

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 842, entitled

A bill to amend 1979 PA 94, entitled

"The state school aid act of 1979,"

by amending sections 236, 236c, 236h, 241, 245a, 251, 252, 256, 260, 263, 264, 265, 265a, 265b, 267, 268, 269, 270c, 274, 275f, 275h, 275i, and 278 (MCL 388.1836, 388.1836c, 388.1836h, 388.1841, 388.1845a, 388.1851, 388.1852, 388.1856, 388.1860, 388.1863, 388.1864, 388.1865, 388.1865a, 388.1865b, 388.1867, 388.1868, 388.1869, 388.1870c, 388.1874, 388.1875f, 388.1875h, 388.1875i, and 388.1878), sections 236, 236c, 241, 245a, 256, 260, 263, 264, 265, 265b, 267, 268, 269, 270c, 274, 275f, 275h, 275i, and 278 as amended and section 236h as added by 2021 PA 86, sections 251 and 252 as amended by 2019 PA 162, and section 265a as amended by 2019 PA 62, and by adding sections 248, 262, 266a, and 275j; and to repeal acts and parts of acts.

Recommends:

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

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

(attached)

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 11, 51a, 56, 216, 236, 236j, and 251 (MCL 388.1611, 388.1651a, 388.1656, 388.1816, 388.1836, 388.1836j, and 388.1851), sections 11, 51a, 56, 236, and 251 as amended and sections 216 and 236j as added by 2022 PA 144, and by adding sections 31c, 99j, 248, and 248a.

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Jim Stamas

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Ben Frederick

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Kimberly LaSata

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Curtis Hertel, Jr.

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Samantha Steckloff

Conferees for the Senate

Conferees for the House



**SUBSTITUTE FOR  
SENATE BILL NO. 842**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 11, 51a, 56, 216, 236, 236j, and 251 (MCL  
388.1611, 388.1651a, 388.1656, 388.1816, 388.1836, 388.1836j, and  
388.1851), sections 11, 51a, 56, 236, and 251 as amended and  
sections 216 and 236j as added by 2022 PA 144, and by adding  
sections 31c, 99j, 248, and 248a.

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

1           Sec. 11. (1) ~~For the fiscal year ending September 30, 2022,~~  
2 ~~there is appropriated for the public schools of this state and~~  
3 ~~certain other state purposes relating to education the sum of~~  
4 ~~\$14,465,414,700.00 from the state school aid fund, the sum of~~  
5 ~~\$98,119,400.00 from the general fund, an amount not to exceed~~



~~1 \$72,000,000.00 from the community district education trust fund~~  
~~2 created under section 12 of the Michigan trust fund act, 2000 PA~~  
~~3 489, MCL 12.262, and an amount not to exceed \$100.00 from the water~~  
~~4 emergency reserve fund. For the fiscal year ending September 30,~~  
~~5 2023, there is appropriated for the public schools of this state~~  
~~6 and certain other state purposes relating to education the sum of~~  
~~7 \$16,754,072,900.00 from the state school aid fund, the sum of~~  
~~8 \$112,000,000.00~~ **\$124,200,000.00** ~~from the general fund, an amount~~  
~~9 not to exceed \$72,000,000.00 from the community district education~~  
~~10 trust fund created under section 12 of the Michigan trust fund act,~~  
~~11 2000 PA 489, MCL 12.262, and an amount not to exceed~~  
~~12 \$140,400,000.00 from the MPERS retirement obligation reform~~  
~~13 reserve fund created under section 147b. In addition, all available~~  
~~14 federal funds are only appropriated as allocated in this article~~  
~~15 for the fiscal years~~ **year** ~~ending September 30, 2022 and September~~  
~~16 30, 2023.~~

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

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

**25 Sec. 31c. (1) Subject to subsection (6), from the general fund**  
**26 money appropriated in section 11, there is allocated \$12,000,000.00**  
**27 for 2022-2023 to an eligible vendor to, subject to subsections (3),**  
**28 (4), and (5), provide literacy tutoring services and enrichment**  
**29 programs to districts or intermediate districts or both districts**



1 and intermediate districts.

2 (2) Except as otherwise provided in this section, to receive  
3 money under this section, an eligible vendor must apply for the  
4 money in a form and manner prescribed by the department. In its  
5 application described in this subsection, the eligible vendor must  
6 pledge to, subject to subsections (3) and (4), use the money it  
7 receives under this section to provide literacy tutoring services  
8 and enrichment programs to districts or intermediate districts or  
9 both districts and intermediate districts for the 2022-2023, 2023-  
10 2024, and 2024-2025 fiscal years.

