prosperity region or subregion to develop a regional strategic plan under subsection (4) that aligns CTE programs and services into an efficient and effective delivery system for high school students.

(c) Implement a regional process to rank career clusters in the prosperity region or subregion as described under subsection (4). Regional processes shall 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.

(4) A regional strategic plan must be approved by the talent district career council before submission to the department. A regional strategic plan shall include, but not be limited to, the following:

(a) An identification of regional employer need based on a ranking of all career clusters in the prosperity region or subregion 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 rankings shall be reviewed by the talent district career council located in the prosperity region or subregion and modified if necessary to accurately reflect employer demand for talent in the prosperity region or subregion. A talent district career council shall document that it has conducted this review and certify that it is accurate. These career cluster rankings shall be determined and updated once every 4 years.

(b) An identification of educational entities in the prosperity region or subregion 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 prosperity region or subregion.

(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 10 regional strategic plans jointly approved by the Michigan talent investment agency in the department of talent and economic development 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 Michigan talent investment agency in the department of talent and economic development.

(iii) Up to 60 transferable college credits.

(iv) Participation in a registered apprenticeship.

(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) Funds to eligible CTE early/middle college and CTE dual enrollment programs shall be distributed as follows:

(a) The department shall ~~calculate~~**DETERMINE** statewide average CTE costs per pupil for each CIP code program by ~~dividing total prior year~~**CALCULATING** statewide **AVERAGE** costs for each CIP code program by ~~prior year pupils for each CIP code program~~**FOR THE 3 MOST RECENT FISCAL YEARS**.

(b) Distribution to each eligible CTE early/middle college or CTE dual enrollment program shall be the product of 50% of CTE costs per pupil times the current year pupil enrollment of each eligible CTE early/middle college or CTE dual enrollment program.

(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 (1), 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 from the funds under subsection (1) an amount not to exceed \$500,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **FOR 2017-2018** 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 shall be submitted in a form and manner determined by the department. The amount of a grant under this subsection shall 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, payments under this subsection may be made as 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 shall not exceed the total allowable costs of the program. A program provider shall not use more than 5% of the funds allocated under this section to the program for administrative costs.

(10) If the allocation under subsection (1) is insufficient to fully fund payments as otherwise calculated under this section, the department shall prorate payments under this section on an equal percentage basis.

(11) If pupils enrolled in a career cluster in an eligible CTE early/middle college or CTE dual enrollment program qualify to be reimbursed under this section, those pupils continue to qualify for reimbursement until graduation, even if the career cluster is no longer identified as being in the highest 5 career cluster rankings.

~~(12) It is the intent of the legislature to provide funds in 2017-2018 to reimburse districts with early/middle college programs for the added costs of providing both a high school diploma and an associate's degree, industry-recognized certification, up to 60 transferable college credits, or participation in a registered apprenticeship in less than 5 years.~~

~~(12)~~ (13) As used in this section:

(a) "Allowable costs" means those costs directly attributable to the program as jointly determined by the Michigan talent investment agency and the department.

(b) "CIP" means classification of instructional programs.

(c) "CTE" means career and technical education programs.

(d) "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.

(e) "Early/middle college program" means a 5-year high school program.

(f) "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.

(g) "Talent district career council" means an advisory council to the local workforce development boards located in a prosperity region consisting of educational, employer, labor, and parent representatives.

Sec. 61c. (1) From the general fund appropriation in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$3,000,000.00~~ **\$7,000,000.00** to career education planning districts for the CTE skilled trades initiative under this section.

(2) To be eligible to receive funding under this section, each CEPD shall apply in a form and manner determined by the department. Funding to each CEPD shall be equal to the quotient of the allocation under subsection (1) and the sum of the number of career education planning districts applying for funding under this section.

(3) The funding allocated to each CEPD shall be used to update equipment in current CTE programs that ~~are supporting and driving economic development in their individual communities, or~~ **HAVE BEEN IDENTIFIED IN THE HIGHEST 5 CAREER CLUSTER RANKINGS IN ANY OF THE 10 REGIONAL STRATEGIC PLANS JOINTLY APPROVED BY THE MICHIGAN TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT AND THE DEPARTMENT, FOR TRAINING ON NEW EQUIPMENT, FOR PROFESSIONAL DEVELOPMENT RELATING TO COMPUTER SCIENCE OR CODING, OR** for new and emerging certified CTE programs to allow CEPD administrators to provide programming in communities that will enhance economic development. The funding for equipment should be used to support and enhance community areas that have sustained job growth, and act as a commitment to build a more qualified and skilled workforce. **IN ADDITION, EACH CEPD IS ENCOURAGED TO EXPLORE THE OPTION OF LEASING EQUIPMENT FROM LOCAL PRIVATE INDUSTRY TO ENCOURAGE THE USE OF THE MOST ADVANCED EQUIPMENT.**

(4) The allocation of funds at the local level shall be determined by CEPD administrators using data from the state, region, and local sources to make well-informed decisions on program equipment improvements. Grants awarded by CEPD administrators for capital infrastructure shall be used to ensure that CTE programs can deliver educational programs in high-wage, high-skill, and high-demand occupations. Each CEPD shall continue to ensure that program advisory boards make recommendations on needed improvements for equipment that support job growth and job skill development and retention for both the present and the future.

(5) Not later than September 15 of each fiscal year, each CEPD receiving funding under this section shall annually report to the department, the senate and house appropriations subcommittees on state school aid, and the senate and house fiscal agencies and legislature on equipment purchased under this section. In addition, the report shall identify growth data on program involvement, retention, and development of student skills.

(6) ~~In addition to the funds allocated FROM THE ALLOCATION under subsection (1), from the funds appropriated under section 11, there is allocated for 2016-2017-2017-2018 an amount not to exceed \$200,000.00~~ **\$300,000.00** to a district with fewer than 1,200 pupils in membership to support a **DISTRICTS FOR A COMPETITIVE GRANT TO mechatronics program PROGRAMS** that operated in ~~2015-2016-2016-2017~~ **2017-2018** for updating mechatronics program equipment. ~~To be eligible to receive a grant under this subsection, a program shall be a flexible learning program that offered in 2015-2016 both classroom and hands-on training in mechatronics in at least 2 sites.~~

(7) As used in this section, "CEPD" means a career education planning district described in this section.

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 pursuant to 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 shall not be 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, shall be 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 ~~2015-2016 and for 2016-2017~~ **AND FOR 2017-2018** 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 pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) ~~Reimbursement for the millages levied in 2014-2015 shall be made in 2015-2016 at an amount per 2014-2015 membership pupil computed by subtracting from \$192,200.00 the 2014-2015 taxable value behind each membership pupil and multiplying the resulting difference by the 2014-2015 millage levied.~~

(3) ~~(4) Reimbursement for the millages levied in 2015-2016 shall be made in 2016-2017 at an amount per 2015-2016 membership pupil computed by subtracting from \$196,300.00~~ **\$198,100.00** the 2015-2016 taxable value behind each membership pupil and multiplying the resulting difference by the 2015-2016 millage levied.

(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2016-2017 SHALL BE MADE IN 2017-2018 AT AN AMOUNT PER 2016-2017 MEMBERSHIP PUPIL COMPUTED BY SUBTRACTING FROM \$199,000.00 THE 2016-2017 TAXABLE VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY THE 2016-2017 MILLAGE LEVIED, AND THEN SUBTRACTING FROM THAT AMOUNT THE 2016-2017 LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR AREA VOCATIONAL TECHNICAL EDUCATION BEHIND EACH MEMBERSHIP PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO 123.1362.

(5) The amount paid to a single intermediate district under this section shall not exceed 38.4% of the total amount allocated under subsection (2).

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

Sec. 64b. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$1,750,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **FOR 2017-2018** for supplemental payments to districts that support the attendance of district pupils in grades 9 to 12 under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that support the attendance of district pupils in a concurrent enrollment program if the district meets the requirements under subsection (3). Programs funded under this section are intended to increase the number of pupils who are college- and career-ready upon high school graduation.

(2) To be eligible for payments under this section for supporting the attendance of district pupils under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, a district shall do all of the following:

(a) Provide information to all high school pupils on postsecondary enrollment options, including enrollment eligibility, the institutions and types of courses that are eligible for participation, the decision-making process for granting academic credit, and an explanation of eligible charges that will be paid by the district.

- (b) Enter into a written agreement with a postsecondary institution before the enrollment of district pupils.
- (c) Agree to pay all eligible charges pursuant to section 21b.
- (d) Award high school credit for the postsecondary course if the pupil successfully completes the course.
- (3) To be eligible for payments under this section for pupils enrolled in a concurrent enrollment program, a district shall do all of the following:

(a) Provide information to all high school pupils on postsecondary enrollment options, including enrollment eligibility, the institutions and types of courses that are eligible for participation, the decision-making process for granting academic credit, and an explanation of eligible charges that will be paid by the district.

(b) Enter into a written agreement with a postsecondary institution establishing the concurrent enrollment program before the enrollment of district pupils in a postsecondary course through the postsecondary institution.

(c) Ensure that the course is taught by either a high school teacher or postsecondary faculty pursuant to standards established by the postsecondary institution with which the district has entered into a written agreement to operate the concurrent enrollment program.

(d) Ensure that the written agreement provides that the postsecondary institution agrees not to charge the pupil for any cost of the program.

(e) Ensure that the course is taught in the local district or intermediate district.

(f) Ensure that the pupil is awarded both high school and college credit at a community college or state public university in this state upon successful completion of the course as outlined in the agreement with the postsecondary institution.

(4) Funds shall be awarded to eligible districts under this section in the following manner:

(a) A payment of \$10.00 per credit, for up to 3 credits, for a credit-bearing course in which a pupil enrolls during the ~~2015-2016 or 2016-2017~~ **CURRENT** school year, ~~as applicable,~~ as described under either subsection (2) or (3).

(b) An additional payment of \$30.00 per-pupil per course identified in subdivision (a), if the pupil successfully completes, and is awarded both high school and postsecondary credit for, the course during the ~~2015-2016 or 2016-2017~~ **CURRENT** school year, ~~as applicable.~~

(5) A district requesting payment under this section shall submit an application to the department in the form and manner prescribed by the department. Notwithstanding section 17b, payments under this section shall be made on a schedule determined by the department.

SEC. 64D. (1) FROM THE GENERAL FUND APPROPRIATION UNDER SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2017-2018 FOR A COMPETITIVE GRANT TO PROVIDE INFORMATION TECHNOLOGY EDUCATION OPPORTUNITIES TO STUDENTS ATTENDING SCHOOLS OPERATING GRADES K-12, CAREER AND TECHNICAL CENTERS AND CAREER ACADEMIES, AND COMMUNITY COLLEGES AND UNIVERSITIES. IT IS THE INTENT OF THE LEGISLATURE THAT 2017-2018 IS THE FIRST OF 3 YEARS OF FUNDING FOR THE COMPETITIVE GRANT PROGRAM. FUNDS ALLOCATED UNDER THIS SECTION SHALL BE USED FOR INSTRUCTION IN INFORMATION TECHNOLOGY SKILLS AND COMPETENCIES THAT ARE ESSENTIAL FOR THE WORKPLACE AND REQUESTED BY EMPLOYERS AND SHALL ALLOW PARTICIPATING STUDENTS AND FACULTIES TO SECURE BROAD-BASED INFORMATION TECHNOLOGY CERTIFICATIONS AND, IF APPLICABLE, COLLEGE CREDIT.

(2) THE DEPARTMENT SHALL SELECT A PROVIDER USING A COMPETITIVE REQUEST FOR PROPOSALS PROCESS. PROPOSALS SUBMITTED UNDER THIS SUBSECTION SHALL INCLUDE AT LEAST THE FOLLOWING COMPONENTS:

(A) RESEARCH- AND SKILL-DEVELOPMENT-BASED AND INFORMATION TECHNOLOGY CURRICULUM.

(B) ONLINE ACCESS TO THE CURRICULUM.

(C) INSTRUCTIONAL SOFTWARE FOR CLASSROOM AND STUDENT USE.

(D) A PROGRAM THAT INCLUDES CODING CURRICULUM AND MATERIAL THAT ARE ALIGNED TO THE CS AP EXAM AND GRANTS A CERTIFICATE UPON COMPLETION OF THE PROGRAM.

(E) COMPONENTS FOR ALL GRADE LEVELS ON COMPUTATIONAL THINKING SKILLS DEVELOPMENT USING THE LATEST GAMING SOFTWARE.

(F) A PROCESS FOR STUDENTS TO OBTAIN CERTIFICATIONS OF SKILLS AND COMPETENCIES IN A BROAD BASE OF INFORMATION TECHNOLOGY-RELATED SKILL AREAS.

