

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4538**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending section 104 (MCL 388.1704), as amended by 2021 PA 48,
and by adding sections 11b and 104j.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 11b. (1) The student postsecondary preparedness fund is**
2 **created as a separate account within the state school aid fund.**

3 **(2) The state treasurer may credit to the SPP fund money**
4 **allocated in section 104 but not expended, as described in section**
5 **104, as the result of the removal, through the amendatory act that**
6 **added section 1279i to the revised school code, MCL 380.1279i, of**
7 **the requirement, formerly included in section 1279g(2) of the**
8 **revised school code, MCL 380.1279g, that the Michigan merit**



1 examination consist of 1 or more tests that assess a pupil's
2 ability to apply at least reading and mathematics skills in a
3 manner that is intended to allow employers to use the results in
4 making employment decisions. The state treasurer shall direct the
5 investment of the SPP fund. The state treasurer shall credit to the
6 SPP fund interest and earnings from SPP fund investments.

7 (3) Money in the SPP fund at the close of the fiscal year
8 remains in the SPP fund and does not lapse to the state school aid
9 fund or to the general fund. The department of treasury must be the
10 administrator of the SPP fund for auditing purposes.

11 (4) For the fiscal year ending September 30, 2023, the
12 department shall make payments from the SPP fund to eligible
13 districts and eligible intermediate districts as described in
14 subsection (7). The department shall make payments under this
15 subsection to each eligible district or eligible intermediate
16 district in an amount equal to either of the following, whichever
17 is less:

18 (a) The total actual costs submitted in the eligible
19 district's or eligible intermediate district's application as
20 described in subsection (7)(b), but payments under this subdivision
21 must not equal an amount totaling more than \$100.00 per pupil for
22 each pupil for whom the actual costs described in this subsection
23 are associated.

24 (b) \$100.00 per pupil for each pupil for whom the actual costs
25 described in subdivision (a) are associated.

26 (5) By not later than September 30, 2022, the department shall
27 issue a list of qualifying assessments. In developing its list
28 under this subsection, the department shall consult with
29 organizations representing trade unions, high school principals,



1 school administrators, career and technical education program
2 administrators, school counselors, high school teachers, and any
3 other group as appropriate, as determined by the department.

4 (6) To receive payments from the department under subsection
5 (4), a district or intermediate district must apply for the
6 payments in a form and manner prescribed by the department.

7 (7) A district or intermediate district to which both of the
8 following apply is an eligible district or eligible intermediate
9 district under this section:

10 (a) In its application for the receipt of payments as
11 described in subsection (6), the district or intermediate district
12 pledges that it will use payments received under this section to
13 only provide pupils enrolled in any of grades 9 to 12 in the
14 district or intermediate district with opportunities to participate
15 in qualifying assessments while in any of those grades by covering
16 a part or all of the costs of those assessments.

17 (b) In its application for the receipt of payments as
18 described in subsection (6), the district or intermediate district
19 includes the actual costs per pupil associated with providing
20 pupils with opportunities to participate in qualifying assessments
21 as described in subdivision (a). Actual costs per pupil, as
22 described in this subdivision, may be associated with a pupil's
23 participation in more than 1 qualifying assessment.

24 (8) If funds in the SPP fund are insufficient to fully fund
25 calculations for payments under subsection (4), the department
26 shall prorate payments under subsection (4) in equal proportion to
27 the amount an eligible district or eligible intermediate district
28 would have received under subsection (4) but for the application of
29 proration under this subsection.



1 (9) As used in this section:

2 (a) "Qualifying assessments" means assessments that are
3 included on the department's list under subsection (5) and that are
4 capable of generating postsecondary credentials or credits,
5 including, but not limited to, any of the following assessments:

6 (i) Assessments required by this state as a prerequisite for
7 obtaining a professional certification or locally and state
8 recognized industry certifications.

9 (ii) Career and technical education technical skills
10 assessments necessary to achieve completer status in a career and
11 technical education program.

12 (iii) Assessments that enable students to earn credit for
13 introductory level courses that count toward completion of a
14 postsecondary credential by achieving satisfactory scores.