11 (3) An eligible vendor that receives money under this section  
12 shall ensure that, at a minimum, all of the following criteria  
13 apply to the literacy tutoring services provided as described in  
14 subsection (1):

15 (a) The services include the provision of assessments that,  
16 with the advice of the district or intermediate district receiving  
17 the services, includes the identification of students for  
18 participation in individualized literacy intervention programs.

19 (b) The services include certified testers who assess students  
20 pre- and postintervention through the literacy tutoring services  
21 described in this subsection and the provision of a literacy  
22 prescription for students.

23 (c) The services include reading tutors who are trained in 1  
24 or more methods that are adapted for students' individual literacy  
25 prescriptions as described in subdivision (b).

26 (d) Each tutor provided through the services must provide 1-  
27 on-1 reading tutoring 1 hour each day, 5 times each week for the  
28 duration the tutor is to provide services to a student as  
29 prescribed in the student's individual literacy prescription as



1 described in subdivision (b).

2 (e) Through the services, based on each student's individual  
3 literacy prescription as described in subdivision (b), each student  
4 must participate in either or both of the following:

5 (i) Intervention in 1 or more of the following areas:

6 (A) Foundational phonemic awareness.

7 (B) Multisensory structured literacy.

8 (C) Upper morphology, vocabulary, and comprehension.

9 (ii) Reading and writing programs focused on college and career  
10 readiness. The programs described in this subparagraph must be made  
11 available only to students enrolled in high school. As used in this  
12 subparagraph, "high school" means a school that offers at least 1  
13 of grades 9 to 12.

14 (4) An eligible vendor that receives money under this section  
15 shall ensure that, at a minimum, all of the following criteria  
16 apply to the enrichment programs provided as described in  
17 subsection (1):

18 (a) The programs include, for students enrolled in any of  
19 grades K to 6, a publishing center that helps students write and  
20 edit original stories that are bound into hardcover books.

21 (b) The programs include, for students enrolled in any of  
22 grades 7 to 12, a variety of fun opportunities to improve writing  
23 skills using the fundamental principles of essay writing.

24 (c) The programs include lessons about master artists that  
25 cover the topics of history, geography, and artistic techniques as  
26 applicable to those master artists and that students can utilize in  
27 a variety of projects.

28 (d) The programs provide for international art and writing  
29 opportunities that allow school children from around the world to



1 creatively express their interpretation of the year's theme through  
2 paintings or writing essays that are shared with other  
3 participants.

4 (5) An eligible vendor that receives money under this section  
5 shall use the money to, subject to subsections (3) and (4), provide  
6 literacy tutoring services and enrichment programs to districts or  
7 intermediate districts or both districts and intermediate districts  
8 as required under subsection (1) for the 2022-2023, 2023-2024, and  
9 2024-2025 fiscal years.

10 (6) All of the following criteria apply to payments of money  
11 allocated under subsection (1):

12 (a) The department may make payments to the eligible vendor in  
13 an amount not to exceed 1/3 of the amount allocated in subsection  
14 (1) for services described in subsection (3) and programs described  
15 in subsection (4) provided to the first 1,000 students served by  
16 the eligible vendor that receives money under this section.

17 (b) The department shall make subsequent payments, in addition  
18 to the payments described in subdivision (a), or, if payments are  
19 not made as described in subdivision (a), all payments, to the  
20 eligible vendor for services described in subsection (3) and  
21 programs described in subsection (4) based on the number of  
22 students served in addition to the students served as described in  
23 subdivision (a), or, if payments are not made as described in  
24 subdivision (a), based on the number of students served, in a  
25 manner determined by the department.

26 (7) By not later than September 30, 2025, the eligible vendor  
27 that receives money under this section shall provide a report to  
28 the house and senate subcommittees on K to 12 school aid, the house  
29 and senate fiscal agencies, and the state budget director,



1 concerning the reading readiness outcomes for students that  
2 received services with money received by the eligible vendor under  
3 this section. The report described in this subsection must include  
4 aggregated results from pre- and postassessments of reading  
5 readiness, best practices for implementing similar services and  
6 programs statewide to the services and programs implemented by the  
7 eligible vendor, and identifications of barriers to the successful  
8 implementation of the services provided by the eligible vendor to  
9 students with money received under this section.

10 (8) The funds allocated under this section for 2022-2023 are a  
11 work project appropriation, and any unexpended funds for 2022-2023  
12 are carried forward into 2023-2024. The purpose of the work project  
13 is to continue the support of the implementation of literacy  
14 tutoring services and enrichment programs described in this  
15 section. The estimated completion date of the work project is  
16 September 30, 2025.