(G) PROFESSIONAL DEVELOPMENT FOR FACULTY.

(H) IMPLEMENTATION AND PROGRAM SUPPORT, INCLUDING, BUT NOT LIMITED TO, INTEGRATION WITH CURRENT CURRICULUM STANDARDS.

(I) METHODS FOR STUDENTS TO EARN COLLEGE CREDIT.

(3) THE DEPARTMENT SHALL GIVE PRIORITY TO PROPOSALS BY PROVIDERS THAT HAVE PREVIOUSLY DEMONSTRATED SUCCESS IN THIS STATE IN PROVIDING HIGH-QUALITY INFORMATION TECHNOLOGY EDUCATION OPPORTUNITIES TO STUDENTS.

(4) THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2017-2018 ARE A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2017-2018 ARE TO BE CARRIED FORWARD INTO 2018-2019. THE PURPOSE OF THE WORK PROJECT IS TO CONTINUE TO PROVIDE INFORMATION TECHNOLOGY

EDUCATION OPPORTUNITIES DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2020.

Sec. 65. (1) From the general fund money appropriated under section 11, there is allocated an amount not to exceed \$340,000.00 for ~~2016-2017~~ **2017-2018** 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 amount appropriated in section 11, there is allocated an amount not to exceed ~~\$3,050,000.00~~ for ~~2016-2017~~ **\$3,000,000.00 FOR 2017-2018** for college and career preparation activities. **ACCESS PROGRAMS.** The programs funded under this section are intended to inform students of college and career options and to provide a wide array of tools and 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 shall not be used to supplant funding for counselors already funded by districts.

(2) ~~From the amount allocated in subsection (1), an amount not to exceed \$3,000,000.00 shall be used for the college access program.~~ The talent investment agency of the department of talent and economic development shall administer ~~these 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 Michigan talent investment agency.
- (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) ~~From the amount allocated in subsection (1), an amount not to exceed \$50,000.00 shall be used for an outreach program to provide information to pupils, parents, and educators on dual enrollment and other opportunities available to high school pupils to earn postsecondary credits, industry-recognized technical certifications, and participation in registered apprenticeships at no cost.~~

(3) (4) 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 IN SECTION 11, THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$1,000,000.00 TO EXPAND AN ELIGIBLE WEB-BASED CAREER PREPARATION AND READINESS PLATFORM TO PROSPERITY REGIONS BEYOND WHERE THE PLATFORM IS CURRENTLY BEING UTILIZED.

(2) IN ORDER TO BE ELIGIBLE FOR FUNDING UNDER THIS SECTION, A CAREER PREPARATION AND READINESS PLATFORM SHALL MEET ALL OF THE FOLLOWING:

(A) HAS A PARTNERSHIP WITH INTERMEDIATE DISTRICTS, COMMUNITY COLLEGES, WORKFORCE DEVELOPMENT AGENCIES, AND COMMUNITY EMPLOYERS.

(B) ASSESSES STUDENT SKILLS, ABILITIES, AND PREFERENCES TO MATCH THEM WITH CAREERS OF INTEREST.

(C) ALLOWS STUDENTS TO EXPLORE CAREERS WITH ACCESS TO MORE THAN 600 CAREER PROFILES, INCLUDING, BUT NOT LIMITED TO, CAREER DESCRIPTIONS, EDUCATION AND TRAINING REQUIREMENTS, AND EARNING INFORMATION.

(D) CONNECTS WITH LOCAL COMPANIES THROUGH COMPANY PROFILES THAT INCLUDE, BUT ARE NOT LIMITED TO, DESCRIPTION, LOCATION, CAREER OPPORTUNITIES, AND WORK-BASED LEARNING ACTIVITIES.

(E) ALLOWS STUDENTS TO EXPERIENCE CAREERS FIRSTHAND BY SEARCHING FOR JOB SHADOWING, MOCK INTERVIEWS, COMPANY TOURS, COMPANY EVENTS, AND INTERNSHIP OPPORTUNITIES OFFERED BY EMPLOYERS IN A STUDENT'S AREA.

(F) PROVIDES STUDENTS WITH STEP-BY-STEP HELP TO DEVELOP A JOB SEARCH PLAN, WRITE A RESUME AND COVER LETTER, AND PREPARE FOR JOB INTERVIEWS.

(G) PROVIDES STUDENTS WITH AN UNDERSTANDING OF THE EDUCATION AND TRAINING REQUIRED FOR A PARTICULAR CAREER, A COMPARISON OF SCHOOL DATA AND PROFILES, AND ACCESS TO COLLEGE PREPARATION, SCHOLARSHIP, AND FINANCIAL AID INFORMATION.

(3) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION SHALL BE PAID 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 ~~\$3,320,600.00 for 2016-2017~~ **\$3,730,300.00 FOR 2017-2018** for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated for each fiscal year the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction pursuant to section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be 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 shall not exceed the hourly rate received for driving a school bus. Reimbursement compensating the driver during the course of instruction shall be made by the department to the college or university or intermediate district providing the course of instruction.

(3) From the allocation in subsection (1), there is allocated for ~~2016-2017~~ **2017-2018** the amount necessary to pay the reasonable costs of nonspecial education auxiliary services transportation provided pursuant to section 1323 of the revised school code, MCL 380.1323. Districts funded under this subsection shall 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 ~~\$1,695,600.00 for 2016-2017~~ **\$1,705,300.00 FOR 2017-2018** 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 shall not exceed the amount allocated under this subsection. Notwithstanding section 17b, payments to eligible entities under this subsection shall be paid on a schedule prescribed by the department.

Sec. 81. (1) From the appropriation in section 11, there is allocated for ~~2016-2017~~ **2017-2018** to the intermediate districts the sum necessary, but not to exceed \$67,108,000.00 to provide state aid to intermediate districts under this section.

(2) ~~From the allocation in subsection (1), there is allocated for 2016-2017 an amount not to exceed \$67,108,000.00 for allocations~~ **THE AMOUNT ALLOCATED UNDER THIS SECTION** to each intermediate district ~~in IS~~ an amount equal to 100% of the amount allocated to the intermediate district under this subsection ~~for 2015-2016.~~ **SECTION FOR 2016-2017.** Funding provided under this section shall be used 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 ~~subsection (2)~~ **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 school district or the annexation of all of the constituent K-12 districts of a previously existing intermediate school 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 ~~subsection (2)~~ **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.
- (f) Comply with section 761 of the revised school code, MCL 380.761.

Sec. 94. (1) From the general fund appropriation in section 11, there is allocated to the department for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$250,000.00~~ **\$750,000.00** for efforts to increase the number of pupils who participate and succeed in advanced placement and international baccalaureate programs.

(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. Payments shall not exceed \$20.00 per test completed or \$150.00 per international baccalaureate registration fees per pupil registered.

(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, payments under this section shall be made 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 shall 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 ~~warehouses~~ **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 citizens 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 appropriation in section 11, there is allocated an amount not to exceed \$12,173,200.00 for 2016-2017 **\$12,216,000.00 FOR 2017-2018** 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 ~~2016-2017~~ **2017-2018** 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 ~~2016-2017~~ **2017-2018** 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 shall 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 shall receive 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. 95B. (1) FROM THE GENERAL FUND APPROPRIATION UNDER SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR 2017-2018 FOR THE DEPARTMENT TO DEVELOP A MODEL VALUE-ADDED GROWTH AND PROJECTION ANALYTICS SYSTEM AND TO INCORPORATE THAT MODEL INTO ITS REPORTING REQUIREMENTS UNDER THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95. THE ADOPTED MODEL SHALL 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.

(G) DEMONSTRATE ANY PRIOR SUCCESS WITH THIS STATE'S ASSESSMENTS THROUGH THE MICHIGAN COUNCIL OF EDUCATOR EFFECTIVENESS TEACHER EVALUATION PILOT.

(2) THE DEPARTMENT SHALL PROVIDE INTERNET-BASED ELECTRONIC STUDENT GROWTH AND PROJECTION REPORTING BASED ON THE MODEL ADOPTED UNDER SUBSECTION (1) TO EDUCATORS AT THE SCHOOL, DISTRICT, AND STATE LEVELS. THE MODEL SHALL 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 ADOPTED UNDER SUBSECTION (1) MUST NOT BE A MANDATORY PART OF TEACHER EVALUATION OR EDUCATOR PAY-FOR-PERFORMANCE SYSTEMS.

Sec. 98. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed \$7,387,500.00 ~~\$6,500,000.00~~ for ~~2016-2017~~ **2017-2018** for the purposes described in this section. The Michigan Virtual University shall provide a report to the legislature not later than November 1, ~~2016~~ **2017** that includes its mission, its plans, and proposed benchmarks it must meet, which shall include a plan to achieve a 50% increase in documented improvement in each requirement of the Michigan Virtual Learning Research Institute and Michigan Virtual School, and all other organizational priorities identified in this section, in order to receive full funding for ~~2017-2018~~ **2018-2019**. Not later than March 1, ~~2017~~ **2018**, 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 for educational performance and information 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 report shall be submitted 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, ~~2017~~ **2018**.

(v) ~~Before August 31, 2017, provide~~ **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, ~~2017~~ **2018**, 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 and percentage of teachers, school administrators, and school board members who have received professional development services from the Michigan Virtual University. The report shall 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) Research and establish an internet-based platform that educators can use to create student-centric learning tools and resources and facilitate a user network that assists educators in using the platform. 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 shall 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 completion rate for each virtual course.

(xi) Develop prototype and pilot registration, payment services, and transcript functionality to 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) ~~(4)~~ If the course offerings are included in the statewide catalog of virtual courses under subsection ~~(2)(b)(ix)~~, **(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) ~~(5)~~ 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) ~~(6)~~ 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) ~~(7)~~ In addition to the information listed in subsection ~~(6)~~; ~~(7)~~, the report under subsection ~~(6)~~; ~~(7)~~ shall 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) ~~(8)~~ The governor may appoint an advisory group for the Michigan Virtual Learning Research Institute established under subsection (2). The members of the advisory group shall serve at the pleasure of the governor and shall serve 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 citizens of this state with high-quality degrees and credentials to at least 60% by 2025.

(10) ~~(9)~~ Not later than November 1, ~~2016~~-~~2017~~, ~~2017~~-~~2018~~, 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 the ~~2016-2017~~-~~2017-2018~~ 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) ~~(10)~~ 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. 99C. FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FROM THE GENERAL FUND AN AMOUNT NOT TO EXCEED \$60,000.00 EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018 FOR THE PURPOSE OF CIVIC EDUCATION AS DESCRIBED IN THIS SECTION. THE DEPARTMENT SHALL ESTABLISH A COMPETITIVE GRANT PROCESS THAT AWARDS FUNDING TO NOT MORE THAN 1 PROVIDER FOR THE DELIVERY OF PROGRAMS THAT EXEMPLIFY BEST PRACTICES IN CIVIC EDUCATION. THE PROGRAMS SHALL TEACH UPPER ELEMENTARY, MIDDLE, AND HIGH SCHOOL PUPILS HOW TO PARTICIPATE RESPONSIBLY IN LOCAL AND STATE GOVERNMENT, AND SHALL PROVIDE UPPER ELEMENTARY, MIDDLE, AND HIGH SCHOOL PUPILS WITH AN INNOVATIVE COURSE OF INSTRUCTION ON THE HISTORY AND PRINCIPLES OF UNITED STATES CONSTITUTIONAL DEMOCRACY. THE GRANTEE ALSO SHALL PROVIDE SUPPORT TO ALL SCHOOLS IN THIS STATE BEYOND THOSE TARGETED FOR INTENSIVE PROGRAMMING FUNDED UNDER THIS SECTION THROUGH ITS WEBSITE, CONDUCT PRESENTATIONS AT STATEWIDE CONFERENCES, AND CONDUCT PRESENTATIONS AT DISTRICTS AND INTERMEDIATE DISTRICTS.

Sec. 99h. (1) From the STATE SCHOOL AID FUND appropriation in section 11, there is allocated an amount not to exceed \$2,500,000.00 for ~~2016-2017~~-~~2017-2018~~ for competitive grants to districts, **AND FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$300,000.00 FOR 2017-2018 FOR COMPETITIVE GRANTS TO NONPUBLIC SCHOOLS**, that provide pupils in grades 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. 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, grant payments to districts **AND NONPUBLIC SCHOOLS** under this section shall be paid on a schedule determined by the department. The department shall set maximum grant awards for each different level of 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 **OR NONPUBLIC SCHOOL** applying for a grant under this section shall submit an application in a form and manner determined by the department. To be eligible for a grant, a district **OR NONPUBLIC SCHOOL** shall demonstrate in its application that the district **OR NONPUBLIC SCHOOL** has established a partnership for the purposes of the FIRST Robotics program with at least 1 sponsor, business entity, higher education institution, or technical school, shall submit a spending plan, and shall pay at least 25% of the cost of the FIRST Robotics program.

