

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5291**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 20, 25e, 61a, 61c, 98, 99h, 99t, and 104c (MCL
388.1620, 388.1625e, 388.1661a, 388.1661c, 388.1698, 388.1699h,
388.1699t, and 388.1704c), sections 20, 25e, 61a, 98, 99h, and 104c
as amended and section 99t as added by 2016 PA 249.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 20. (1) For 2016-2017, both of the following apply:
- 2 (a) The basic foundation allowance is \$8,229.00.
- 3 (b) The minimum foundation allowance is \$7,511.00.
- 4 (2) The amount of each district's foundation allowance shall
- 5 be calculated as provided in this section, using a basic foundation
- 6 allowance in the amount specified in subsection (1).
- 7 (3) Except as otherwise provided in this section, the amount

1 of a district's foundation allowance shall be calculated as
2 follows, using in all calculations the total amount of the
3 district's foundation allowance as calculated before any proration:

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

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

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

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

25 (4) Except as otherwise provided in this subsection, **BEGINNING**
26 **IN 2014-2015**, the state portion of a district's foundation
27 allowance is an amount equal to the district's foundation allowance

1 or the basic foundation allowance for the current state fiscal
2 year, whichever is less, minus the local portion of the district's
3 foundation allowance. ~~divided by the district's membership~~
4 ~~excluding special education pupils.~~ For a district described in
5 subsection (3) (c), **BEGINNING IN 2014-2015**, the state portion of the
6 district's foundation allowance is an amount equal to \$6,962.00
7 plus the difference between the district's foundation allowance for
8 the current state fiscal year and the district's foundation
9 allowance for 1998-99, minus the local portion of the district's
10 foundation allowance. ~~divided by the district's membership~~
11 ~~excluding special education pupils.~~ For a district that has a
12 millage reduction required under section 31 of article IX of the
13 state constitution of 1963, the state portion of the district's
14 foundation allowance shall be calculated as if that reduction did
15 not occur. For a receiving district, if school operating taxes
16 continue to be levied on behalf of a dissolved district that has
17 been attached in whole or in part to the receiving district to
18 satisfy debt obligations of the dissolved district under section 12
19 of the revised school code, MCL 380.12, the taxable value per
20 membership pupil of property in the receiving district used for the
21 purposes of this subsection does not include the taxable value of
22 property within the geographic area of the dissolved district. For
23 a community district, if school operating taxes continue to be
24 levied by a qualifying school district under section 12b of the
25 revised school code, MCL 380.12b, with the same geographic area as
26 the community district, the taxable value per membership pupil of
27 property in the community district to be used for the purposes of

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

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

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

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

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

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

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

1 geographic area as the community district.

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

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

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

24 (12) To assist the legislature in determining the basic
25 foundation allowance for the subsequent state fiscal year, each
26 revenue estimating conference conducted under section 367b of the
27 management and budget act, 1984 PA 431, MCL 18.1367b, shall

1 calculate a pupil membership factor, a revenue adjustment factor,
2 and an index as follows:

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

13 (b) The revenue adjustment factor shall be computed by
14 dividing the sum of the estimated total state school aid fund
15 revenue for the subsequent state fiscal year plus the estimated
16 total state school aid fund revenue for the current state fiscal
17 year, adjusted for any change in the rate or base of a tax the
18 proceeds of which are deposited in that fund and excluding money
19 transferred into that fund from the countercyclical budget and
20 economic stabilization fund under the management and budget act,
21 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
22 total school aid fund revenue for the current state fiscal year
23 plus the estimated total state school aid fund revenue for the
24 immediately preceding state fiscal year, adjusted for any change in
25 the rate or base of a tax the proceeds of which are deposited in
26 that fund. If a consensus revenue factor is not determined at the
27 revenue estimating conference, the principals of the revenue

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

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

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

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

20 (15) As used in this section:

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

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

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

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

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

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

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

23 (h) "Local school operating revenue" means school operating
24 taxes levied under section 1211 of the revised school code, MCL
25 380.1211. For a receiving district, if school operating taxes are
26 to be levied on behalf of a dissolved district that has been
27 attached in whole or in part to the receiving district to satisfy

1 debt obligations of the dissolved district under section 12 of the
2 revised school code, MCL 380.12, local school operating revenue
3 does not include school operating taxes levied within the
4 geographic area of the dissolved district.

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

8 (j) "Maximum public school academy allocation", except as
9 otherwise provided in this subdivision, means the maximum per-pupil
10 allocation as calculated by adding the highest per-pupil allocation
11 among all public school academies for the immediately preceding
12 state fiscal year plus the difference between twice the amount of
13 the difference between the basic foundation allowance for the
14 current state fiscal year and the basic foundation allowance for
15 the immediately preceding state fiscal year and [(the amount of the
16 difference between the basic foundation allowance for the current
17 state fiscal year and the basic foundation allowance for the
18 immediately preceding state fiscal year minus \$20.00) times (the
19 difference between the highest per-pupil allocation among all
20 public school academies for the immediately preceding state fiscal
21 year and the minimum foundation allowance for the immediately
22 preceding state fiscal year) divided by the difference between the
23 basic foundation allowance for the current state fiscal year and
24 the minimum foundation allowance for the immediately preceding
25 state fiscal year]. For the purposes of this subdivision, for 2016-
26 2017, the maximum public school academy allocation is \$7,511.00.