17 (9) As used in this section, "eligible vendor" means a vendor  
18 to which both of the following apply:

19 (a) It provides literacy tutoring services that meet the  
20 criteria described in subsection (3) and enrichment programs that  
21 meet the criteria described in subsection (4).

22 (b) It meets both of the following:

23 (i) In its application described in subsection (2), it has  
24 submitted to the department an implementation plan that includes,  
25 at a minimum, all of the following:

26 (A) An identification of at least 3 geographically diverse  
27 districts that will receive services from money received under this  
28 section.

29 (B) A plan to serve at least 3,000 students from the 2022-2023





1 fiscal year to the 2024-2025 fiscal year with services from money  
2 received under this section.

3 (C) Methods to collect and report to the department pre- and  
4 postassessments of reading readiness by students receiving services  
5 from money received under this section.

6 (D) A plan to provide data-based outcome metrics to the  
7 department in a form, time frame, and manner determined by the  
8 department.

9 (ii) The department has approved the implementation plan  
10 described in subparagraph (i).

11 Sec. 51a. (1) From the state school aid fund money in section  
12 11, there is allocated an amount not to exceed \$1,089,096,100.00  
13 for 2021-2022 and there is allocated an amount not to exceed  
14 \$1,460,503,100.00 for 2022-2023 from state sources and all  
15 available federal funding under sections 1411 to 1419 of part B of  
16 the individuals with disabilities education act, 20 USC 1411 to  
17 1419, estimated at \$380,000,000.00 for 2021-2022 and  
18 \$390,000,000.00 for 2022-2023, plus any carryover federal funds  
19 from previous year appropriations. The allocations under this  
20 subsection are for the purpose of reimbursing districts and  
21 intermediate districts for special education programs, services,  
22 and special education personnel as prescribed in article 3 of the  
23 revised school code, MCL 380.1701 to 380.1761; net tuition payments  
24 made by intermediate districts to the Michigan Schools for the Deaf  
25 and Blind; and special education programs and services for pupils  
26 who are eligible for special education programs and services  
27 according to statute or rule. For meeting the costs of special  
28 education programs and services not reimbursed under this article,  
29 a district or intermediate district may use money in general funds



1 or special education funds, not otherwise restricted, or  
2 contributions from districts to intermediate districts, tuition  
3 payments, gifts and contributions from individuals or other  
4 entities, or federal funds that may be available for this purpose,  
5 as determined by the intermediate district plan prepared under  
6 article 3 of the revised school code, MCL 380.1701 to 380.1761.  
7 Notwithstanding section 17b, the department shall make payments of  
8 federal funds to districts, intermediate districts, and other  
9 eligible entities under this section on a schedule determined by  
10 the department.

11 (2) From the funds allocated under subsection (1), there is  
12 allocated the amount necessary, estimated at \$311,800,000.00 for  
13 2021-2022 and estimated at \$323,300,000.00 for 2022-2023, for  
14 payments toward reimbursing districts and intermediate districts  
15 for 28.6138% of total approved costs of special education,  
16 excluding costs reimbursed under section 53a, and 70.4165% of total  
17 approved costs of special education transportation. Allocations  
18 under this subsection are made as follows:

19 (a) For 2021-2022, the department shall calculate the initial  
20 amount allocated to a district under this subsection toward  
21 fulfilling the specified percentages by multiplying the district's  
22 special education pupil membership, excluding pupils described in  
23 subsection (11), times the foundation allowance under section 20 of  
24 the pupil's district of residence, plus the amount of the  
25 district's per-pupil allocation under section 20m, not to exceed  
26 the target foundation allowance for the current fiscal year, or,  
27 for a special education pupil in membership in a district that is a  
28 public school academy, times an amount equal to the amount per  
29 membership pupil calculated under section 20(6). For an



1 intermediate district, the amount allocated under this subdivision  
2 toward fulfilling the specified percentages is an amount per  
3 special education membership pupil, excluding pupils described in  
4 subsection (11), and is calculated in the same manner as for a  
5 district, using the foundation allowance under section 20 of the  
6 pupil's district of residence, not to exceed the target foundation  
7 allowance for the current fiscal year, and that district's per-  
8 pupil allocation under section 20m.