(3) The department shall distribute the grant funding under this section for the following purposes:

(a) Grants to districts **OR NONPUBLIC SCHOOLS** to pay for stipends not to exceed \$1,500.00 for 1 coach per team.

(b) Grants to districts **OR NONPUBLIC SCHOOLS** for event registrations, materials, travel costs, and other expenses associated with the preparation for and attendance at FIRST Robotics events and competitions. Each grant recipient shall provide a local match from other private or local funds for the funds received under this subdivision equal to at least 50% of the costs of participating in an event.

(c) Grants to districts **OR NONPUBLIC SCHOOLS** for awards to teams that advance to the state and world championship competitions. The department shall determine an equal amount per team for those teams that advance to the state championship and a second equal award amount to those teams that advance to the world championship.

~~(4) The funds allocated under this section are a work project appropriation, and any unexpended funds for 2016-2017 are carried forward into 2017-2018. The purpose of the work project is to continue to implement the projects described under subsection (1). The estimated completion date of the work project is September 30, 2019.~~

(4) A NONPUBLIC SCHOOL THAT RECEIVES A GRANT UNDER THIS SECTION MAY USE THE FUNDS FOR EITHER FIRST ROBOTICS OR SCIENCE OLYMPIAD PROGRAMS.

SEC. 99R. (1) FROM THE GENERAL FUND APPROPRIATION UNDER SECTION 11, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$75,000.00, AND THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$250,000.00, TO SUPPORT THE CREATION OF THE MISTEM NETWORK.

(2) FROM THE GENERAL FUND ALLOCATION UNDER THIS SECTION, THERE IS ALLOCATED FOR 2016-2017 AN AMOUNT NOT TO EXCEED \$75,000.00 TO THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET TO SUPPORT THE FUNCTIONS OF A TRANSITIONAL EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT FOR THE MISTEM NETWORK. THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET SHALL WORK WITH THE MICHIGAN MATHEMATICS AND SCIENCE CENTERS NETWORK AND THE MISTEM COUNCIL TO HIRE THE TRANSITIONAL EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT. THE TRANSITIONAL EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT SHALL WORK WITH THE PRESIDENT AND EXECUTIVE DIRECTOR OF THE MICHIGAN MATHEMATICS AND SCIENCE CENTERS NETWORK AND THE CHAIRPERSON AND VICE-CHAIRPERSON OF THE MISTEM COUNCIL. THE TRANSITIONAL EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT SHALL DO ALL OF THE FOLLOWING:

(A) DEVELOP A PLAN FOR THE CREATION OF MISTEM NETWORK REGIONS THAT DOES ALL OF THE FOLLOWING:

(i) CREATES A STRUCTURED RELATIONSHIP BETWEEN THE MISTEM COUNCIL, MISTEM NETWORK EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT, AND MISTEM NETWORK REGION STAFF THAT ENSURES SERVICES TO ALL REGIONS AND LOCAL COMMUNITIES IN EACH REGION.

(ii) EMPOWERS THE MISTEM NETWORK REGIONS IN A MANNER THAT CREATES A ROBUST STATEWIDE STEM CULTURE, EMPOWERS STEM TEACHERS, INTEGRATES BUSINESS AND EDUCATION INTO THE MISTEM NETWORK, AND ENSURES HIGH-QUALITY AND EQUITABLE DISTRIBUTION OF STEM EXPERIENCES FOR PUPILS.

(iii) IDENTIFIES REGION BOUNDARIES THROUGHOUT THE STATE AND IDENTIFIES FISCAL AGENTS WITHIN THOSE REGIONS.

(iv) IDENTIFIES MISTEM STATE AND REGIONAL GOALS AND OBJECTIVES AND PROCESSES BY WHICH GOALS AND OBJECTIVES SHALL BE MEASURED.

(v) INCLUDES PROCESSES BY WHICH THE MISTEM NETWORK REGIONS APPLY FOR MISTEM GRANTS, PROVIDE FEEDBACK ON GRANT-FUNDED PROGRAMMING, SHARE BEST PRACTICES, AND CREATE REGIONAL MASTER PLANS.

(vi) CREATES A MARKETING CAMPAIGN, INCLUDING, AT LEAST, AN ONLINE PRESENCE WHICH INCLUDES DASHBOARDS OF OUTCOMES FOR THE MISTEM NETWORK.

(B) FORM A COMMITTEE FOR THE PURPOSE OF IDENTIFYING EACH MISTEM NETWORK REGION AND SELECTING A FISCAL AGENT AND DETERMINING STAFFING FOR THAT REGION. FISCAL AGENTS SHALL BE AN INTERMEDIATE DISTRICT WITHIN THE REGION, A UNIVERSITY WITHIN THE REGION, OR ANOTHER ORGANIZATION THAT SERVED AS FISCAL AGENT WITHIN THE MICHIGAN MATHEMATICS AND SCIENCE CENTERS NETWORK. AGENCIES INTERESTED IN SERVING AS THE REGION'S FISCAL AGENT SHALL BE INCLUDED ON THIS COMMITTEE. THE COMMITTEE SHALL ALSO INCLUDE REPRESENTATIVES OF THE GENERAL EDUCATION LEADERSHIP NETWORK AND THE GOVERNOR'S TALENT INVESTMENT BOARD, IN ADDITION TO THE MATH AND SCIENCE CENTERS AND MISTEM

COUNCIL. THE COMMITTEE SHALL IDENTIFY NECESSARY STAFFING LEVELS AND LOCATIONS OF STAFF AND DETERMINE PROCESSES BY WHICH THE ENTIRE REGION WILL RECEIVE AND SHARE SERVICES. ALL FISCAL AGENTS FOR THE MICHIGAN MATHEMATICS AND SCIENCE CENTERS NETWORK ARE REQUIRED TO MAINTAIN CURRENT LEVELS OF EFFORT FOR THE MISTEM NETWORK AS FOR THE MICHIGAN MATHEMATICS AND SCIENCE CENTERS NETWORK.

(C) DISTRIBUTE AND MONITOR MISTEM GRANTS DURING THE CREATION OF THE MISTEM NETWORK. THE MONITORING OF THE GRANTS SHALL INCLUDE CONDUCTING REVIEWS OF RECIPIENTS AND THE EXPERIENCES AND FEEDBACK OF PUPILS.

(D) REPORT TO THE GOVERNOR AND THE LEGISLATURE ON THE DEVELOPMENT OF THE MISTEM NETWORK.

(E) SUBMIT THE PLAN DEVELOPED UNDER SUBDIVISION (A) TO THE GOVERNOR AND THE LEGISLATURE ON OR BEFORE DECEMBER 1, 2017.

(F) HIRE ALL MISTEM NETWORK STAFF BETWEEN JANUARY 1, 2018 AND APRIL 1, 2018. HOWEVER, IF A MISTEM NETWORK WILL EMPLOY MICHIGAN MATHEMATICS AND SCIENCE CENTERS NETWORK STAFF, THOSE STAFF MAY BE HIRED AFTER APRIL 1, 2018.

(3) FROM THE GENERAL FUND ALLOCATION UNDER THIS SECTION, THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$250,000.00 TO SUPPORT A PERMANENT EXECUTIVE DIRECTOR AND AN EXECUTIVE ASSISTANT FOR THE MISTEM NETWORK. AFTER THE CREATION OF THE MISTEM NETWORK REGION, THE TRANSITIONAL EXECUTIVE DIRECTOR FUNDED UNDER SUBSECTION (2) MAY BE APPOINTED AS THE PERMANENT EXECUTIVE DIRECTOR, OR A NEW PERMANENT EXECUTIVE DIRECTOR MAY BE HIRED. THE PERMANENT EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT SHALL DO ALL OF THE FOLLOWING:

(A) SERVE AS A LIAISON AMONG AND BETWEEN THE DEPARTMENT, THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET, THE MISTEM ADVISORY COUNCIL, AND THE REGIONAL MISTEM CENTERS 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) 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, AND THE MISTEM ADVISORY COUNCIL ANNUALLY ON THE ACTIVITIES AND PERFORMANCE OF THE MISTEM NETWORK REGIONS.

(E) COORDINATE RECURRING DISCUSSIONS AND WORK WITH REGIONAL STAFF TO ENSURE THAT A NETWORK OR LOOP OF FEEDBACK AND BEST PRACTICES ARE SHARED, INCLUDING FUNDING, PROGRAMMING, PROFESSIONAL LEARNING OPPORTUNITIES, DISCUSSION OF MISTEM STRATEGIC VISION, AND REGIONAL OBJECTIVES.

(F) COORDINATE MAJOR GRANT APPLICATION EFFORTS WITH THE MISTEM ADVISORY COUNCIL TO ASSIST REGIONAL STAFF WITH GRANT APPLICATIONS ON A LOCAL LEVEL. THE MISTEM ADVISORY COUNCIL SHALL LEVERAGE PRIVATE AND NONPROFIT RELATIONSHIPS TO COORDINATE AND ALIGN PRIVATE FUNDS IN ADDITION TO FUNDS APPROPRIATED UNDER THIS SECTION.

(G) TRAIN STATE AND REGIONAL STAFF IN THE STEMWORKS RATING SYSTEM.

Sec. 99s. (1) From the funds appropriated under section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$3,000,000.00~~ **\$6,234,300.00** from the state school aid fund appropriation and an amount not to exceed ~~\$1,300,000.00~~ **\$1,600,000.00** from the general fund appropriation for Michigan science, technology, engineering, and mathematics (MiSTEM) programs. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount estimated at ~~\$5,249,300.00~~ **\$4,700,000.00** from DED-OESE, title II, mathematics and science partnership grants. Programs funded under this section are intended to increase the number of pupils demonstrating proficiency in science and mathematics on the state assessments and to increase the number of pupils who are college- and career-ready upon high school graduation. **NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

(2) From the general fund allocation in subsection (1), there is allocated an amount not to exceed \$50,000.00 to the department for administrative, training, and travel costs related to the MiSTEM advisory council. All of the following apply to the MiSTEM advisory council funded under this subsection:

(a) The MiSTEM advisory council is created. The MiSTEM advisory council shall provide to the governor, legislature, department of talent and economic development, 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) shall consist 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 shall serve 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.

(c) Each member of the MiSTEM advisory council shall serve without compensation.

(d) The MiSTEM advisory council **ANNUALLY** shall ~~recommend~~ **REVIEW AND MAKE RECOMMENDATIONS** to the governor, the legislature, and the department ~~a~~ **CONCERNING CHANGES TO THE** statewide strategy **ADOPTED BY THE COUNCIL** for delivering STEM education-related opportunities to pupils, ~~and objective criteria for determining preferred STEM programs.~~ The MiSTEM advisory council shall use funds received under this subsection to ~~purchase training for~~ **ENSURE THAT** its members or their designees ~~from~~ **ARE TRAINED IN** the Change the Equation STEMworks rating system program for the purpose of rating STEM programs.

(e) ~~Not later than October 15 of each fiscal year, the MiSTEM advisory council shall provide STEM quality ratings for programs recommended for funding under subsection (3).~~ The MiSTEM advisory council shall make specific funding recommendations for the funds allocated under subsection (3) by December 15 of each fiscal year. The amount of each grant recommended shall not exceed ~~\$250,000.00~~ **\$100,000.00**. **EACH SPECIFIC FUNDING RECOMMENDATION SHALL BE FOR A PROGRAM APPROVED BY THE MISTEM ADVISORY COUNCIL. TO BE ELIGIBLE FOR MISTEM ADVISORY COUNCIL APPROVAL, 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.**

(F) THE MISTEM ADVISORY COUNCIL SHALL APPROVE PROGRAMS THAT 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.**

(G) THE MISTEM ADVISORY COUNCIL IS ENCOURAGED TO WORK WITH THE MISTEM NETWORK REGIONS TO DEVELOP LOCALLY AND REGIONALLY DEVELOPED PROGRAMS AND PROFESSIONAL DEVELOPMENT EXPERIENCES FOR THE PROGRAMS ON THE LIST OF APPROVED PROGRAMS.

(H) (f) If the MiSTEM advisory council is unable to make specific funding recommendations by December 15 of a fiscal year, the department **OF TECHNOLOGY, MANAGEMENT, AND BUDGET SHALL AWARD AND THE DEPARTMENT** shall distribute the funds allocated under subsection (3) on a competitive grant basis that at least follows the ~~quality guidelines and priority areas~~ **STATEWIDE STEM STRATEGY PLAN AND RATING SYSTEM** recommended by the MiSTEM advisory council. Each grant shall not exceed ~~\$250,000.00~~ **\$100,000.00** and must provide STEM education-related opportunities for pupils.