27 (k) "Membership" means the definition of that term under

1 section 6 as in effect for the particular fiscal year for which a
2 particular calculation is made.

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

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

13 (n) "Receiving district" means a district to which all or part
14 of the territory of a dissolved district is attached under section
15 12 of the revised school code, MCL 380.12.

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

20 (p) "School operating taxes" means local ad valorem property
21 taxes levied under section 1211 of the revised school code, MCL
22 380.1211, and retained for school operating purposes.

23 (q) "Tax increment financing acts" means 1975 PA 197, MCL
24 125.1651 to 125.1681, the tax increment finance authority act, 1980
25 PA 450, MCL 125.1801 to 125.1830, the local development financing
26 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
27 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,

1 or the corridor improvement authority act, 2005 PA 280, MCL
2 125.2871 to 125.2899.

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

9 Sec. 25e. (1) The pupil membership transfer application and
10 pupil transfer process administered by the center under this
11 section shall be used for processing pupil transfers associated
12 with strict discipline academies.

13 (2) If a pupil counted in membership for the pupil membership
14 count day transfers from a district or intermediate district to
15 enroll in a ~~strict discipline academy~~ **AN ELIGIBLE ENTITY** after the
16 pupil membership count day and before the supplemental count day
17 and, due to the pupil's enrollment and attendance status as of the
18 pupil membership count day, the pupil was not counted in membership
19 in the educating ~~strict discipline academy~~, **ELIGIBLE ENTITY**, the
20 educating ~~strict discipline academy~~ **ELIGIBLE ENTITY** may report the
21 enrollment and attendance information to the center through the
22 pupil transfer process within 30 days after the transfer or within
23 30 days after the pupil membership count certification date,
24 whichever is later. Pupil transfers may be submitted no earlier
25 than the first day after the certification deadline for the pupil
26 membership count day and before the supplemental count day. Upon
27 receipt of the transfer information under this subsection

1 indicating that a pupil has enrolled and is in attendance in an
2 educating ~~strict-discipline-academy~~ **ELIGIBLE ENTITY** as described in
3 this subsection, the pupil transfer process shall do the following:

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

6 (b) Notify both the pupil auditing staff of the intermediate
7 district in which the educating ~~strict-discipline-academy~~ **ELIGIBLE**
8 **ENTITY** is located and the pupil auditing staff of the intermediate
9 district in which the district that previously enrolled the pupil
10 is located. The pupil auditing staff shall investigate a
11 representative sample based on required audit sample sizes in the
12 pupil auditing manual and may deny the pupil membership transfer.

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

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

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

1 (2) AND SUBSEQUENTLY TRANSFERS TO ENROLL IN ANOTHER DISTRICT OR
2 INTERMEDIATE DISTRICT BEFORE THE SUPPLEMENTAL COUNT DAY, THE
3 EDUCATING DISTRICT OR INTERMEDIATE DISTRICT MAY REPORT THE
4 ENROLLMENT AND ATTENDANCE INFORMATION TO THE CENTER THROUGH THE
5 PUPIL TRANSFER PROCESS. FOR A DISTRICT OR INTERMEDIATE DISTRICT
6 WITH MEMBERSHIP ADJUSTMENTS UNDER THIS SUBDIVISION, THE DEPARTMENT
7 SHALL ENSURE THAT THE MEMBERSHIP ADJUSTMENTS REFLECT ALL DAYS THAT
8 A PUPIL WAS ENROLLED AND IN ATTENDANCE IN THE DISTRICT OR
9 INTERMEDIATE DISTRICT BETWEEN THE PUPIL MEMBERSHIP COUNT DAY AND
10 THE SUPPLEMENTAL COUNT DAY. The district or intermediate district
11 shall receive a prorated foundation allowance in an amount equal to
12 the product of the adjustment under this subdivision for the
13 district or intermediate district multiplied by the foundation
14 allowance or per-pupil payment as calculated under section 20 for
15 the district or intermediate district. The foundation allowance or
16 per-pupil payment shall be adjusted by the pupil's full-time
17 equated status as affected by the membership definition under
18 section 6(4).

19 (b) Adjust the membership calculation for the educating ~~strict~~
20 ~~discipline academy~~ **ELIGIBLE ENTITY** in which the pupil is enrolled
21 and is in attendance so that the ~~strict discipline academy's~~
22 **ELIGIBLE ENTITY'S** membership is increased to allow the ~~strict~~
23 ~~discipline academy~~ **ELIGIBLE ENTITY** to receive an amount equal to
24 the difference between the full-time equated membership claimed in
25 the fall pupil membership count and the sum of the adjustments
26 calculated under subdivision (a) for each district or intermediate
27 district in which the pupil was previously enrolled and in

1 attendance. **THE SUM OF THE ADJUSTMENTS TO AN ELIGIBLE ENTITY'S**
2 **MEMBERSHIP AS PROVIDED UNDER THIS SUBDIVISION SHALL NOT EXCEED A**
3 **CALCULATION THAT REFLECTS THE NUMBER OF DAYS THAT A PUPIL WAS**
4 **ENROLLED AND IN ATTENDANCE IN THE ELIGIBLE ENTITY BETWEEN THE PUPIL**
5 **MEMBERSHIP COUNT DAY AND THE SUPPLEMENTAL COUNT DAY.** The educating
6 ~~strict discipline academy~~ **ELIGIBLE ENTITY** shall receive a prorated
7 foundation allowance in an amount equal to the product of the
8 adjustment under this subdivision for the educating ~~strict~~
9 ~~discipline academy~~ **ELIGIBLE ENTITY** multiplied by the per-pupil
10 payment as calculated under section 20 for the educating ~~strict~~
11 ~~discipline academy~~. **ELIGIBLE ENTITY**. The per-pupil payment shall be
12 adjusted by the pupil's full-time equated status as affected by the
13 membership definition under section 6(4).