9 (b) For 2022-2023, the department shall calculate the initial  
10 amount allocated to a district under this subsection toward  
11 fulfilling the specified percentages by multiplying the district's  
12 special education pupil membership, excluding pupils described in  
13 subsection (11), times 25% of the foundation allowance under  
14 section 20 of the pupil's district of residence, plus 25% of the  
15 amount of the district's per-pupil allocation under section 20m,  
16 not to exceed 25% of the target foundation allowance for the  
17 current fiscal year, or, for a special education pupil in  
18 membership in a district that is a public school academy, times an  
19 amount equal to 25% of the amount per membership pupil calculated  
20 under section 20(6). For an intermediate district, the amount  
21 allocated under this subdivision toward fulfilling the specified  
22 percentages is an amount per special education membership pupil,  
23 excluding pupils described in subsection (11), and is calculated in  
24 the same manner as for a district, using 25% of the foundation  
25 allowance under section 20 of the pupil's district of residence,  
26 not to exceed 25% of the target foundation allowance for the  
27 current fiscal year, and that district's per-pupil allocation under  
28 section 20m.

29 (c) After the allocations under subdivision (a) or (b), as



1 applicable, the department shall pay a district or intermediate  
 2 district for which the payments calculated under subdivision (a) **or**  
 3 **(b), as applicable,** do not fulfill the specified percentages the  
 4 amount necessary to achieve the specified percentages for the  
 5 district or intermediate district.

6 (3) From the funds allocated under subsection (1), there is  
 7 allocated for 2021-2022 an amount not to exceed \$1,000,000.00 and  
 8 there is allocated for 2022-2023 an amount not to exceed  
 9 \$1,000,000.00 to make payments to districts and intermediate  
 10 districts under this subsection. If the amount ~~, for 2021-2022,~~  
 11 allocated to a district or intermediate district for the fiscal  
 12 year under subsection (2) (c) ~~or, for 2022-2023, the amount, equal~~  
 13 ~~to the amount necessary to fulfill the specified percentages minus~~  
 14 ~~(the sum of the amounts calculated under subsection (2) (a) plus the~~  
 15 ~~amount received under section 51e),~~ is less than the sum of the  
 16 amounts allocated to the district or intermediate district for  
 17 1996-97 under sections 52 and 58, there is allocated to the  
 18 district or intermediate district for the fiscal year an amount  
 19 equal to that difference, adjusted by applying the same proration  
 20 factor that was used in the distribution of funds under section 52  
 21 in 1996-97 as adjusted to the district's or intermediate district's  
 22 necessary costs of special education used in calculations for the  
 23 fiscal year. This adjustment is to reflect reductions in special  
 24 education program operations or services between 1996-97 and  
 25 subsequent fiscal years. The department shall make adjustments for  
 26 reductions in special education program operations or services in a  
 27 manner determined by the department and shall include adjustments  
 28 for program or service shifts.

29 (4) If the department determines that the sum of the amounts



1 allocated for a fiscal year to a district or intermediate district  
2 under subsection ~~(2)(a) and (b)~~ **(2)** is not sufficient to fulfill  
3 the specified percentages in subsection (2), then the department  
4 shall pay the shortfall to the district or intermediate district  
5 during the fiscal year beginning on the October 1 following the  
6 determination and shall adjust payments under subsection (3) as  
7 necessary. If the department determines that the sum of the amounts  
8 allocated for a fiscal year to a district or intermediate district  
9 under subsection ~~(2)(a) and (b)~~ **(2)** exceeds the sum of the amount  
10 necessary to fulfill the specified percentages in subsection (2),  
11 then the department shall deduct the amount of the excess from the  
12 district's or intermediate district's payments under this article  
13 for the fiscal year beginning on the October 1 following the  
14 determination and shall adjust payments under subsection (3) as  
15 necessary. However, for 2021-2022 only, if the amount allocated  
16 under subsection (2)(a) in itself exceeds the amount necessary to  
17 fulfill the specified percentages in subsection (2), there is no  
18 deduction under this subsection. **Beginning in 2022-2023, if the**  
19 **amount allocated under subsection (2)(b) in itself exceeds the**  
20 **amount necessary to fulfill the specified percentages in subsection**  
21 **(2), there is no deduction under this subsection.**

22 (5) State funds are allocated on a total approved cost basis.  
23 Federal funds are allocated under applicable federal requirements.

24 (6) From the amount allocated in subsection (1), there is  
25 allocated an amount not to exceed \$2,200,000.00 for 2021-2022 and  
26 there is allocated an amount not to exceed \$2,200,000.00 for 2022-  
27 2023 to reimburse 100% of the net increase in necessary costs  
28 incurred by a district or intermediate district in implementing the  
29 revisions in the administrative rules for special education that



1 became effective on July 1, 1987. As used in this subsection, "net  
2 increase in necessary costs" means the necessary additional costs  
3 incurred solely because of new or revised requirements in the  
4 administrative rules minus cost savings permitted in implementing  
5 the revised rules. The department shall determine net increase in  
6 necessary costs in a manner specified by the department.