(I) (g) The MiSTEM advisory council shall work with ~~directors of mathematics and science centers~~ **THE EXECUTIVE DIRECTOR OF THE MISTEM NETWORK** funded under subsection ~~(4)~~ **SECTION 99R** to connect educators with businesses, workforce developers, economic developers, community colleges, and universities. **IMPLEMENT THE STATEWIDE STEM STRATEGY ADOPTED BY THE MISTEM ADVISORY COUNCIL.**

(3) From the ~~general~~ **STATE SCHOOL AID** fund money allocated under subsection (1), there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$1,000,000.00~~ **\$2,850,000.00** for the purpose of funding programs under this section for ~~2016-2017, 2017-2018~~, as recommended by the MiSTEM advisory council.

(4) From the state school aid fund allocation under subsection (1), there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$2,750,000.00~~ **\$3,299,300.00** to support the activities and programs of mathematics and science centers. In addition, from the federal funds allocated under subsection (1), there is allocated for ~~2016-2017~~ **2017-2018** an amount estimated at ~~\$5,249,300.00~~ **\$4,700,000.00** from DED-OESE, title II, mathematics and science partnership grants, for the purposes of this subsection. All of the following apply to the programs and funding under this subsection:

(a) Within a service area designated locally, approved by the department, and consistent with the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board, an established mathematics and science center shall provide 2 or more of the following 6 basic services, as described in the master plan, to constituent districts and communities: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services.

(b) The department shall not award a state grant under this subsection to more than 1 mathematics and science center located in a designated region as prescribed in the 2007 master plan unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the designated region.

(c) As part of the technical assistance process, the department shall provide minimum standard guidelines that may be used by the mathematics and science center for providing fair access for qualified pupils and professional staff as prescribed in this subsection.

(d) Allocations under this subsection to support the activities and programs of mathematics and science centers shall be continuing support grants to all 33 established mathematics and science centers. For ~~2016-2017~~, **2017-2018**, each established mathematics and science center shall receive state funding in an amount equal to 100% of the amount it was allocated under former section 99 for 2014-2015. If a center declines state funding or a center closes, the remaining money available under this subsection shall be distributed to the remaining centers, as determined by the department.

(e) From the funds allocated under this subsection, the department shall distribute for ~~2016-2017~~ **2017-2018** an amount not to exceed \$750,000.00 in a form and manner determined by the department to those centers able to provide curriculum and professional development support to assist districts in implementing the Michigan merit curriculum components for mathematics and science. Funding under this subdivision is in addition to funding allocated under subdivision (d).

(F) IT IS THE INTENT OF THE LEGISLATURE THAT THE FUNDING ALLOCATED UNDER THIS SUBSECTION REPRESENTS THE FINAL YEAR OF FUNDING FOR MATHEMATICS AND SCIENCE CENTERS AND THAT MATHEMATICS AND SCIENCE CENTERS SHALL NOT BE FUNDED IN 2018-2019.

(5) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$85,000.00 TO THE MICHIGAN MATHEMATICS AND SCIENCE CENTERS NETWORK TO REIMBURSE INTERMEDIATE SCHOOL DISTRICTS FOR TRANSITION COSTS INCURRED AS THE CENTERS TRANSITION TO MISTEM NETWORK REGIONS.

(6) FROM THE GENERAL FUND ALLOCATION UNDER SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,400,000.00 TO THE MISTEM NETWORK REGIONS. FOR 2017-2018, EACH ESTABLISHED MISTEM NETWORK REGION SHALL RECEIVE FUNDING UNDER THIS SUBSECTION IN AN AMOUNT EQUAL TO 50% OF THE STATE FUNDING AMOUNT ALLOCATED FOR 2017-2018 TO THE MATHEMATICS AND SCIENCE CENTERS LOCATED WITHIN THAT REGION TO ALLOW THE MISTEM NETWORK REGION TO BEGIN OPERATING BY APRIL 1, 2018. FOR FORMER MATHEMATICS AND SCIENCE CENTERS WITH TERRITORY IN MORE THAN 1 MISTEM NETWORK REGION, THE AMOUNT ALLOCATED SHALL BE DIVIDED PROPORTIONALLY.

(7) A MISTEM NETWORK REGION SHALL DO ALL OF THE FOLLOWING:

(A) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT IS LOCATED IN THE PROSPERITY 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 CONTENT 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 DEVELOPMENT.

(F) COORDINATE RECURRING DISCUSSIONS AND WORK WITH THE TALENT DISTRICT CAREER COUNCIL TO ENSURE THAT FEEDBACK AND BEST PRACTICES ARE BEING SHARED, INCLUDING FUNDING, PROGRAM, PROFESSIONAL LEARNING OPPORTUNITIES, AND REGIONAL STRATEGIC PLANS.

(8) (f)In order to receive state or federal funds under this subsection **(4) OR (6)**, a grant recipient shall 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.

~~(g) Not later than September 30, 2017, the department shall work with the MiSTEM advisory council to revise the comprehensive master plan described in subdivision (a) to ensure that the comprehensive master plan is in compliance with the statewide strategy developed by the council under subsection (2)(d). The comprehensive master plan shall include a review of the feasibility of consolidating and reducing the number of mathematics and science centers.~~

~~(h) The department shall give preference in awarding the federal grants allocated under this subsection to eligible existing mathematics and science centers.~~

~~(9) (i) In order to receive state funds under this subsection (4) OR (6), a grant recipient shall provide at least a 10% local match from local public or private resources for the funds received under this subsection.~~

~~(10) (j) Not later than JULY 1, 2019 AND July 1 of each year THEREAFTER, a mathematics and science center MISTEM NETWORK REGION that receives funds under this subsection (6) shall report to the department EXECUTIVE DIRECTOR OF THE MISTEM NETWORK in a form and manner prescribed by the department on the following performance measures:~~

~~(i) Statistical change in pre- and post-assessment scores for students who enrolled in mathematics and science activities provided to districts by the mathematics and science center.~~

~~(ii) Statistical change in pre- and post-assessment scores for teachers who enrolled in professional development activities provided by the mathematics and science center.~~
EXECUTIVE DIRECTOR ON PERFORMANCE MEASURES DEVELOPED BY THE MISTEM NETWORK REGIONS AND APPROVED BY THE EXECUTIVE DIRECTOR. THE PERFORMANCE MEASURES SHALL BE DESIGNED TO ENSURE THAT THE ACTIVITIES OF THE MISTEM NETWORK ARE IMPROVING STUDENT ACADEMIC OUTCOMES.

~~(11) NOT MORE THAN 5% OF A MISTEM NETWORK REGION GRANT UNDER SUBSECTION (6) MAY BE RETAINED BY A FISCAL AGENT FOR SERVING AS THE FISCAL AGENT OF A MISTEM NETWORK REGION.~~

~~(12) (k) As used in this subsection:~~**SECTION:**

~~(A) (i) “DED” means the United States Department of Education.~~

~~(B) (ii) “DED-OESE” means the DED Office of Elementary and Secondary Education.~~

~~(C) “STEM” MEANS SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS DELIVERED IN AN INTEGRATED FASHION USING CROSS-DISCIPLINARY LEARNING EXPERIENCES THAT CAN INCLUDE LANGUAGE ARTS, PERFORMING AND FINE ARTS, AND CAREER AND TECHNICAL EDUCATION.~~

~~(D) “TALENT DISTRICT CAREER COUNCIL” MEANS AN ADVISORY COUNCIL TO THE LOCAL WORK-FORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR, AND PARENT REPRESENTATIVES.~~

~~(5) From the allocations under subsection (1), there is allocated an amount not to exceed \$250,000.00 for 2016-2017 for competitive grants to districts that provide pupils in grades K to 12 with expanded opportunities in science education and skills by participating in events and competitions hosted by Science Olympiad. All of the following apply to the grant funding under this subsection:~~

~~(a) A district applying for a grant under this subsection shall submit an application in the form and manner determined by the department not later than November 15, 2016. The department shall select districts for grants and make notification not later than December 15, 2016. To be eligible for a grant, a district shall pay at least 25% of the cost of participating in the Science Olympiad program.~~

~~(b) The department shall distribute the grant funding allocated under this subsection for the following purposes:~~

~~(i) Grants to districts of up to \$800.00 per new elementary team.~~

~~(ii) Grants to districts of up to \$400.00 per established elementary team.~~

~~(iii) Grants to districts of up to \$1,600.00 per new secondary team.~~

~~(iv) Grants to districts of up to \$800.00 per established secondary team.~~

~~(13) (6) From the general fund allocation under subsection (1), there is allocated an amount not to exceed \$250,000.00 \$150,000.00 for 2016-2017 for a grant to the Van Andel Education Institute for the purposes of advancing and promoting science education and increasing the number of students who choose to pursue careers in science or science-related fields. Funds allocated under this subsection shall be used to provide professional development for science teachers in using student-driven, inquiry-based instruction.~~

~~(14) NOT LATER THAN JANUARY 1, 2019, THE EXECUTIVE DIRECTOR OF THE MISTEM CENTERS NETWORK SHALL REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND THE HOUSE AND SENATE FISCAL AGENCIES ON THE NUMBER OF MALE AND FEMALE MISTEM CENTER PROGRAM PARTICIPANTS AND THE STEPS, IF ANY, THAT THE MISTEM CENTERS ARE TAKING TO REDUCE ANY DISPARITY BETWEEN THE NUMBER OF MALE AND FEMALE PARTICIPANTS.~~

~~Sec. 99t. (1) From the general fund appropriation under section 11, there is allocated an amount not to exceed \$1,500,000.00 for 2016-2017 \$1,100,000.00 FOR 2017-2018 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 choose the online algebra tool by October 1, 2016.

SEC. 99U. FROM THE GENERAL FUND APPROPRIATION UNDER SECTION 11, THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$1,000,000.00 TO PURCHASE STATEWIDE ACCESS TO AN ONLINE MATHEMATICS TOOL THAT MEETS ALL OF THE FOLLOWING:

(A) PROVIDES STUDENTS STATEWIDE WITH COMPLETE ACCESS TO MATHEMATICS SUPPORT ALIGNED WITH STATE STANDARDS THROUGH A PROGRAM THAT HAS ALL OF THE FOLLOWING ELEMENTS:

(i) STUDENT MOTIVATION.

(ii) VALID AND RELIABLE ASSESSMENTS.

(iii) PERSONALIZED LEARNING PATHWAYS.

(iv) HIGHLY QUALIFIED, LIVE TEACHERS AVAILABLE ALL DAY AND ALL YEAR.

(v) TWENTY-FOUR-HOUR REPORTING.

(vi) CONTENT BUILT FOR RIGOROUS MATHEMATICS.

(B) HAS A RECORD OF IMPROVING STUDENT MATHEMATICS SCORES IN AT LEAST 5 OTHER STATES.

Sec. 102d. (1) From the funds appropriated in section 11, there is allocated an amount not to exceed \$1,500,000.00 for ~~2016-2017~~ **2017-2018** for reimbursements to districts and intermediate districts for the licensing of school data analytical tools as described under this section. The reimbursement is for districts and intermediate districts that choose to use a school data analytical tool to assist the district or intermediate district and that enter into a licensing agreement for a school data analytical tool with 1 of the vendors approved by the department of technology, management, and budget under subsection (2). Funds allocated under this section are intended to provide districts and intermediate districts with financial forecasting and transparency reporting tools to help improve the financial health of districts and to improve communication with the public, resulting in increased fund balances for districts and intermediate districts.

(2) Not later than October 15, ~~2016-~~**2017**, the department of technology, management, and budget shall review vendors for school data analytical tools and provide districts and intermediate districts with a list of up to 2 approved vendors that districts and intermediate districts may use to be eligible for a reimbursement paid under this section. In addition, a vendor approved under this section for ~~2015-2016~~ **2016-2017** is considered to be approved for use by a district or intermediate district and for reimbursement for ~~2016-2017-~~**2017-2018**. An approved school data analytical tool supplied by the vendor must meet at least all of the following:

(a) Analyzes financial data.

(b) Analyzes academic data.

(c) Provides early warning indicators of financial stress.

(d) Has the capability to provide peer district comparisons of both financial and academic data.

(e) Has the capability to provide financial projections for at least 3 subsequent fiscal years.

(3) Funds allocated under this section shall be paid to districts and intermediate districts as a reimbursement for already having a licensing agreement or for entering into a licensing agreement not later than December 1, ~~2016-~~**2017** with a vendor approved under subsection (2) to implement a school data analytical tool. Reimbursement will be prorated for the portion of the state fiscal year not covered by the licensing agreement. However, a licensing agreement that takes effect after October 1, ~~2016~~ **2017** and before December 1, ~~2016-~~**2017** will not be prorated if the term of the agreement is at least 1 year. Reimbursement under this section shall be made as follows:

(a) All districts and intermediate districts seeking reimbursement shall submit requests not later than December 1, ~~2016-~~**2017** indicating the cost paid for the financial data analytical tool.