14 (4) The changes in calculation of state school aid required
15 under subsection (3) shall take effect as of the date that the
16 pupil becomes enrolled and in attendance in the educating ~~strict~~
17 ~~discipline academy~~, **ELIGIBLE ENTITY**, and the department shall base
18 all subsequent payments under this article for the fiscal year to
19 the affected districts or intermediate districts on this
20 recalculation of state school aid.

21 (5) If a pupil enrolls in an educating ~~strict discipline~~
22 ~~academy~~ **ELIGIBLE ENTITY** as described in subsection (2), the
23 district or intermediate district in which the pupil is counted in
24 membership or another educating ~~strict discipline academy~~ **ELIGIBLE**
25 **ENTITY** that received an adjustment in its membership calculation
26 under subsection (3), if any, and the educating ~~strict discipline~~
27 ~~academy~~ **ELIGIBLE ENTITY** shall provide to the center and the

1 department all information they require to comply with this
2 section.

3 (6) The portion of the full-time equated pupil membership for
4 which a pupil is enrolled in 1 or more online courses under section
5 21f shall not be counted or transferred under the pupil transfer
6 process under this section.

7 (7) It is the intent of the legislature that the center
8 determine the number of pupils who did not reside in this state as
9 of the 2018-2019 pupil membership count day but who newly enrolled
10 in a district or intermediate district after that pupil membership
11 count day and before the 2018-2019 supplemental count day. It is
12 the intent of the legislature that the center further determine the
13 number of pupils who were counted in membership for the 2018-2019
14 pupil membership count day but who left this state before the 2018-
15 2019 supplemental count day. In 2019-2020, the center shall provide
16 a report to the senate and house appropriations subcommittees on
17 state school aid, and to the senate and house fiscal agencies,
18 detailing the number of pupils transferring in from another state
19 or transferring out from this state between the pupil membership
20 count day and supplemental count day as described in this
21 subsection. The center shall include in the report a discussion of
22 benefits and obstacles to developing a pupil enrollment process for
23 pupils who newly enroll in a district or intermediate district
24 after the pupil membership count day and before the supplemental
25 count day, and developing a process for deducting pupils who were
26 counted on the pupil membership count day and transfer out of this
27 state before the supplemental count day.

1 (8) As used in this section:

2 (a) "~~Educating strict discipline academy~~" **ELIGIBLE ENTITY**"
3 means the ~~strict discipline academy~~ **ELIGIBLE ENTITY** in which a
4 pupil enrolls after the pupil membership count day or after an
5 adjustment was made in another district's or intermediate
6 district's membership calculation under this section due to the
7 pupil's enrollment and attendance.

8 (B) **"ELIGIBLE ENTITY" MEANS A STRICT DISCIPLINE ACADEMY OR**
9 **ANOTHER PUBLIC SCHOOL ACADEMY THAT IS PRIMARILY FOCUSED ON**
10 **EDUCATING PUPILS WHO HAD PREVIOUSLY DROPPED OUT OF SCHOOL AND WITH**
11 **EXTREME BARRIERS TO EDUCATION, SUCH AS BEING HOMELESS, AND THAT**
12 **OFFERS AN ALTERNATIVE EDUCATION PROGRAM THAT IS SCHEDULED FOR AT**
13 **LEAST 200 DAYS OF INSTRUCTION. FOR THE PURPOSE OF MAKING MEMBERSHIP**
14 **ADJUSTMENTS DURING 2016-2017, THE CENTER SHALL CONSIDER A PUBLIC**
15 **SCHOOL ACADEMY THAT OFFERED AT LEAST 200 DAYS OF INSTRUCTION IN AN**
16 **ALTERNATIVE EDUCATION PROGRAM IN 2015-2016 AND THAT MEETS THE OTHER**
17 **ELIGIBILITY CRITERIA UNDER THIS SUBDIVISION, OR A PUBLIC SCHOOL**
18 **ACADEMY NEWLY OPENED IN 2016-2017 THAT IS AFFILIATED WITH AN**
19 **ELIGIBLE ENTITY AND THAT MEETS THE OTHER ELIGIBILITY CRITERIA UNDER**
20 **THIS SUBDIVISION, TO BE AN ELIGIBLE ENTITY FOR 2016-2017. HOWEVER,**
21 **IF BY THE END OF THE 2016-2017 SCHOOL YEAR IT IS DETERMINED THAT A**
22 **PUBLIC SCHOOL ACADEMY THAT RECEIVED A MEMBERSHIP ADJUSTMENT UNDER**
23 **THIS SECTION DID NOT OFFER AT LEAST 200 DAYS OF INSTRUCTION IN AN**
24 **ALTERNATIVE EDUCATION PROGRAM IN 2016-2017, THE CENTER SHALL NO**
25 **LONGER CONSIDER THAT PUBLIC SCHOOL ACADEMY TO BE AN ELIGIBLE ENTITY**
26 **AND SHALL RESCIND THE MEMBERSHIP ADJUSTMENTS THAT WERE MADE FOR**
27 **THAT PUBLIC SCHOOL ACADEMY DURING THE SCHOOL YEAR UNDER THIS**