15 (iv) Any other assessments determined by the department to be
16 capable of generating postsecondary credentials for high school
17 students.

18 (b) "SPP fund" means the student postsecondary preparedness
19 fund created in subsection (1).

20 Sec. 104. (1) ~~In~~ Except as otherwise provided in this
21 subsection, in order to receive state aid under this article, a
22 district shall comply with sections 1249, 1278a, 1278b, 1279g, and
23 1280b of the revised school code, MCL 380.1249, 380.1278a,
24 380.1278b, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081
25 to 388.1086. Subject to subsection (2), from the state school aid
26 fund money appropriated in section 11, there is allocated for 2021-
27 2022 an amount not to exceed \$29,509,400.00 for payments on behalf
28 of districts for costs associated with complying with those
29 provisions of law. In addition, from the federal funds appropriated



1 in section 11, there is allocated for 2021-2022 an amount estimated
2 at \$6,250,000.00 funded from DED-OESE, title VI, state assessment
3 funds, and from DED-OSERS, part B of the individuals with
4 disabilities education act, 20 USC 1411 to 1419, plus any carryover
5 federal funds from previous year appropriations, for the purposes
6 of complying with the every student succeeds act, Public Law 114-
7 95. **If any amount of the state school aid fund money allocated**
8 **under this subsection is not expended as the result of the removal,**
9 **through the amendatory act that added section 1279i to the revised**
10 **school code, MCL 380.1279i, of the requirement, formerly included**
11 **in section 1279g(2) of the revised school code, MCL 380.1279g, that**
12 **the Michigan merit examination consist of 1 or more tests that**
13 **assess a pupil's ability to apply at least reading and mathematics**
14 **skills in a manner that is intended to allow employers to use the**
15 **results in making employment decisions, as determined by the**
16 **department, those unexpended funds must be deposited into the**
17 **student postsecondary preparedness fund created in section 11b for**
18 **disbursement to eligible districts and eligible intermediate**
19 **districts as provided for under section 11b.**

20 (2) The results of each test administered as part of the
21 Michigan student test of educational progress (M-STEP), including
22 tests administered to high school students, must include an item
23 analysis that lists all items that are counted for individual pupil
24 scores and the percentage of pupils choosing each possible
25 response. The department shall work with the center to identify the
26 number of students enrolled at the time assessments are given by
27 each district. In calculating the percentage of pupils assessed for
28 a district's scorecard, the department shall use only the number of
29 pupils enrolled in the district at the time the district



1 administers the assessments and shall exclude pupils who enroll in
2 the district after the district administers the assessments.

3 (3) The department shall distribute federal funds allocated
4 under this section in accordance with federal law and with
5 flexibility provisions outlined in Public Law 107-116, and in the
6 education flexibility partnership act of 1999, Public Law 106-25.

7 (4) The department may recommend, but may not require,
8 districts to allow pupils to use an external keyboard with tablet
9 devices for online M-STEP testing, including, but not limited to,
10 open-ended test items such as constructed response or equation
11 builder items.

12 (5) Notwithstanding section 17b, the department shall make
13 payments on behalf of districts, intermediate districts, and other
14 eligible entities under this section on a schedule determined by
15 the department.

16 (6) From the allocation in subsection (1), there is allocated
17 an amount not to exceed \$500,000.00 for 2021-2022 for the operation
18 of an online reporting tool to provide student-level assessment
19 data in a secure environment to educators, parents, and pupils
20 immediately after assessments are scored. The department and the
21 center shall ensure that any data collected by the online reporting
22 tool do not provide individually identifiable student data to the
23 federal government.

24 (7) As used in this section:

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

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

28 (c) "DED-OSERS" means the DED Office of Special Education and
29 Rehabilitative Services.



1 Sec. 104j. The department shall not require as a condition of
2 the receipt of state aid under this article by a district the
3 administration by a district of an assessment described in section
4 1279i(1) of the revised school code, MCL 380.1279i.

5 Enacting section 1. This amendatory act does not take effect
6 unless House Bill No. 4038 of the 101st Legislature is enacted into
7 law.