(b) The department shall determine the sum of the funding requests under subdivision (a) and, if there are sufficient funds, shall pay 1/2 of the costs submitted under subdivision (a). If there are insufficient funds to pay 1/2 of the costs submitted under (a), then reimbursement shall be made on an equal percentage basis.

(c) Funds remaining after the calculation and payment under subdivision (b) shall be distributed on an equal per-pupil basis, with an intermediate district's pupils considered to be the sum of the pupil memberships of the constituent districts for which the intermediate district is purchasing the financial data analytical tool.

(d) The reimbursement to a district or intermediate district shall not be greater than the amount paid for a data analytics application.

(e) A district or intermediate district shall not be reimbursed for the purchase of more than 1 software application.

(4) IF AN INTERMEDIATE DISTRICT PURCHASES BOTH A SCHOOL DATA ANALYTICAL TOOL SPECIFICALLY FOR INTERMEDIATE DISTRICT FINANCES AND A SCHOOL DATA ANALYTICAL TOOL FOR THOSE CONSTITUENT DISTRICTS THAT OPT IN, THE INTERMEDIATE DISTRICT SHALL BE REIMBURSED FOR BOTH PURCHASES UNDER THIS SECTION.

(5) IF AN INTERMEDIATE DISTRICT MAKES AVAILABLE TO 1 OR MORE OF ITS CONSTITUENT DISTRICTS A SCHOOL DATA ANALYTICAL TOOL FUNDED UNDER THIS SECTION, THAT CONSTITUENT DISTRICT SHALL NOT BE REIMBURSED UNDER THIS SECTION FOR THE PURCHASE OF THAT SCHOOL DATA ANALYTICAL TOOL IF THE CONSTITUENT DISTRICT HAS OPTED IN FOR THAT TOOL.

(6) (~~4~~)Notwithstanding section 17b, payments under this section shall be made on a schedule determined by the department.

Sec. 104. (1) In order to receive state aid under this article, a district shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 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 ~~2016-2017~~**2017-2018** an amount not to exceed ~~\$33,894,400.00~~**\$34,709,400.00** 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 ~~2016-2017~~**2017-2018** 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 federal no child left behind act of 2001, Public Law 107-110, or 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, shall 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) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

~~(4) From the allocation in subsection (1), there is allocated an amount not to exceed \$185,000.00 for the implementation of a kindergarten readiness assessment pilot project in 2016-2017. The funding would be allocated to an intermediate district located in a prosperity region with 2 or more subregions to participate in the Maryland-Ohio pilot and cover the cost of a contract with a university for implementation of version 1.75 of the kindergarten readiness assessment tool. The kindergarten readiness assessment pilot shall assess an estimated 4,000 children, and the designated intermediate district shall work with other intermediate districts to implement the pilot project, engage with the office of great start and the department, and provide a report to the legislature on the efficacy and usefulness of a kindergarten readiness assessment. Allowable costs under this pilot program include those incurred in August and September 2016.~~

(4) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2017-2018 TO AN INTERMEDIATE DISTRICT DESCRIBED IN THIS SUBSECTION TO IMPLEMENT A MICHIGAN KINDERGARTEN ENTRY OBSERVATION TOOL IN 2017-2018. THE FUNDING UNDER THIS SUBSECTION IS ALLOCATED TO AN INTERMEDIATE DISTRICT IN PROSPERITY REGION 9 WITH AT LEAST 3,000 KINDERGARTEN PUPILS ENROLLED IN ITS CONSTITUENT DISTRICTS TO CONTINUE PARTICIPATION IN THE MARYLAND-OHIO PILOT AND COVER THE COSTS OF IMPLEMENTING THE PILOT OBSERVATION TOOL, INCLUDING A CONTRACT WITH A UNIVERSITY FOR IMPLEMENTATION OF THE PILOT OBSERVATION TOOL. THE INTERMEDIATE DISTRICT SHALL CONTINUE IMPLEMENTATION OF THE 2016-2017 PILOT STUDY WITH EXISTING PARTICIPATING INTERMEDIATE DISTRICTS DURING THE 2017-2018 SCHOOL YEAR. THE MICHIGAN KINDERGARTEN ENTRY OBSERVATION SHALL BE CONDUCTED IN ALL KINDERGARTEN CLASSROOMS IN DISTRICTS LOCATED IN PROSPERITY REGIONS 4, 5, AND 9 BEGINNING IN AUGUST 2018. A CONSTITUENT DISTRICT OF AN INTERMEDIATE DISTRICT LOCATED WITHIN PROSPERITY REGION 4, 5, OR 9 SHALL ADMINISTER THE MARYLAND-OHIO TOOL WITHIN EACH KINDERGARTEN CLASSROOM TO EITHER THE FULL CENSUS OF KINDERGARTEN PUPILS OR A REPRESENTATIVE SAMPLE OF NOT LESS THAN 35% OF THE ENROLLED KINDERGARTEN PUPILS IN EACH CLASSROOM. THE INTERMEDIATE DISTRICT RECEIVING THE FUNDING ALLOCATED UNDER THIS SUBSECTION SHALL WORK WITH OTHER INTERMEDIATE DISTRICTS TO IMPLEMENT THE MICHIGAN KINDERGARTEN ENTRY OBSERVATION, ENGAGE WITH THE OFFICE OF GREAT START AND THE DEPARTMENT, AND PROVIDE A REPORT TO THE LEGISLATURE ON THE DEMONSTRATED READINESS OF KINDERGARTEN PUPILS WITHIN THE PARTICIPATING INTERMEDIATE DISTRICTS. THAT INTERMEDIATE DISTRICT MAY SHARE THIS FUNDING WITH THE OTHER AFFECTED INTERMEDIATE DISTRICTS AND DISTRICTS. ALLOWABLE COSTS UNDER THIS SUBSECTION INCLUDE THOSE INCURRED IN JULY, AUGUST, AND SEPTEMBER 2017 AS WELL AS THOSE INCURRED IN 2017-2018. AS USED IN THIS SUBSECTION, "KINDERGARTEN" MAY INCLUDE A CLASSROOM FOR YOUNG 5-YEAR-OLDS, COMMONLY

REFERRED TO AS “YOUNG 5S” OR “DEVELOPMENTAL KINDERGARTEN”. THE DEPARTMENT SHALL APPROVE THE LANGUAGE AND LITERACY DOMAIN WITHIN THE MARYLAND-OHIO TOOL, ALSO REFERRED TO AS THE “KINDERGARTEN READINESS ASSESSMENT”, FOR USE BY DISTRICTS AS AN INITIAL ASSESSMENT THAT MAY BE DELIVERED TO ALL KINDERGARTEN STUDENTS TO ASSIST WITH IDENTIFYING ANY POSSIBLE AREA OF CONCERN FOR A STUDENT IN ENGLISH LANGUAGE ARTS.

(5) The department shall continue to make the kindergarten entry assessment developed by the department and field tested in 2015-2016 available to districts in ~~2016-2017~~**2017-2018**.

(6) 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.

(7) Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(8) From the allocation in subsection (1), there is allocated an amount not to exceed \$3,200,000.00 for the development or selection 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.

~~(9) From the allocation in subsection (1), there is allocated an amount not to exceed \$5,600,000.00 for the purpose of implementing a summative assessment system pursuant to section 104c.~~

~~(9) (10)~~ 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. 104c. (1) In order to receive state aid under this article, a district shall administer the state assessments described in this section.

(2) For the purposes of this section, the department shall develop for use in the spring of 2015-2016 the Michigan student test of educational progress (M-STEP) assessments in English language arts and mathematics. These assessments shall be aligned to state standards.

(3) For the purposes of this section, the department shall implement a summative assessment system that is proven to be valid and reliable for administration to pupils as provided under this subsection. The summative assessment system shall meet all of the following requirements:

(a) The summative assessment system shall measure student proficiency on the current state standards, shall measure student growth for consecutive grade levels in which students are assessed in the same subject area in both grade levels, and shall be capable of measuring individual student performance.

(b) The summative assessments for English language arts and mathematics shall be administered to all public school pupils in grades 3 to 11, including those pupils as required by the federal individuals with disabilities education act, Public Law 108-446, and by title I of the federal elementary and secondary education act.**EVERY STUDENT SUCCEEDS ACT (ESSA), PUBLIC LAW 114-95.**

(c) The summative assessments for science shall be administered to all public school pupils in at least grades 4 and 7, including those pupils as required by the federal individuals with disabilities education act, Public Law 108-446, and by title I of the federal elementary and secondary education act.**EVERY STUDENT SUCCEEDS ACT (ESSA), PUBLIC LAW 114-95.**

(d) The summative assessments for social studies shall be administered to all public school pupils in at least grades 5 and 8, including those pupils as required by the federal individuals with disabilities education act, Public Law 108-446, and by title I of the federal elementary and secondary education act.**EVERY STUDENT SUCCEEDS ACT (ESSA), PUBLIC LAW 114-95.**

(e) The content of the summative assessments shall be aligned to state standards.

(f) The pool of questions for the summative assessments shall be subject to a transparent review process for quality, bias, and sensitive issues involving educator review and comment. The department shall post samples from tests or retired tests featuring questions from this pool for review by the public.

(g) The summative assessment system shall ensure that students, parents, and teachers are provided with reports that convey individual student proficiency and growth on the assessment and that convey individual student domain-level performance in each subject area, including representative questions, and individual student performance in meeting state standards.

(h) The summative assessment system shall be capable of providing, and the department shall ensure that students, parents, teachers, administrators, and community members are provided with, reports that convey aggregate student proficiency and growth data by teacher, grade, school, and district.

(i) The summative assessment system shall ensure the capability of reporting the available data to support educator evaluations.

(j) The summative assessment system shall ensure that the reports provided to districts containing individual student data are available within 60 days after completion of the assessments.

(k) The summative assessment system shall ensure that access to individually identifiable student data meets all of the following:

(i) Is in compliance with 20 USC 1232g, commonly referred to as the family educational rights and privacy act of 1974.

(ii) Except as may be provided for in an agreement with a vendor to provide assessment services, as necessary to support educator evaluations pursuant to subdivision (i), or for research or program evaluation purposes, is available only to the student; to the student's parent or legal guardian; and to a school administrator or teacher, to the extent that he or she has a legitimate educational interest.

(l) The summative assessment system shall ensure that the assessments are pilot tested before statewide implementation.

(m) The summative assessment system shall ensure that assessments are designed so that the maximum total combined length of time that schools are required to set aside for a pupil to answer all test questions on all assessments that are part of the system for the pupil's grade level does not exceed that maximum total combined length of time for the previous statewide assessment system or 9 hours, whichever is less. This subdivision does not limit the amount of time a district may allow a pupil to complete a test.

(n) The total cost of executing the summative assessment system statewide each year, including, but not limited to, the cost of contracts for administration, scoring, and reporting, shall not exceed an amount equal to 2 times the cost of executing the previous statewide assessment after adjustment for inflation.

(4) IN AN EFFORT TO DEVELOP A COHESIVE STATE ASSESSMENT SYSTEM, THE DEPARTMENT SHALL IMPLEMENT A REQUEST FOR INFORMATION PROCESS FOR A COMMON FORMATIVE ASSESSMENT SYSTEM THAT IS FULLY ALIGNED TO THIS STATE'S CONTENT STANDARDS FOR ENGLISH LANGUAGE ARTS AND MATHEMATICS. THE DEPARTMENT MAY USE INFORMATION COMPILED FROM A REQUEST FOR PROPOSAL IN 2016-2017 TO SATISFY THIS REQUEST.

(5) ~~(4)~~ Beginning in the 2015-2016 school year, the department shall field test assessments in the fall and spring of each school year to measure English language arts and mathematics in each of grades K to 2 for full implementation when the assessments have been successfully field tested. This full implementation shall occur not later than the 2018-2019 school year. These assessments are necessary to determine a pupil's proficiency level before grade 3.

(6) NOT LATER THAN OCTOBER 1, 2017, THE DEPARTMENT SHALL ISSUE A REQUEST FOR PROPOSALS FOR A STATEWIDE SUMMATIVE ASSESSMENT. THE STATEWIDE SUMMATIVE ASSESSMENT SHALL MEET ALL OF THE FOLLOWING:

(A) ASSESSES ALL OF GRADES 3 THROUGH 7 IN MATH AND ENGLISH LANGUAGE ARTS.

(B) IS ALIGNED WITH THIS STATE'S CONTENT STANDARDS.