1 **SECTION.**

2 (C) ~~(b)~~—"Pupil" means that term as defined under section 6 and
3 also children receiving early childhood special education programs
4 and services.

5 (D) ~~(e)~~—"Strict discipline academy" means a strict discipline
6 academy operating under sections 1311b to 1311m of the revised
7 school code, MCL 380.1311b to 380.1311m.

8 Sec. 61a. (1) From the appropriation in section 11, there is
9 allocated an amount not to exceed \$36,611,300.00 for 2016-2017 to
10 reimburse on an added cost basis districts, except for a district
11 that served as the fiscal agent for a vocational education
12 consortium in the 1993-94 school year **AND THAT HAS A FOUNDATION**
13 **ALLOWANCE AS CALCULATED UNDER SECTION 20 GREATER THAN THE MINIMUM**
14 **FOUNDATION ALLOWANCE UNDER THAT SECTION,** and secondary area
15 vocational-technical education centers for secondary-level career
16 and technical education programs according to rules approved by the
17 superintendent. Applications for participation in the programs
18 shall be submitted in the form prescribed by the department. The
19 department shall determine the added cost for each career and
20 technical education program area. The allocation of added cost
21 funds shall be prioritized based on the capital and program
22 expenditures needed to operate the career and technical education
23 programs provided; the number of pupils enrolled; the advancement
24 of pupils through the instructional program; the existence of an
25 articulation agreement with at least 1 postsecondary institution
26 that provides pupils with opportunities to earn postsecondary
27 credit during the pupil's participation in the career and technical

1 education program and transfers those credits to the postsecondary
2 institution upon completion of the career and technical education
3 program; and the program rank in student placement, job openings,
4 and wages, and shall not exceed 75% of the added cost of any
5 program. Notwithstanding any rule or department determination to
6 the contrary, when determining a district's allocation or the
7 formula for making allocations under this section, the department
8 shall include the participation of pupils in grade 9 in all of
9 those determinations and in all portions of the formula. With the
10 approval of the department, the board of a district maintaining a
11 secondary career and technical education program may offer the
12 program for the period from the close of the school year until
13 September 1. The program shall use existing facilities and shall be
14 operated as prescribed by rules promulgated by the superintendent.

15 (2) Except for a district that served as the fiscal agent for
16 a vocational education consortium in the 1993-94 school year,
17 districts and intermediate districts shall be reimbursed for local
18 career and technical education administration, shared time career
19 and technical education administration, and career education
20 planning district career and technical education administration.
21 The definition of what constitutes administration and reimbursement
22 shall be pursuant to guidelines adopted by the superintendent. Not
23 more than \$800,000.00 of the allocation in subsection (1) shall be
24 distributed under this subsection.

25 (3) A career and technical education program funded under this
26 section may provide an opportunity for participants who are
27 eligible to be funded under section 107 to enroll in the career and

1 technical education program funded under this section if the
2 participation does not occur during regular school hours.

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

19 Sec. 61c. (1) From the general fund appropriation in section
20 11, there is allocated for 2016-2017 an amount not to exceed
21 \$3,000,000.00 to career education planning districts for the CTE
22 skilled trades initiative under this section.

23 (2) To be eligible to receive funding under this section, each
24 CEPD shall apply in a form and manner determined by the department.
25 Funding to each CEPD shall be equal to the quotient of the
26 allocation under subsection (1) and the sum of the number of
27 ~~cooperating educational policy~~ **CAREER EDUCATION PLANNING** districts

1 applying for funding under this section.

2 (3) The funding allocated to each CEPD shall be used to update
3 equipment in current CTE programs that are supporting and driving
4 economic development in their individual communities, or for new
5 and emerging certified CTE programs to allow CEPD administrators to
6 provide programming in communities that will enhance economic
7 development. The funding for equipment should be used to support
8 and enhance community areas that have sustained job growth, and act
9 as a commitment to build a more qualified and skilled workforce.

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

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

1 (6) In addition to the funds allocated under subsection (1),
2 from the funds appropriated under section 11, there is allocated
3 for 2016-2017 an amount not to exceed \$200,000.00 to a district
4 **WITH FEWER THAN 1,200 PUPILS IN MEMBERSHIP** to support a
5 mechatronics program that operated in 2015-2016 for updating
6 mechatronics program equipment. To be eligible to receive a grant
7 under this subsection, a program shall be a flexible learning
8 program that offered in 2015-2016 both classroom and hands-on
9 training in mechatronics **IN AT LEAST 2 SITES.**

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

12 Sec. 98. (1) From the general fund money appropriated in
13 section 11, there is allocated an amount not to exceed
14 \$7,387,500.00 for 2016-2017 for the purposes described in this
15 section. The Michigan Virtual University shall provide a report to
16 the legislature not later than November 1, 2016 that includes its
17 mission, its plans, and proposed benchmarks it must meet, which
18 shall include a plan to achieve a 50% increase in documented
19 improvement in each requirement of the Michigan Virtual Learning
20 Research Institute and Michigan Virtual School, and all other
21 organizational priorities identified in this section, in order to
22 receive full funding for 2017-2018. Not later than March 1, 2017,
23 the Michigan Virtual University shall provide an update to the
24 house and senate appropriations subcommittees on school aid to show
25 the progress being made to meet the benchmarks identified.