7 (7) For purposes of this section and sections 51b to 58, all  
8 of the following apply:

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



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

15 (c) If the department determines before bookclosing for a  
16 fiscal year that the amounts allocated for that fiscal year under  
17 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56  
18 will exceed expenditures for that fiscal year under subsections  
19 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a  
20 district or intermediate district whose reimbursement for that  
21 fiscal year would otherwise be affected by subdivision (b),  
22 subdivision (b) does not apply to the calculation of the  
23 reimbursement for that district or intermediate district and the  
24 department shall calculate reimbursement for that district or  
25 intermediate district in the same manner as it was for 2003-2004.  
26 If the amount of the excess allocations under subsections (2), (3),  
27 (6), and (11) and sections 53a, 54, and 56 is not sufficient to  
28 fully fund the calculation of reimbursement to those districts and  
29 intermediate districts under this subdivision, then the department



1 shall prorate calculations and resulting reimbursement under this  
2 subdivision on an equal percentage basis. The amount of  
3 reimbursement under this subdivision for a fiscal year must not  
4 exceed \$2,000,000.00 for any district or intermediate district.

5 (d) Reimbursement for ancillary and other related services, as  
6 that term is defined by R 340.1701c of the Michigan Administrative  
7 Code, is not provided when those services are covered by and  
8 available through private group health insurance carriers or  
9 federal reimbursed program sources unless the department and  
10 district or intermediate district agree otherwise and that  
11 agreement is approved by the state budget director. Expenses, other  
12 than the incidental expense of filing, must not be borne by the  
13 parent. In addition, the filing of claims must not delay the  
14 education of a pupil. A district or intermediate district is  
15 responsible for payment of a deductible amount and for an advance  
16 payment required until the time a claim is paid.

17 (e) If an intermediate district purchases a special education  
18 pupil transportation service from a constituent district that was  
19 previously purchased from a private entity; if the purchase from  
20 the constituent district is at a lower cost, adjusted for changes  
21 in fuel costs; and if the cost shift from the intermediate district  
22 to the constituent does not result in any net change in the revenue  
23 the constituent district receives from payments under sections 22b  
24 and 51c, then upon application by the intermediate district, the  
25 department shall direct the intermediate district to continue to  
26 report the cost associated with the specific identified special  
27 education pupil transportation service and shall adjust the costs  
28 reported by the constituent district to remove the cost associated  
29 with that specific service.





1 (8) A pupil who is enrolled in a full-time special education  
2 program conducted or administered by an intermediate district or a  
3 pupil who is enrolled in the Michigan Schools for the Deaf and  
4 Blind is not included in the membership count of a district, but is  
5 counted in membership in the intermediate district of residence.

6 (9) Special education personnel transferred from 1 district to  
7 another to implement the revised school code are entitled to the  
8 rights, benefits, and tenure to which the individual would  
9 otherwise be entitled had that individual been employed by the  
10 receiving district originally.

11 (10) If a district or intermediate district uses money  
12 received under this section for a purpose other than the purpose or  
13 purposes for which the money is allocated, the department may  
14 require the district or intermediate district to refund the amount  
15 of money received. The department shall deposit money that is  
16 refunded in the state treasury to the credit of the state school  
17 aid fund.

18 (11) From the funds allocated in subsection (1), there is  
19 allocated the amount necessary, estimated at \$1,500,000.00 for  
20 2021-2022 and estimated at \$1,500,000.00 for 2022-2023, to pay the  
21 foundation allowances for pupils described in this subsection. The  
22 department shall calculate the allocation to a district under this  
23 subsection by multiplying the number of pupils described in this  
24 subsection who are counted in membership in the district times the  
25 sum of the foundation allowance under section 20 of the pupil's  
26 district of residence, plus the amount of the district's per-pupil  
27 allocation under section 20m, not to exceed the target foundation  
28 allowance for the current fiscal year, or, for a pupil described in  
29 this subsection who is counted in membership in a district that is



1 a public school academy, times an amount equal to the amount per  
2 membership pupil under section 20(6). The department shall  
3 calculate the allocation to an intermediate district under this  
4 subsection in the same manner as for a district, using the  
5 foundation allowance under section 20 of the pupil's district of  
6 residence not to exceed the target foundation allowance for the  
7 current fiscal year and that district's per-pupil allocation under  
8 section 20m. This subsection applies to all of the following  
9 pupils:

10 (a) Pupils described in section 53a.

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

15 (c) Pupils with an emotional impairment counted in membership  
16 by an intermediate district and provided educational services by  
17 the department of health and human services.