(C) GENERATES A SCALED SCORE USING THE FEWEST NUMBER OF TESTING ITEMS NECESSARY TO SUFFICIENTLY MEASURE BUILDING LEVEL ACHIEVEMENT BASED ON THIS STATE'S CONTENT STANDARDS.

(D) IS PROVEN TO BE A VALID AND RELIABLE MEASUREMENT OF BUILDING LEVEL ACHIEVEMENT.

(E) DOES NOT EXCEED 3 HOURS IN DURATION ON AVERAGE FOR AN INDIVIDUAL PUPIL TO COMPLETE THE COMBINED ADMINISTRATION OF THE MATH AND ENGLISH LANGUAGE ARTS PORTIONS OF THE TEST FOR ANY 1 GRADE LEVEL.

(7) NOT LATER THAN JANUARY 1, 2018, THE DEPARTMENT SHALL APPROVE 1 STATEWIDE SUMMATIVE ASSESSMENT THAT WAS INCLUDED IN A RESPONSE TO THE REQUEST FOR PROPOSALS UNDER SUBSECTION (6) OR DEVELOP THE DEPARTMENT'S OWN ASSESSMENT THAT MEETS THE REQUIREMENTS UNDER SUBSECTION (6).

(8) NOT LATER THAN OCTOBER 1, 2017, THE DEPARTMENT SHALL ISSUE A REQUEST FOR PROPOSALS FOR NOT LESS THAN 3 BENCHMARK ASSESSMENTS THAT EACH MEET ALL OF THE FOLLOWING:

(A) ASSESSES ALL OF GRADES 3 THROUGH 7 IN MATH AND ENGLISH LANGUAGE ARTS.

(B) IS ALIGNED WITH THIS STATE'S CONTENT STANDARDS SUCH THAT ITEMS WERE WRITTEN FOR THIS STATE'S CONTENT STANDARDS.

(C) IS COMPUTER ADAPTIVE ABOVE AND BELOW GRADE LEVEL.

(D) PRODUCES A PUPIL'S RESULTS IN NOT MORE THAN 48 HOURS FROM THE TIME THE BENCHMARK ASSESSMENT IS ADMINISTERED.

(E) IS SELF-SCORING.

(F) ALIGNS TO THIS STATE'S CONTENT STANDARDS.

(G) MEASURES THE ACADEMIC GROWTH OF PUPILS AND PROVIDES AN ESTIMATE FOR ADEQUATE YEARLY GROWTH.

(H) DEMONSTRATES VALIDITY AND RELIABILITY AS APPROPRIATE FOR A COMPUTER ADAPTIVE ASSESSMENT.

(9) NOT LATER THAN JANUARY 1, 2018 AND IN CONSULTATION WITH EXPERTS IN THE FIELD OF EDUCATION AND EDUCATIONAL ASSESSMENT MEASUREMENT, THE DEPARTMENT SHALL APPROVE AT LEAST 2 BENCHMARK ASSESSMENTS THAT WERE INCLUDED IN A RESPONSE TO THE REQUEST FOR PROPOSALS UNDER SUBSECTION (8) AND MEET THE REQUIREMENTS DESCRIBED IN SUBSECTION (8).

(10) THE DEPARTMENT IS NOT PRECLUDED FROM APPROVING A STATEWIDE SUMMATIVE ASSESSMENT UNDER SUBSECTION (7) AND A BENCHMARK ASSESSMENT UNDER SUBSECTION (9) THAT ARE PROVIDED BY THE SAME VENDOR. THE SUMMATIVE ASSESSMENT SHALL NOT BE A BENCHMARK ASSESSMENT.

(11) ~~(5)~~-This section does not prohibit districts from adopting interim assessments.

(12) ~~(6)~~-As used in this section, “English language arts” means that term as defined in section 104b.

Sec. 104d. (1) From the state school aid fund money appropriated in section 11, there is allocated for ~~2016-2017~~**2017-2018** an amount not to exceed \$4,000,000.00 for providing reimbursement to districts that purchase a computer-adaptive test, or that purchase 1 or more diagnostic tools, screening tools, or benchmark assessments for pupils in grades K to 3 that are intended to increase reading proficiency by grade 4.

(2) In order to receive reimbursement under this section for the purchase of a computer-adaptive test, the computer-adaptive test must provide for at least all of the following:

(a) Internet-delivered, standards-based assessment using a computer-adaptive model to target the instructional level of each pupil.

(b) Unlimited testing opportunities throughout the ~~2016-2017~~**2017-2018** school year.

(c) Valid and reliable diagnostic assessment data.

(d) Adjustment of testing difficulty based on previous answers to test questions.

(e) Immediate feedback to pupils and teachers.

(3) In order to receive reimbursement under this section for the purchase of 1 or more diagnostic tools or screening tools for pupils in grades K to 3, each of the tools must meet all of the following:

(a) Be reliable.

(b) Be valid.

(c) Be useful. As used in this subdivision, “useful” means that a tool is easy to administer and requires a short time to complete and that results are linked to intervention.

(4) In order to receive funding under this section for the purchase of 1 or more benchmark assessments for pupils in grades K to 3, each of the benchmark assessments must meet all of the following:

(a) Be aligned to the state standards of this state.

(b) Complement this state’s summative assessment system.

(c) Be administered at least once a year before the administration of any summative assessment to monitor pupil progress.

(d) Provide information on pupil achievement with regard to learning the content required in a given year or grade span.

(5) Reimbursement under this section shall be made to eligible districts that purchase a computer-adaptive test or 1 or more diagnostic tools, screening tools, or benchmark assessments described in this section by October 15, ~~2016~~**2017** and shall be made on an equal per-pupil basis according to the available funding, based on the number of pupils for whom assessments were purchased.

(6) In order to receive reimbursement under this section, a district shall demonstrate to the satisfaction of the department that each qualifying computer-adaptive test, diagnostic tool, screening tool, or benchmark assessment was purchased by the district by December 1, ~~2016~~**2017**.

SEC. 104E. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 FOR THE IMPLEMENTATION OF AN ASSESSMENT DIGITAL LITERACY PREPARATION PILOT PROJECT FOR PUPILS ENROLLED IN GRADES K TO 8. THE DEPARTMENT SHALL ENSURE THAT A PILOT PROJECT FUNDED UNDER THIS SUBSECTION SATISFIES ALL OF THE FOLLOWING:

(A) IS AVAILABLE TO DISTRICTS IN THE 2017-2018 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 220 DISTRICTS THAT OPERATE GRADES K TO 8 AND THAT REPRESENT A DIVERSE GEOGRAPHY AND SOCIO-ECONOMIC DEMOGRAPHIC.

(2) FUNDING UNDER SUBSECTION (1) SHALL BE ALLOCATED TO A DISTRICT 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 OTHER STATES. THE DISTRICT, ALONG WITH ITS THIRD-PARTY PARTNER, SHALL PROVIDE A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND THE HOUSE AND SENATE FISCAL AGENCIES ON THE EFFICACY AND USEFULNESS OF THE ASSESSMENT DIGITAL LITERACY PREPARATION PILOT PROJECT NO LATER THAN SEPTEMBER 30, 2018.

(3) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER SUBSECTION (1) SHALL BE MADE IN A MANNER DETERMINED BY THE DEPARTMENT.

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$25,000,000.00~~**\$27,000,000.00** for ~~2016-2017~~**2017-2018** for adult education programs authorized under this section. Except as otherwise provided under

subsections ~~(14) and (15)~~, **(14), (15), AND (19)**, 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 shall 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 shall meet either of the following:

(a) Has attained 20 years of age.

(b) Has attained 18 years of age and the individual's graduating class has 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 shall be 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. Beginning in 2014-2015, 67% of the allocation provided to each intermediate district serving as a fiscal agent shall be based on the proportion of total funding formerly received by the adult education providers in that prosperity region or subregion in 2013-2014, and 33% shall be allocated based on the factors in subdivisions (a), (b), and (c). For ~~2017-2018~~, **2018-2019**, 33% of the allocation provided to each intermediate district serving as a fiscal agent shall be based upon the proportion of total funding formerly received by the adult education providers in that prosperity region in 2013-2014 and 67% of the allocation shall be based upon the factors in subdivisions (a), (b), and (c). Beginning in ~~2018-2019~~, **2019-2020**, 100% of the allocation provided to each intermediate district serving as a fiscal agent shall be based on the factors in subdivisions (a), (b), and (c). The funding factors for this section are as follows:

(a) Sixty percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals between the ages of 18 and 24 that are not high school graduates that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American community survey (ACS) from the United States Census Bureau.

(b) Thirty-five percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals age 25 or older who are not high school graduates that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American community survey (ACS) from the United States Census Bureau.

(c) Five percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals age 18 or older who lack basic English language proficiency that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American community survey (ACS) from the United States Census Bureau.

(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 talent district career 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 talent district career 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 shall administer a pre-test approved by the department before enrolling an individual to determine the individual's literacy levels, shall administer a high school equivalency practice test to determine the individual's potential for success on the high school equivalency test, and shall administer a post-test upon completion of the program in compliance with the state-approved assessment policy.
 - (c) A funding recipient shall receive 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 shall receive 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) A funding recipient shall receive payments 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 tuition level shall be determined by the local or intermediate district conducting the program.
- (11) An individual who is an inmate in a state correctional facility shall not be 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 shall 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.

(15) From the amount appropriated in subsection (1), an amount not to exceed \$500,000.00 shall be allocated for ~~2016-2017~~ **2017-2018** to not more than 1 pilot program that is located in a prosperity region with 2 or more subregions and that connects adult education participants directly with employers by linking adult education, career and technical skills, and workforce development. To be eligible for funding under this subsection, a pilot program shall provide a collaboration linking adult education programs within the county, the area career/technical center, and local employers, and shall meet the additional criteria in subsections (16) and (17). Funding under this subsection for ~~2016-2017~~ **2017-2018** is for the ~~second~~ **THIRD** of 3 years of funding.

(16) A pilot program funded under subsection (15) shall 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. Participants identified under this subsection shall be dually enrolled in adult education programming and at least 1 technical course at the area career/technical center.

(17) A pilot program funded under subsection (15) shall have on staff an adult education navigator who will serve as a caseworker for each participant identified under subsection (16). 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.

(18) Not later than December 1, ~~2017~~, **2018**, the pilot program funded under subsection (15) shall provide to the senate and house appropriations subcommittees on school aid, ~~and to the senate and house fiscal agencies,~~ **AND TO THE STATE BUDGET DIRECTOR** a report detailing number of participants, graduation rates, and a measure of transitioning to employment.

~~(19) The department shall develop an application process for a pilot program to be funded under subsection (15) and shall award funding not later than October 1, 2016. Funding allocated under subsection (15) may be paid on a schedule other than that specified under section 17b.~~

(19) FROM THE AMOUNT APPROPRIATED IN SUBSECTION (1), AN AMOUNT NOT TO EXCEED \$2,000,000.00 SHALL BE ALLOCATED FOR 2017-2018 FOR GRANTS TO NOT MORE THAN 5 PILOT PROGRAMS THAT ARE ADDITIONAL TO THE PILOT PROGRAM FUNDED UNDER SUBSECTION (15) TO CONNECT ADULT EDUCATION PARTICIPANTS WITH EMPLOYERS AS PROVIDED UNDER THIS SUBSECTION. THE GRANT TO EACH ELIGIBLE PILOT PROGRAM SHALL BE \$400,000.00. TO RECEIVE FUNDING UNDER THIS SUBSECTION, AN ELIGIBLE PILOT PROGRAM SHALL SATISFY ALL OF THE FOLLOWING:

(A) MEETS 1 OF THE FOLLOWING:

(i) IS LOCATED IN PROSPERITY REGION 1C.

(ii) IS LOCATED IN PROSPERITY REGION 2 AND BORDERS PROSPERITY REGION 4.

(iii) IS LOCATED IN PROSPERITY REGION 4A AND BORDERS PROSPERITY REGION 5.

(iv) IS LOCATED IN PROSPERITY REGION 5 AND BORDERS LAKE HURON.

(v) IS LOCATED IN PROSPERITY REGION 9 AND BORDERS A NEIGHBORING STATE.

(B) BEGINS OPERATIONS AT THE START OF THE 2017-2018 SCHOOL YEAR.

(C) REPLICATES THE PILOT PROGRAM FUNDED UNDER SUBSECTION (15).

(D) MEETS THE REQUIREMENTS UNDER SUBSECTIONS (15), (16), AND (17) FOR A PILOT PROGRAM FUNDED UNDER SUBSECTION (15).

(20) NOT LATER THAN DECEMBER 1, 2018, A PILOT PROGRAM FUNDED UNDER SUBSECTION (19) 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.