26 (2) The Michigan Virtual University shall operate the Michigan
27 Virtual Learning Research Institute. The Michigan Virtual Learning

1 Research Institute shall do all of the following:

2 (a) Support and accelerate innovation in education through the
3 following activities:

4 (i) Test, evaluate, and recommend as appropriate new
5 technology-based instructional tools and resources.

6 (ii) Research, design, and recommend virtual education
7 delivery models for use by pupils and teachers that include age-
8 appropriate multimedia instructional content.

9 (iii) Research, develop, and recommend annually to the
10 department criteria by which cyber schools and virtual course
11 providers should be monitored and evaluated to ensure a quality
12 education for their pupils.

13 (iv) Based on pupil completion and performance data reported
14 to the department or the center for educational performance and
15 information from cyber schools and other virtual course providers
16 operating in this state, analyze the effectiveness of virtual
17 learning delivery models in preparing pupils to be college- and
18 career-ready and publish a report that highlights enrollment
19 totals, completion rates, and the overall impact on pupils. The
20 report shall be submitted to the house and senate appropriations
21 subcommittees on state school aid, the state budget director, the
22 house and senate fiscal agencies, the department, districts, and
23 intermediate districts not later than March 31, 2017.

24 (v) Before August 31, 2017, provide an extensive professional
25 development program to at least 30,000 educational personnel,
26 including teachers, school administrators, and school board
27 members, that focuses on the effective integration of virtual

1 learning into curricula and instruction. The Michigan Virtual
2 Learning Research Institute is encouraged to work with the MiSTEM
3 advisory council created under section 99s to coordinate
4 professional development of teachers in applicable fields. In
5 addition, the ~~department shall coordinate with the~~ Michigan Virtual
6 Learning Research Institute and external stakeholders **ARE**
7 **ENCOURAGED TO COORDINATE WITH THE DEPARTMENT** for professional
8 development in this state. Not later than December 1, 2017, the
9 Michigan Virtual Learning Research Institute shall submit a report
10 to the house and senate appropriations subcommittees on state
11 school aid, the state budget director, the house and senate fiscal
12 agencies, and the department on the number and percentage of
13 teachers, school administrators, and school board members who have
14 received professional development services from the Michigan
15 Virtual University. The report shall also identify barriers and
16 other opportunities to encourage the adoption of virtual learning
17 in the public education system.

18 (vi) Identify and share best practices for planning,
19 implementing, and evaluating virtual and blended education delivery
20 models with intermediate districts, districts, and public school
21 academies to accelerate the adoption of innovative education
22 delivery models statewide.

23 (b) Provide leadership for this state's system of virtual
24 learning education by doing the following activities:

25 (i) Develop and report policy recommendations to the governor
26 and the legislature that accelerate the expansion of effective
27 virtual learning in this state's schools.

1 (ii) Provide a clearinghouse for research reports, academic
2 studies, evaluations, and other information related to virtual
3 learning.

4 (iii) Promote and distribute the most current instructional
5 design standards and guidelines for virtual teaching.

6 (iv) In collaboration with the department and interested
7 colleges and universities in this state, support implementation and
8 improvements related to effective virtual learning instruction.

9 (v) Pursue public/private partnerships that include districts
10 to study and implement competency-based technology-rich virtual
11 learning models.

12 (vi) Create a statewide network of school-based mentors
13 serving as liaisons between pupils, virtual instructors, parents,
14 and school staff, as provided by the department or the center, and
15 provide mentors with research-based training and technical
16 assistance designed to help more pupils be successful virtual
17 learners.

18 (vii) Convene focus groups and conduct annual surveys of
19 teachers, administrators, pupils, parents, and others to identify
20 barriers and opportunities related to virtual learning.

21 (viii) Produce an annual consumer awareness report for schools
22 and parents about effective virtual education providers and
23 education delivery models, performance data, cost structures, and
24 research trends.

25 (ix) Research and establish an Internet-based platform that
26 educators can use to create student-centric learning tools and
27 resources and facilitate a user network that assists educators in

1 using the platform. As part of this initiative, the Michigan
2 Virtual University shall work collaboratively with districts and
3 intermediate districts to establish a plan to make available
4 virtual resources that align to Michigan's K-12 curriculum
5 standards for use by students, educators, and parents.