18 (12) If it is determined that funds allocated under subsection  
19 (2) or (11) or under section 51c will not be expended, funds up to  
20 the amount necessary and available may be used to supplement the  
21 allocations under subsection (2) or (11) or under section 51c in  
22 order to fully fund those allocations. After payments under  
23 subsections (2) and (11) and section 51c, the department shall  
24 expend the remaining funds from the allocation in subsection (1) in  
25 the following order:

26 (a) One hundred percent of the reimbursement required under  
27 section 53a.

28 (b) One hundred percent of the reimbursement required under  
29 subsection (6).



1 (c) One hundred percent of the payment required under section  
2 54.

3 (d) One hundred percent of the payment required under  
4 subsection (3).

5 (e) One hundred percent of the payments under section 56.

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

10 (14) If a public school academy that is not a cyber school, as  
11 that term is defined in section 551 of the revised school code, MCL  
12 380.551, enrolls under this section a pupil who resides outside of  
13 the intermediate district in which the public school academy is  
14 located and who is eligible for special education programs and  
15 services according to statute or rule, or who is a child with a  
16 disability, as that term is defined under the individuals with  
17 disabilities education act, Public Law 108-446, the intermediate  
18 district in which the public school academy is located and the  
19 public school academy shall enter into a written agreement with the  
20 intermediate district in which the pupil resides for the purpose of  
21 providing the pupil with a free appropriate public education, and  
22 the written agreement must include at least an agreement on the  
23 responsibility for the payment of the added costs of special  
24 education programs and services for the pupil. If the public school  
25 academy that enrolls the pupil does not enter into an agreement  
26 under this subsection, the public school academy shall not charge  
27 the pupil's resident intermediate district or the intermediate  
28 district in which the public school academy is located the added  
29 costs of special education programs and services for the pupil, and



1 the public school academy is not eligible for any payouts based on  
2 the funding formula outlined in the resident or nonresident  
3 intermediate district's plan. If a pupil is not enrolled in a  
4 public school academy under this subsection, the provision of  
5 special education programs and services and the payment of the  
6 added costs of special education programs and services for a pupil  
7 described in this subsection are the responsibility of the district  
8 and intermediate district in which the pupil resides.

9 (15) For the purpose of receiving its federal allocation under  
10 part B of the individuals with disabilities education act, Public  
11 Law 108-446, a public school academy that is a cyber school, as  
12 that term is defined in section 551 of the revised school code, MCL  
13 380.551, and is in compliance with section 553a of the revised  
14 school code, MCL 380.553a, directly receives the federal allocation  
15 under part B of the individuals with disabilities education act,  
16 Public Law 108-446, from the intermediate district in which the  
17 cyber school is located, as the subrecipient. If the intermediate  
18 district does not distribute the funds described in this subsection  
19 to the cyber school by the part B application due date of July 1,  
20 the department may distribute the funds described in this  
21 subsection directly to the cyber school according to the formula  
22 prescribed in 34 CFR 300.705 and 34 CFR 300.816. Beginning July 1,  
23 2021, this subsection is subject to section 8c. It is the intent of  
24 the legislature that the immediately preceding sentence apply  
25 retroactively and is effective July 1, 2021.

26 (16) For a public school academy that is a cyber school, as  
27 that term is defined in section 551 of the revised school code, MCL  
28 380.551, and is in compliance with section 553a of the revised  
29 school code, MCL 380.553a, that enrolls a pupil under this section,



1 the intermediate district in which the cyber school is located  
2 shall ensure that the cyber school complies with sections 1701a,  
3 1703, 1704, 1751, 1752, 1756, and 1757 of the revised school code,  
4 MCL 380.1701a, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756,  
5 and 380.1757; applicable rules; and the individuals with  
6 disabilities education act, Public Law 108-446. Beginning July 1,  
7 2021, this subsection is subject to section 8c. It is the intent of  
8 the legislature that the immediately preceding sentence apply  
9 retroactively and is effective July 1, 2021.

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

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

15 (a) "Membership" means for a particular fiscal year the total  
16 membership of the intermediate district and the districts  
17 constituent to the intermediate district, except that if a district  
18 has elected not to come under part 30 of the revised school code,  
19 MCL 380.1711 to 380.1741, membership of the district is not  
20 included in the membership of the intermediate district.

21 (b) "Millage levied" means the millage levied for special  
22 education under part 30 of the revised school code, MCL 380.1711 to  
23 380.1741, including a levy for debt service obligations.

24 (c) "Taxable value" means the total taxable value of the  
25 districts constituent to an intermediate district, except that if a  
26 district has elected not to come under part 30 of the revised  
27 school code, MCL 380.1711 to 380.1741, taxable value of the  
28 district is not included in the taxable value of the intermediate  
29 district.