~~(21)~~ 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.

~~(22)~~ As used in this section:

(a) "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.

(b) "Department" means the department of talent and economic development.

(c) "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 ~~2016-2017~~ **2017-2018** for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be 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 ~~2016-2017~~ **2017-2018** 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 ~~36.64%~~, **36.88%**, with ~~24.94%~~ **25.56%** 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 ~~36.01%~~, **35.60%**, with ~~24.31%~~ **24.28%** 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 ~~35.79%~~, **35.35%**, with ~~24.09%~~ **24.03%** 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 ~~32.66%~~, **32.28%**, 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 ~~32.88%~~, **32.53%**, with ~~21.18%~~ **21.21%** 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 ~~32.66%~~, **32.28%**, 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 ~~36.42%~~, **36.63%**, with ~~24.72%~~ **25.31%** 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 38.1408.

(4) The contribution rates in subsection (2) reflect an amortization period of ~~22-21~~ years for ~~2016-2017~~ **2017-2018**. The public school employees' retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

Sec. 147a. (1) From the appropriation in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed \$100,000,000.00 for payments to participating districts. A **PARTICIPATING** district that receives money under this ~~section~~ **SUBSECTION** shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the district for the fiscal year in which it is received. The amount allocated to each participating district under this ~~section~~ **SUBSECTION** shall be based on each participating district's percentage of the total statewide payroll for all participating districts for the immediately preceding fiscal year. As used in this ~~section~~, **SUBSECTION**, "participating district" means a district that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(2) IN ADDITION TO THE ALLOCATION UNDER SUBSECTION (1), FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$48,940,000.00 FOR 2017-2018 FOR PAYMENTS TO PARTICIPATING ENTITIES AND FROM THE GENERAL FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$29,000.00 FOR 2017-2018 FOR PAYMENTS TO PARTICIPATING DISTRICT LIBRARIES. THE AMOUNT ALLOCATED TO EACH PARTICIPATING ENTITY UNDER THIS SUBSECTION SHALL BE BASED ON EACH PARTICIPATING ENTITY'S PERCENTAGE OF THE TOTAL STATEWIDE PAYROLL FOR THAT

TYPE OF PARTICIPATING ENTITY FOR THE IMMEDIATELY PRECEDING 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 38.1408, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES’ RETIREMENT SYSTEM FOR THE APPLICABLE FISCAL YEAR.

Sec. 147c. (1) From the appropriation in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$982,200,000.00~~ **\$960,130,000.00** from the state school aid fund 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 ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$600,000.00~~ **\$654,000.00** for payments to district libraries that are participating entities of the Michigan public school employees’ retirement system.

(2) For ~~2016-2017~~, **2017-2018**, the amounts allocated under subsection (1) are estimated to provide an average MPSERS rate cap per pupil amount of ~~\$660.00~~ **\$640.00** and are estimated to provide a rate cap per pupil for districts ranging between ~~\$5.00 and \$3,100.00~~ **\$4.00 AND \$3,020.00**.

(3) Payments made under this section shall be 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.

(4) The amount allocated to each participating entity under this section shall be 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 section shall use the funds solely for the purpose of retirement contributions as specified in subsection (5).

(5) Each participating entity receiving funds under this section shall forward an amount equal to the amount allocated under subsection (4) to the retirement system in a form, manner, and time frame determined by the retirement system.

(6) Funds allocated under this section should be considered when comparing a district’s growth in total state aid funding from 1 fiscal year to the next.

(7) Not later than December 20, ~~2016~~, **2017**, the department shall publish and post on its website an estimated MPSERS rate cap per pupil for each district.

(8) As used in this section:

(A) “DISTRICT LIBRARY” MEANS A DISTRICT LIBRARY ESTABLISHED UNDER THE DISTRICT LIBRARY ESTABLISHMENT ACT, 1989 PA 24, MCL 397.171 TO 397.196.

(B) (a) “MPSERS rate cap per pupil” means an amount equal to the quotient of the district’s payment under this section divided by the district’s pupils in membership.

(C) (b) “Participating entity” means a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees’ retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees’ retirement system for the applicable fiscal year.

(D) (c) “Retirement board” means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(E) (d) “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) THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS) REFORMS RESERVE FUND IS CREATED WITHIN THE STATE TREASURY.

(2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS) REFORMS RESERVE FUND. THE STATE TREASURER SHALL CREDIT TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS) REFORMS RESERVE FUND INTEREST AND EARNINGS FROM MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS) REFORMS RESERVE FUND INVESTMENTS.

(3) MONEY IN THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS) REFORMS RESERVE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS) REFORMS RESERVE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

(4) **THE DEPARTMENT OF TREASURY SHALL BE THE ADMINISTRATOR OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS) REFORMS RESERVE FUND FOR AUDITING PURPOSES.**

(5) **THE DEPARTMENT OF TREASURY SHALL EXPEND MONEY FROM THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS) REFORMS RESERVE FUND, UPON APPROPRIATION, ONLY TO PAY FOR THE INCREASED COSTS TO MPSERS AND OTHER STATE RETIREMENT SYSTEMS ASSOCIATED WITH REFORMS UNDER SENATE BILL NO. 401 OR HOUSE BILL NO. 4647 OF THE 99TH LEGISLATURE.**

(6) **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018, \$200,000,000.00 FROM THE GENERAL FUND AND \$295,000,000.00 FROM THE STATE SCHOOL AID FUND SHALL BE DEPOSITED INTO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPSERS) REFORMS RESERVE FUND TO BE USED ONLY AS PROVIDED IN SUBSECTION (5).**

Sec. 152a. (1) As required by the court in the consolidated cases known as *Adair v State of Michigan*, Michigan supreme court docket nos. 137424 and 137453, **486 MICH 468 (2010)**, from the state school aid fund money appropriated in section 11 there is allocated for ~~2016-2017~~ **2017-2018** 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 \$2,500,000.00 for **EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018** to reimburse **ACTUAL** costs incurred by nonpublic schools as identified in the nonpublic school mandate report published by the department on November 25, 2014 and under subsection (2). **IN COMPLYING WITH A HEALTH, SAFETY, OR WELFARE REQUIREMENT MANDATED BY A LAW OR ADMINISTRATIVE RULE OF THIS STATE.**

(2) By January 1, ~~2017,~~ **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 the requirements identified in the report under subsection (1). The department shall include other requirements on the form that were enacted into law after publication of the report. **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 shall be posted on the department's website in electronic form.

(3) By June 15, ~~2017,~~ **30 OF EACH APPLICABLE FISCAL YEAR**, a nonpublic school seeking reimbursement under subsection (1) of **FOR ACTUAL** costs incurred **IN COMPLYING WITH A HEALTH, SAFETY, OR WELFARE REQUIREMENT UNDER A LAW OR ADMINISTRATIVE RULE OF THIS STATE** during the ~~2016-2017~~ **EACH APPLICABLE** school year shall submit ~~the~~ **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 ~~unless~~ **IF** the nonpublic school ~~submits~~ **DOES NOT SUBMIT** the form described in subsection (2) in a timely manner.

(4) By August 15, ~~2017,~~ **OF EACH APPLICABLE FISCAL YEAR**, the department shall distribute funds to **EACH** nonpublic schools ~~SCHOOL~~ that ~~submit~~ **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 cost to ~~comply with requirements under subsections (1) and (2).~~ **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 ~~has the authority to~~ **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, ~~for this limited purpose,~~ 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 the ~~reported~~ 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 shall include a detailed itemization of ~~cost~~ **COSTS**. The nonpublic school shall not charge more than the hourly wage of its lowest-paid employee capable of performing the ~~reported~~ A **SPECIFIC** task regardless of whether that individual is available and regardless of who actually performs the ~~reported~~ A **SPECIFIC** task. Labor costs under this subsection shall 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 shall 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 SHALL BE 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 2016-2017 ARE A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2016-2017 ARE CARRIED FORWARD INTO 2017-2018. THE PURPOSE OF THE WORK PROJECT IS TO CONTINUE TO 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, 2019.

SEC. 160. IF A DISTRICT OR INTERMEDIATE DISTRICT REQUESTS THE SUPERINTENDENT TO GRANT A WAIVER FOR THE DISTRICT OR INTERMEDIATE DISTRICT FROM THE REQUIREMENTS OF SECTION 1284B OF THE REVISED SCHOOL CODE, MCL 380.1284B, THAT DISTRICT OR INTERMEDIATE DISTRICT SHALL USE A PORTION OF ITS FUNDING UNDER THIS ARTICLE TO CONDUCT A JOINT PUBLIC HEARING WITH THE DEPARTMENT TO BE HELD BEFORE THE WAIVER IS GRANTED AT A LOCATION WITHIN THE DISTRICT OR INTERMEDIATE DISTRICT.

SEC. 164G. A DISTRICT OR INTERMEDIATE DISTRICT SHALL NOT USE FUNDS APPROPRIATED UNDER THIS ACT TO PAY AN EXPENSE INCURRED RELATING TO ANY LEGAL ACTION INITIATED BY THE DISTRICT OR INTERMEDIATE DISTRICT AGAINST THIS STATE. IF A DISTRICT OR INTERMEDIATE DISTRICT VIOLATES THIS SECTION IN A FISCAL YEAR, THE DISTRICT OR INTERMEDIATE DISTRICT FORFEITS FROM ITS FUNDS DUE UNDER THIS ACT FOR THAT FISCAL YEAR AN AMOUNT EQUAL TO THE EXPENSES PAID IN VIOLATION OF THIS SECTION.

SEC. 164H. (1) BEGINNING OCTOBER 1, 2017, A DISTRICT OR INTERMEDIATE DISTRICT SHALL NOT ENTER INTO A COLLECTIVE BARGAINING AGREEMENT THAT DOES ANY OF THE FOLLOWING:

- (A) ESTABLISHES RACIAL OR RELIGIOUS PREFERENCES FOR EMPLOYEES.**
- (B) AUTOMATICALLY DEDUCTS UNION DUES FROM EMPLOYEE COMPENSATION.**
- (C) IS IN CONFLICT WITH ANY STATE OR FEDERAL LAW REGARDING DISTRICT OR INTERMEDIATE DISTRICT TRANSPARENCY.**
- (D) INCLUDES A METHOD OF COMPENSATION THAT DOES NOT COMPLY WITH SECTION 1250 OF THE REVISED SCHOOL CODE, MCL 380.1250.**

(2) A DISTRICT OR INTERMEDIATE DISTRICT THAT ENTERS INTO A COLLECTIVE BARGAINING AGREEMENT IN VIOLATION OF SUBSECTION (1) SHALL FORFEIT AN AMOUNT EQUAL TO 5% OF THE FUNDS DUE TO THE DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE.

Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades kindergarten to 12 in a nonpublic school or who is being home-schooled from also enrolling the minor in a district, public school academy, or intermediate district in any curricular offering that is provided by the district, public school academy, or intermediate district at a public school site and is available to pupils in the minor’s grade level or age group, subject to compliance with the same requirements that apply to a full-time pupil’s participation in the offering. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection only for curricular offerings that are ~~offered~~ **AVAILABLE** to full-time pupils in the minor’s grade level or age group. ~~during regularly-scheduled school hours.~~

(2) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades kindergarten to 12 in a nonpublic school or who resides within the district and is being home-schooled from also enrolling the minor in the district in a curricular offering being provided by the district at the nonpublic school site. However, state school aid shall be provided under this act for a minor enrolled as described in this subsection only if all of the following apply:

- (a) Either of the following:
 - (i) The nonpublic school site is located, or the nonpublic students are educated, within the geographic boundaries of the district.

(ii) If the nonpublic school has submitted a written request to the district in which the nonpublic school is located for the district to provide certain instruction under this subsection for a school year and the district does not agree to provide some or all of that instruction by May 1 immediately preceding that school year or, if the request is submitted after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request, the instruction is instead provided by an eligible other district. This subparagraph does not require a nonpublic school to submit more than 1 request to the district in which the nonpublic school is located for that district to provide instruction under this subsection, and does not require a nonpublic school to submit an additional request to the district in which the nonpublic school is located for that district to provide additional instruction under this subsection beyond the instruction requested in the original request, before having the instruction provided by an eligible other district. A public school academy that is located in the district in which the nonpublic school is located or in an eligible other district also may provide instruction under this subparagraph under the same conditions as an eligible other district. As used in this subparagraph, “eligible other district” means a district that is located in the same intermediate district as the district in which the nonpublic school is located or is located in an intermediate district that is contiguous to that intermediate district.

(b) The nonpublic school is registered with the department as a nonpublic school and meets all state reporting requirements for nonpublic schools.

~~(c) The instruction is scheduled to occur during the regular school day.~~

~~(C)~~ The instruction is provided directly by a certified teacher at the district or public school academy or at an intermediate district.