6 (x) Create and maintain a public statewide catalog of virtual
7 learning courses being offered by all public schools and community
8 colleges in this state. The Michigan Virtual Learning Research
9 Institute shall identify and develop a list of nationally
10 recognized best practices for virtual learning and use this list to
11 support reviews of virtual course vendors, courses, and
12 instructional practices. The Michigan Virtual Learning Research
13 Institute shall also provide a mechanism for intermediate districts
14 to use the identified best practices to review content offered by
15 constituent districts. The Michigan Virtual Learning Research
16 Institute shall review the virtual course offerings of the Michigan
17 Virtual University, and make the results from these reviews
18 available to the public as part of the statewide catalog. The
19 Michigan Virtual Learning Research Institute shall ensure that the
20 statewide catalog is made available to the public on the Michigan
21 Virtual University website and shall allow the ability to link it
22 to each district's website as provided for in section 21f. The
23 statewide catalog shall also contain all of the following:

24 (A) The number of enrollments in each virtual course in the
25 immediately preceding school year.

26 (B) The number of enrollments that earned 60% or more of the
27 total course points for each virtual course in the immediately

1 preceding school year.

2 (C) The completion rate for each virtual course.

3 (xi) Develop prototype and pilot registration, payment
4 services, and transcript functionality to the statewide catalog and
5 train key stakeholders on how to use new features.

6 (xii) Collaborate with key stakeholders to examine district
7 level accountability and teacher effectiveness issues related to
8 virtual learning under section 21f and make findings and
9 recommendations publicly available.

10 (xiii) Provide a report on the activities of the Michigan
11 Virtual Learning Research Institute.

12 (3) To further enhance its expertise and leadership in virtual
13 learning, the Michigan Virtual University shall continue to operate
14 the Michigan Virtual School as a statewide laboratory and quality
15 model of instruction by implementing virtual and blended learning
16 solutions for Michigan schools in accordance with the following
17 parameters:

18 (a) The Michigan Virtual School must maintain its
19 accreditation status from recognized national and international
20 accrediting entities.

21 (b) The Michigan Virtual University shall use no more than
22 \$1,000,000.00 of the amount allocated under this section to
23 subsidize the cost paid by districts for virtual courses.

24 (c) In providing educators responsible for the teaching of
25 virtual courses as provided for in this section, the Michigan
26 Virtual School shall follow the requirements to request and assess,
27 and the department of state police shall provide, a criminal

1 history check and criminal records check under sections 1230 and
2 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
3 the same manner as if the Michigan Virtual School were a school
4 district under those sections.

5 (4) If the course offerings are included in the statewide
6 catalog of virtual courses under subsection (2) (b) (ix), the
7 Michigan Virtual School operated by the Michigan Virtual University
8 may offer virtual course offerings, including, but not limited to,
9 all of the following:

10 (a) Information technology courses.

11 (b) College level equivalent courses, as defined in section
12 1471 of the revised school code, MCL 380.1471.

13 (c) Courses and dual enrollment opportunities.

14 (d) Programs and services for at-risk pupils.

15 (e) High school equivalency test preparation courses for
16 adjudicated youth.

17 (f) Special interest courses.

18 (g) Professional development programs for teachers, school
19 administrators, other school employees, and school board members.

20 (5) If a home-schooled or nonpublic school student is a
21 resident of a district that subscribes to services provided by the
22 Michigan Virtual School, the student may use the services provided
23 by the Michigan Virtual School to the district without charge to
24 the student beyond what is charged to a district pupil using the
25 same services.

26 (6) Not later than December 1 of each fiscal year, the
27 Michigan Virtual University shall provide a report to the house and

1 senate appropriations subcommittees on state school aid, the state
2 budget director, the house and senate fiscal agencies, and the
3 department that includes at least all of the following information
4 related to the Michigan Virtual School for the preceding state
5 fiscal year:

6 (a) A list of the districts served by the Michigan Virtual
7 School.

8 (b) A list of virtual course titles available to districts.

9 (c) The total number of virtual course enrollments and
10 information on registrations and completions by course.

11 (d) The overall course completion rate percentage.

12 (7) In addition to the information listed in subsection (6),
13 the report under subsection (6) shall also include a plan to serve
14 at least 600 schools with courses from the Michigan Virtual School
15 or with content available through the Internet-based platform
16 identified in subsection (2) (b) (ix).

17 (8) The governor may appoint an advisory group for the
18 Michigan Virtual Learning Research Institute established under
19 subsection (2). The members of the advisory group shall serve at
20 the pleasure of the governor and shall serve without compensation.
21 The purpose of the advisory group is to make recommendations to the
22 governor, the legislature, and the president and board of the
23 Michigan Virtual University that will accelerate innovation in this
24 state's education system in a manner that will prepare elementary
25 and secondary students to be career and college ready and that will
26 promote the goal of increasing the percentage of citizens of this
27 state with high-quality degrees and credentials to at least 60% by

1 2025.

2 (9) Not later than November 1, 2016, the Michigan Virtual
3 University shall submit to the house and senate appropriations
4 subcommittees on state school aid, the state budget director, and
5 the house and senate fiscal agencies a detailed budget for the
6 2016-2017 fiscal year that includes a breakdown on its projected
7 costs to deliver virtual educational services to districts and a
8 summary of the anticipated fees to be paid by districts for those
9 services. Not later than March 1 each year, the Michigan Virtual
10 University shall submit to the house and senate appropriations
11 subcommittees on state school aid, the state budget director, and
12 the house and senate fiscal agencies a breakdown on its actual
13 costs to deliver virtual educational services to districts and a
14 summary of the actual fees paid by districts for those services
15 based on audited financial statements for the immediately preceding
16 fiscal year.