1 (2) From the allocation under section 51a(1), there is  
2 allocated an amount not to exceed \$40,008,100.00 for 2021-2022 and  
3 an amount not to exceed \$40,008,100.00 for 2022-2023 to reimburse  
4 intermediate districts levying millages for special education under  
5 part 30 of the revised school code, MCL 380.1711 to 380.1741. The  
6 purpose, use, and expenditure of the reimbursement are limited as  
7 if the funds were generated by these millages and governed by the  
8 intermediate district plan adopted under article 3 of the revised  
9 school code, MCL 380.1701 to 380.1761. As a condition of receiving  
10 funds under this section, an intermediate district distributing any  
11 portion of special education millage funds to its constituent  
12 districts must submit for departmental approval and implement a  
13 distribution plan.

14 (3) Except as otherwise provided in this subsection,  
15 reimbursement for those millages levied in 2020-2021 is made in  
16 2021-2022 at an amount per 2020-2021 membership pupil computed by  
17 subtracting from \$218,200.00 the 2020-2021 taxable value behind  
18 each membership pupil and multiplying the resulting difference by  
19 the 2020-2021 millage levied, and then subtracting from that amount  
20 the 2020-2021 local community stabilization share revenue for  
21 special education purposes behind each membership pupil for  
22 reimbursement of personal property exemption loss under the local  
23 community stabilization authority act, 2014 PA 86, MCL 123.1341 to  
24 123.1362. Reimbursement in 2021-2022 for an intermediate district  
25 whose 2017-2018 allocation was affected by the operation of  
26 subsection (5) is an amount equal to 102.5% of the 2017-2018  
27 allocation to that intermediate district.

28 (4) Except as otherwise provided in this subsection,  
29 reimbursement for those millages levied in 2021-2022 is made in



1 2022-2023 at an amount per 2021-2022 membership pupil computed by  
 2 subtracting from \$229,600.00 the 2021-2022 taxable value behind  
 3 each membership pupil and multiplying the resulting difference by  
 4 the 2021-2022 millage levied, and then subtracting from that amount  
 5 the 2021-2022 local community stabilization share revenue for  
 6 special education purposes and 2021-2022 tax increment revenues  
 7 captured by a brownfield redevelopment authority created under the  
 8 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651  
 9 to 125.2670, behind each membership pupil for reimbursement of  
 10 personal property exemption loss under the local community  
 11 stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362,  
 12 and reimbursements paid under section 26d for tax increment  
 13 revenues captured by a brownfield redevelopment authority under the  
 14 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651  
 15 to 125.2670. Reimbursement in 2022-2023 for an intermediate  
 16 district whose 2017-2018 allocation was affected by the operation  
 17 of subsection (5) is an amount equal to 102.5% of the 2017-2018  
 18 allocation to that intermediate district.

19 (5) The department shall ensure that the amount paid to a  
 20 single intermediate district under subsection (2) does not exceed  
 21 62.9% of the total amount allocated under subsection (2).

22 (6) The department shall ensure that the amount paid to a  
 23 single intermediate district under subsection (2) is not less than  
 24 75% of the amount allocated to the intermediate district under  
 25 subsection (2) for the immediately preceding fiscal year.

26 (7) From the allocation under section 51a(1), there is  
 27 allocated an amount not to exceed \$34,200,000.00 for 2021-2022 and  
 28 an amount not to exceed \$34,200,000.00 for 2022-2023, to provide  
 29 payments to intermediate districts levying millages for special



1 education under part 30 of the revised school code, MCL 380.1711 to  
 2 380.1741. The purpose, use, and expenditure of the payments under  
 3 this subsection are limited as if the funds were generated by these  
 4 millages and governed by the intermediate district plan adopted  
 5 under article 3 of the revised school code, MCL 380.1701 to  
 6 380.1761. The department shall provide a payment under this  
 7 subsection to each intermediate district described in this  
 8 subsection as follows:

9 (a) ~~Except~~ **For 2021-2022, except** as otherwise provided in this  
 10 subsection, for an intermediate district with a 3-year average  
 11 special education millage revenue per pupil in the immediately  
 12 preceding fiscal year that is less than \$251.00 and that is levying  
 13 at least 46.2% but less than 60.0% of its maximum millage rate  
 14 allowed under section 1724a of the revised school code, MCL  
 15 380.1724a, an amount computed by subtracting from \$251.00 the 3-  
 16 year average special education millage revenue per pupil in the  
 17 immediately preceding fiscal year and, only if the millage levied  
 18 by the intermediate district is less than 1, multiplying that  
 19 amount by the number of mills levied divided by 1, and then  
 20 multiplying that amount by the 3-year average membership in the  
 21 immediately preceding fiscal year, and then subtracting from that  
 22 amount the amount allocated under subsection (2) for the current  
 23 fiscal year. If the calculation under this subdivision results in  
 24 an amount below zero, there is no payment under this subdivision.