~~(D)~~ The curricular offering is also available to full-time pupils in the minor’s grade level or age group in the district or public school academy during the regular school day at a public school site.

~~(E)~~ The curricular offering is restricted to nonessential elective courses for pupils in grades kindergarten to 12.

(3) A NONESSENTIAL COURSE IN GRADES KINDERGARTEN TO 8 IS A COURSE OTHER THAN MATHEMATICS, SCIENCE, SOCIAL STUDIES, AND ENGLISH LANGUAGE ARTS. NONESSENTIAL COURSES IN GRADES 9 TO 12 ARE THOSE OTHER THAN ALGEBRA 1, ALGEBRA 2, ENGLISH 9-12, GEOMETRY, BIOLOGY, CHEMISTRY, PHYSICS, ECONOMICS, GEOGRAPHY, AMERICAN HISTORY, WESTERN HISTORY, THE CONSTITUTION, AND GOVERNMENT, OR COURSES THAT FULFILL THE SAME CREDIT REQUIREMENT AS THESE COURSES. NONESSENTIAL ELECTIVE COURSES INCLUDE COURSES OFFERED BY THE LOCAL DISTRICT FOR HIGH SCHOOL CREDIT THAT ARE ALSO CAPABLE OF GENERATING POSTSECONDARY CREDIT, INCLUDING, AT LEAST, ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE COURSES. COLLEGE LEVEL COURSES TAKEN BY HIGH SCHOOL STUDENTS FOR COLLEGE CREDIT ARE NONESSENTIAL COURSES. REMEDIAL COURSES FOR ANY GRADE IN THE ABOVE-LISTED ESSENTIAL COURSES ARE CONSIDERED ESSENTIAL.

~~(4)~~ ~~(3)~~ **A SUBJECT TO SECTION 6(4)(II),** a minor enrolled as described in this section is a part-time pupil for purposes of state school aid under this act.

~~(5)~~ ~~(4)~~ A district that receives a written request to provide instruction under subsection (2) shall reply to the request in writing by May 1 immediately preceding the applicable school year or, if the request is made after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request. The written reply shall specify whether the district agrees to provide or does not agree to provide the instruction for each portion of instruction included in the request.

~~(5) The department shall establish a workgroup consisting of staff from the department, staff from the center, pupil accounting staff from districts and intermediate districts, other applicable staff from districts and intermediate districts, representatives from nonpublic schools, and representatives from home schools to examine the issue of providing a uniform definition of nonessential elective courses, and also to provide a uniform definition of a part-time pupil for the purposes of this section.~~

Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2016 PA 249 and this amendatory act, for fiscal year 2016-2017 is estimated at \$12,327,744,400.00, and state appropriations for school aid to be paid to local units of government for fiscal year 2016-2017 are estimated at \$12,163,829,600.00. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this amendatory act, for fiscal year 2017-2018 is estimated at \$12,602,983,000.00, and state appropriations for school aid to be paid to local units of government for fiscal year 2017-2018 are estimated at \$12,432,712,900.00.

Enacting section 2. Sections 11o, 11r, 20g, 21, 21g, 31c, 31h, 35, and 63 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611o, 388.1611r, 388.1620g, 388.1621, 388.1621g, 388.1631c, 388.1631h, 388.1635, and 388.1663, are repealed effective October 1, 2017.

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 2017.

(2) Sections 11, 11m, 11r, 11s, 15, 20g, 22a, 22b, 22g, 26a, 31f, 39a, 51a, 51c, 51d, 56, 61b, 62, and 152b of the state school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1611m, 388.1611r, 388.1611s, 388.1615, 388.1620g, 388.1622a, 388.1622b, 388.1622g, 388.1626a, 388.1631f, 388.1639a, 388.1651a, 388.1651c, 388.1651d, 388.1656, 388.1661b, 388.1662, and 388.1752b, as amended by this amendatory act, and sections 99c and 99r of the state school aid act of 1979, MCL 388.1699c and 388.1699r, as added by this amendatory act, take effect upon enactment of this amendatory act.

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

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 3, 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 11s, 15, 18, 18c, 20, 20d, 20f, 20g, 20m, 22a, 22b, 22d, 22g, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 31j, 32d, 32p, 32q, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 55, 56, 61a, 61b, 61c, 62, 64b, 65, 67, 74, 81, 94, 94a, 98, 99h, 99s, 99t, 102d, 104, 104c, 104d, 107, 147, 147a, 147c, 152a, 152b, and 166b (MCL 388.1603, 388.1604, 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611r, 388.1611s, 388.1615, 388.1618, 388.1618c, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1620m, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1624, 388.1624a, 388.1624c, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1631j, 388.1632d, 388.1632p, 388.1632q, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1662, 388.1664b, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699h, 388.1699s, 388.1699t, 388.1702d, 388.1704, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1752b, and 388.1766b), sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 20d, 20f, 20g, 22a, 22b, 22d, 22g, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 35a, 39, 39a, 41, 51c, 51d, 53a, 54, 55, 56, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 99s, 102d, 104, 104d, 107, 147, 147a, 147c, 152a, and 166b as amended and sections 11s, 20m, 31b, 31j, 32q, 54b, and 152b as added by 2016 PA 249, section 8b as amended by 2015 PA 85, section 18c as amended by 2012 PA 201, sections 20, 61a, 61c, 98, 99h, 99t, and 104c as amended by 2016 PA 313, and section 51a as amended by 2016 PA 534, and by adding sections 21h, 21j, 22m, 64d, 67a, 95b, 99c, 99r, 99u, 104e, 147e, 160, 164g, and 164h; and to repeal acts and parts of acts.

Tim Kelly
Shane Hernandez
Conferees for the House

Goeff Hansen
Dave Hildenbrand
Conferees for the Senate

Reports of Standing Committees

The Committee on Law and Justice, by Rep. Kesto, Chair, reported

House Bill No. 4355, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 451a (MCL 750.451a).

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Kesto, Lucido, Graves, Howrylak, Roberts, Theis, Albert, Guerra, Liberati and Wittenberg

Nays: Rep. Robinson

The Committee on Law and Justice, by Rep. Kesto, Chair, reported

House Bill No. 4547, entitled

A bill to amend 1927 PA 175, entitled "The code of criminal procedure," by amending sections 33 and 48 of chapter XVII (MCL 777.33 and 777.48), as amended by 2013 PA 24.

With the recommendation that the substitute (H-2) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Kesto, Lucido, Graves, Howrylak, Roberts, Theis, Albert, Chang, Robinson, Guerra, Liberati and Wittenberg

Nays: None

The Committee on Law and Justice, by Rep. Kesto, Chair, reported

House Bill No. 4548, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 625, 625a, 625g, and 625m (MCL 257.625, 257.625a, 257.625g, and 257.625m), section 625 as amended by 2014 PA 219, section 625a as amended by 2015 PA 11, section 625g as amended by 2014 PA 315, and section 625m as amended by 2013 PA 23.

With the recommendation that the substitute (H-2) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Kesto, Lucido, Graves, Howrylak, Roberts, Theis, Albert, Chang, Robinson, Guerra, Liberati and Wittenberg

Nays: None

The Committee on Law and Justice, by Rep. Kesto, Chair, reported

Senate Bill No. 275, entitled

A bill to amend 1931 PA 328, entitled "The Michigan penal code," by amending section 451a (MCL 750.451a).

With the recommendation that the substitute (H-1) be adopted and that the bill then pass.

The bill and substitute were referred to the order of Second Reading of Bills.

Favorable Roll Call

To Report Out:

Yeas: Reps. Kesto, Lucido, Graves, Howrylak, Roberts, Theis, Albert, Guerra, Liberati and Wittenberg

Nays: Rep. Robinson

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Kesto, Chair, of the Committee on Law and Justice, was received and read:

Meeting held on: Tuesday, June 13, 2017

Present: Reps. Kesto, Lucido, Graves, Howrylak, Roberts, Theis, Albert, Chang, Robinson, Guerra, Liberati and Wittenberg

COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Glenn, Chair, of the Committee on Energy Policy, was received and read:

Meeting held on: Tuesday, June 13, 2017

Present: Reps. Glenn, Hauck, Barrett, Cole, Tedder, Bellino, Farrington, Griffin, Johnson, LaFave, Lower, Reilly, Lasinski, Dianda, Camilleri, Elder, Green and Sneller

Absent: Rep. Garrett

Excused: Rep. Garrett

Messages from the Senate

House Bill No. 4082, entitled

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 51501 and 51506 (MCL 324.51501 and 324.51506), as amended by 2004 PA 529, and by adding section 51503c.

The Senate has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The House agreed to the full title.

The bill was referred to the Clerk for enrollment printing and presentation to the Governor.

House Bill No. 4215, entitled

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 676 (MCL 257.676), as amended by 2003 PA 184.

The Senate has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The House agreed to the full title.

The bill was referred to the Clerk for enrollment printing and presentation to the Governor.

Introduction of Bills

Rep. Noble introduced

House Bill No. 4744, entitled

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending sections 14, 15, 16, 18, and 18i of chapter XIA (MCL 712A.14, 712A.15, 712A.16, 712A.18, and 712A.18i), section 14 as amended by 2012 PA 163, section 15 as amended by 1998 PA 474, section 16 as amended by 1998 PA 478, section 18 as amended by 2016 PA 191, and section 18i as added by 1996 PA 244.

The bill was read a first time by its title and referred to the Committee on Law and Justice.

Reps. Marino, Brann, Calley, LaSata and Lilly introduced

House Bill No. 4745, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 163 (MCL 168.163), as amended by 2012 PA 276.

The bill was read a first time by its title and referred to the Committee on Elections and Ethics.

Reps. Marino, Brann, LaSata, Calley and Lilly introduced

House Bill No. 4746, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 224 (MCL 168.224), as amended by 2012 PA 276.

The bill was read a first time by its title and referred to the Committee on Elections and Ethics.

Reps. LaSata, Calley, Marino, Lilly and Brann introduced

House Bill No. 4747, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 351 (MCL 168.351).

The bill was read a first time by its title and referred to the Committee on Elections and Ethics.

Reps. Calley, Marino, LaSata, Lilly and Brann introduced

House Bill No. 4748, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 349 (MCL 168.349), as amended by 2012 PA 276.

The bill was read a first time by its title and referred to the Committee on Elections and Ethics.

Reps. Brann, Marino, LaSata, Calley and Lilly introduced

House Bill No. 4749, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 254 (MCL 168.254), as amended by 2012 PA 276.

The bill was read a first time by its title and referred to the Committee on Elections and Ethics.

Reps. Lilly, Marino, LaSata, Calley and Brann introduced

House Bill No. 4750, entitled

A bill to amend 1954 PA 116, entitled "Michigan election law," by amending section 193 (MCL 168.193), as amended by 2012 PA 276.

The bill was read a first time by its title and referred to the Committee on Elections and Ethics.

Reps. Kesto, McCreedy, Lucido and Iden introduced

House Bill No. 4751, entitled

A bill to amend 1981 PA 216, entitled "An act to provide for the rights and liabilities of married women with respect to certain real and personal property; to abrogate the common law disabilities of married women with respect to certain contracts; to prescribe the payment and satisfaction of judgments rendered upon certain written contracts; and to repeal certain acts and parts of acts," by amending section 8 (MCL 557.28).

The bill was read a first time by its title and referred to the Committee on Law and Justice.

Rep. Kesto introduced

House Bill No. 4752, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending sections 871 and 877 (MCL 600.871 and 600.877), as amended by 2012 PA 596.

The bill was read a first time by its title and referred to the Committee on Law and Justice.

Reps. Runestad and Kosowski introduced

House Bill No. 4753, entitled

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending sections 2 and 2d of chapter XIII (MCL 712A.2 and 712A.2d), section 2 as amended by 2014 PA 519 and section 2d as amended by 1998 PA 478.

The bill was read a first time by its title and referred to the Committee on Law and Justice.

Rep. Barrett introduced

House Bill No. 4754, entitled

A bill to amend 1961 PA 236, entitled "Revised judicature act of 1961," by amending sections 401, 405, 841, and 8304 (MCL 600.401, 600.405, 600.841, and 600.8304), section 401 as amended by 2012 PA 338, section 405 as added by 2002 PA 678, and sections 841 and 8304 as amended by 2013 PA 164, and by adding section 403.

The bill was read a first time by its title and referred to the Committee on Judiciary.

Rep. Johnson moved that the House adjourn.

The motion prevailed, the time being 3:55 p.m.

Associate Speaker Pro Tempore Tedder declared the House adjourned until Wednesday, June 14, at 10:00 a.m.

GARY L. RANDALL
Clerk of the House of Representatives