17 (10) As used in this section:

18 (a) "Blended learning" means a hybrid instructional delivery
19 model where pupils are provided content, instruction, and
20 assessment, in part at a supervised educational facility away from
21 home where the pupil and a teacher with a valid Michigan teaching
22 certificate are in the same physical location and in part through
23 Internet-connected learning environments with some degree of pupil
24 control over time, location, and pace of instruction.

25 (b) "Cyber school" means a full-time instructional program of
26 virtual courses for pupils that may or may not require attendance
27 at a physical school location.

1 (c) "Virtual course" means a course of study that is capable
2 of generating a credit or a grade and that is provided in an
3 interactive learning environment in which the majority of the
4 curriculum is delivered using the Internet and in which pupils are
5 separated from their instructor or teacher of record by time or
6 location, or both.

7 Sec. 99h. (1) From the appropriation in section 11, there is
8 allocated an amount not to exceed \$2,500,000.00 for 2016-2017 for
9 competitive grants to districts that provide pupils in grades K to
10 12 with expanded opportunities to improve mathematics, science, and
11 technology skills by participating in events hosted by a science
12 and technology development program known as FIRST (for inspiration
13 and recognition of science and technology) ~~robotics,~~ **ROBOTICS,**
14 including JR FIRST Lego League, FIRST Lego League, FIRST tech
15 challenge, and FIRST Robotics competition. Programs funded under
16 this section are intended to increase the number of pupils
17 demonstrating proficiency in science and mathematics on the state
18 assessments and to increase the number of pupils who are college-
19 and career-ready upon high school graduation. **NOTWITHSTANDING**
20 **SECTION 17B, GRANT PAYMENTS TO DISTRICTS UNDER THIS SECTION SHALL**
21 **BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT. THE DEPARTMENT**
22 **SHALL SET MAXIMUM GRANT AWARDS FOR EACH DIFFERENT LEVEL OF**
23 **COMPETITION IN A MANNER THAT BOTH MAXIMIZES THE NUMBER OF TEAMS**
24 **THAT WILL BE ABLE TO RECEIVE FUNDS AND EXPANDS THE GEOGRAPHICAL**
25 **DISTRIBUTION OF TEAMS.**

26 (2) A district applying for a grant under this section shall
27 submit an application in a form and manner determined by the

1 department. To be eligible for a grant, a district shall
2 demonstrate in its application that the district has established a
3 partnership for the purposes of the FIRST **ROBOTICS** program with at
4 least 1 sponsor, business entity, higher education institution, or
5 technical school, shall submit a spending plan, and shall pay at
6 least 25% of the cost of the FIRST ~~robotics~~**ROBOTICS** program.

7 (3) The department shall distribute the grant funding under
8 this section for the following purposes:

9 (a) Grants to districts to pay for stipends ~~of~~ **NOT TO EXCEED**
10 \$1,500.00 for 1 coach per team. ~~If the requests for stipends exceed~~
11 ~~the numbers of stipends allowed, and if there is funding remaining~~
12 ~~unspent under subdivisions (b) and (c), the department shall use~~
13 ~~that remaining unspent funding for grants to districts to pay for~~
14 ~~additional stipends in a manner that expands the geographical~~
15 ~~distribution of teams.~~

16 (b) Grants to districts for event registrations, materials,
17 travel costs, and other expenses associated with the preparation
18 for and attendance at FIRST ~~robotics~~**ROBOTICS** events and
19 competitions. Each grant recipient shall provide a local match from
20 other private or local funds for the funds received under this
21 subdivision equal to at least 50% of the costs of participating in
22 an event. ~~The department shall set maximum grant amounts under this~~
23 ~~subdivision in a manner that maximizes the number of teams that~~
24 ~~will be able to receive funding.~~

25 (c) Grants to districts for awards to teams that advance to
26 the state and world championship competitions. The department shall
27 determine an equal amount per team for those teams that advance to

1 the state championship and a second equal award amount to those
2 teams that advance to the world championship.

3 (4) The funds allocated under this section are a work project
4 appropriation, and any unexpended funds for 2016-2017 are carried
5 forward into 2017-2018. The purpose of the work project is to
6 continue to implement the projects described under subsection (1).
7 The estimated completion date of the work project is September 30,
8 2019.

9 Sec. 99t. (1) From the general fund appropriation under
10 section 11, there is allocated an amount not to exceed
11 \$1,500,000.00 for 2016-2017 to purchase statewide access to an
12 online algebra tool that meets all of the following:

13 (a) Provides students statewide with complete access to videos
14 aligned with state standards including study guides and workbooks
15 that are aligned with the videos.

16 (b) Provides students statewide with access to a personalized
17 online algebra learning tool including adaptive diagnostics.

18 (c) Provides students statewide with dynamic algebra practice
19 assessments that emulate the state assessment with immediate
20 feedback and help solving problems.

21 (d) Provides students statewide with online access to algebra
22 help 24 hours a day and 7 days a week from study experts, teachers,
23 and peers on a moderated social networking platform.

24 (e) Provides an online algebra professional development
25 network for teachers.

26 (f) Is already provided under a statewide contract in at least
27 1 other state **THAT HAS A POPULATION OF AT LEAST 18,000,000 BUT NOT**

1 MORE THAN 19,000,000 ACCORDING TO THE MOST RECENT DECENNIAL CENSUS
2 AND IS OFFERED IN THAT STATE IN PARTNERSHIP WITH A PUBLIC
3 UNIVERSITY.

4 (2) The department shall choose the online algebra tool by
5 October 1, 2016.

6 Sec. 104c. (1) In order to receive state aid under this
7 article, a district shall administer the state assessments
8 described in this section.

9 (2) For the purposes of this section, the department shall
10 develop for use in the spring of 2015-2016 the Michigan student
11 test of educational progress (M-STEP) assessments in English
12 language arts and mathematics. These assessments shall be aligned
13 to state standards.

14 (3) For the purposes of this section, the department shall
15 implement a summative assessment system that is proven to be valid
16 and reliable for administration to pupils as provided under this
17 subsection. The summative assessment system shall meet all of the
18 following requirements:

19 (a) The summative assessment system shall measure student
20 proficiency on the current state standards, shall measure student
21 growth for consecutive grade levels in which students are assessed
22 in the same subject area in both grade levels, and shall be capable
23 of measuring individual student performance.

24 (b) The summative assessments for English language arts and
25 mathematics shall be administered to all public school pupils in
26 grades 3 to 11, including those pupils as required by the federal
27 individuals with disabilities education act, Public Law 108-446,

1 and by title I of the federal elementary and secondary education
2 act.

3 (c) The summative assessments for science shall be
4 administered to all public school pupils in at least grades 4 and
5 7, including those pupils as required by the federal individuals
6 with disabilities education act, Public Law 108-446, and by title I
7 of the federal elementary and secondary education act.

8 (d) The summative assessments for social studies shall be
9 administered to all public school pupils in at least grades 5 and
10 8, including those pupils as required by the federal individuals
11 with disabilities education act, Public Law 108-446, and by title I
12 of the federal elementary and secondary education act.

13 (e) The content of the summative assessments shall be aligned
14 to state standards.

15 (f) The pool of questions for the summative assessments shall
16 be subject to a transparent review process for quality, bias, and
17 sensitive issues involving educator review and comment. The
18 department shall post samples from tests or retired tests featuring
19 questions from this pool for review by the public.

20 (g) The summative assessment system shall ensure that
21 students, parents, and teachers are provided with reports that
22 convey individual student proficiency and growth on the assessment
23 and that convey individual student domain-level performance in each
24 subject area, including representative questions, and individual
25 student performance in meeting state standards.

26 (h) The summative assessment system shall be capable of
27 providing, and the department shall ensure that students, parents,

1 teachers, administrators, and community members are provided with,
2 reports that convey aggregate student proficiency and growth data
3 by teacher, grade, school, and district.

4 (i) The summative assessment system shall ensure the
5 capability of reporting the available data to support educator
6 evaluations.

7 (j) The summative assessment system shall ensure that the
8 reports provided to districts containing individual student data
9 are available within 60 days after completion of the assessments.

10 (k) The summative assessment system shall ensure that access
11 to individually identifiable student data meets all of the
12 following:

13 (i) Is in compliance with 20 USC 1232g, commonly referred to
14 as the family educational rights and privacy act of 1974.

15 (ii) Except as may be provided for in an agreement with a
16 vendor to provide assessment services, as necessary to support
17 educator evaluations pursuant to subdivision (i), or for research
18 or program evaluation purposes, is available only to the student;
19 to the student's parent or legal guardian; and to a school
20 administrator or teacher, to the extent that he or she has a
21 legitimate educational interest.

22 (l) The summative assessment system shall ensure that the
23 assessments are pilot tested before statewide implementation.

24 (m) The summative assessment system shall ensure that
25 assessments are designed so that the maximum total combined length
26 of time that schools are required to set aside for a pupil to
27 answer all test questions on all assessments that are part of the

1 system for the pupil's grade level does not exceed that maximum
2 total combined length of time for the previous statewide assessment
3 system or 9 hours, whichever is less. This subdivision does not
4 limit the amount of time a district may allow a pupil to complete a
5 test.

6 (n) The total cost of executing the summative assessment
7 system statewide each year, including, but not limited to, the cost
8 of contracts for administration, scoring, and reporting, shall not
9 exceed an amount equal to 2 times the cost of executing the
10 previous statewide assessment after adjustment for inflation.

11 (4) Beginning in the 2015-2016 school year, the department
12 shall field test assessments in the fall and spring of each school
13 year to measure English language arts and mathematics in each of
14 grades K to 2 for full implementation ~~in subsequent school years.~~
15 **WHEN THE ASSESSMENTS HAVE BEEN SUCCESSFULLY FIELD TESTED. THIS FULL**
16 **IMPLEMENTATION SHALL OCCUR NOT LATER THAN THE 2018-2019 SCHOOL**
17 **YEAR.** These assessments are necessary to determine a pupil's
18 proficiency level before grade 3.

19 (5) This section does not prohibit districts from adopting
20 interim assessments.

21 (6) As used in this section, "English language arts" means
22 that term as defined in section 104b.