25 (b) ~~Except~~ **For 2021-2022, except** as otherwise provided in this  
 26 subsection, for an intermediate district with a 3-year average  
 27 special education millage revenue per pupil in the immediately  
 28 preceding fiscal year that is less than ~~\$296.00~~ **\$281.00** and that is  
 29 levying at least 60.0% of its maximum millage rate allowed under





1 section 1724a of the revised school code, MCL 380.1724a, an amount  
2 computed by subtracting from \$281.00 the 3-year average special  
3 education millage revenue per pupil in the immediately preceding  
4 fiscal year, and, only if the millage levied by the intermediate  
5 district is less than 1, multiplying that amount by the number of  
6 mills levied divided by 1, and then multiplying that amount by the  
7 3-year average membership in the immediately preceding fiscal year,  
8 and then subtracting from that amount the amount allocated under  
9 subsection (2) for the current fiscal year. If the calculation  
10 under this subdivision results in an amount below zero, there is no  
11 payment under this subdivision.

12 (c) For 2022-2023, except as otherwise provided in this  
13 subsection, for an intermediate district with a 3-year average  
14 special education millage revenue per pupil in the immediately  
15 preceding fiscal year that is less than \$251.00 and that is levying  
16 at least 46.2% but less than 60.0% of its maximum millage rate  
17 allowed under section 1724a of the revised school code, MCL  
18 380.1724a, an amount computed by subtracting from \$251.00 the 3-  
19 year average special education millage revenue per pupil in the  
20 immediately preceding fiscal year and, only if the millage levied  
21 by the intermediate district is less than 1, multiplying that  
22 amount by the number of mills levied divided by 1, and then  
23 multiplying that amount by the 3-year average membership in the  
24 immediately preceding fiscal year, and then subtracting from that  
25 amount the amount allocated under subsection (2) for the current  
26 fiscal year. If the calculation under this subdivision results in  
27 an amount below zero, there is no payment under this subdivision.

28 (d) For 2022-2023, except as otherwise provided in this  
29 subsection, for an intermediate district with a 3-year average



1 special education millage revenue per pupil in the immediately  
2 preceding fiscal year that is less than \$296.00 and that is levying  
3 at least 60.0% of its maximum millage rate allowed under section  
4 1724a of the revised school code, MCL 380.1724a, an amount computed  
5 by subtracting from \$296.00 the 3-year average special education  
6 millage revenue per pupil in the immediately preceding fiscal year,  
7 and, only if the millage levied by the intermediate district is  
8 less than 1, multiplying that amount by the number of mills levied  
9 divided by 1, and then multiplying that amount by the 3-year  
10 average membership in the immediately preceding fiscal year, and  
11 then subtracting from that amount the amount allocated under  
12 subsection (2) for the current fiscal year. If the calculation  
13 under this subdivision results in an amount below zero, there is no  
14 payment under this subdivision.

15 (8) As used in subsection (7):

16 (a) "3-year average membership" means the 3-year average pupil  
17 membership for each of the 3 most recent fiscal years.

18 (b) "3-year average special education millage revenue per  
19 pupil" means the 3-year average taxable value per mill levied  
20 behind each membership pupil for each of the 3 most recent fiscal  
21 years multiplied by the millage levied in the most recent fiscal  
22 year.

23 Sec. 99j. (1) Subject to subsection (2), from the general fund  
24 money appropriated in section 11, there is allocated an amount not  
25 to exceed \$200,000.00 for 2022-2023 only for a grant to Square One,  
26 the vendor that provides STEM learning opportunities for teachers  
27 and students, to host robotics programs and competitions for  
28 students in public schools and nonpublic schools who are enrolled  
29 in grades K to 12 to expand those students' opportunities to



1 improve their mathematics, science, and technology skills.

2 (2) Square One must receive the funding allocated under  
3 subsection (1) even if it receives funding under section 99h.

4 Sec. 216. (1) ~~The~~ **Except as otherwise provided in section**  
5 **248a(3)(f)(iv)**, funds appropriated in section 201(7) for the  
6 Michigan reconnect grant program short-term training grants must be  
7 used to expand the Michigan reconnect grant program short-term  
8 training grants to include eligible students who are at least 21  
9 years old. The funds appropriated in section 201(7) must be  
10 expended to award grants, administer the program, and support the  
11 duties outlined in section 21 of the Michigan reconnect grant  
12 recipient act, 2020 PA 68, MCL 390.1721.

13 (2) Federal funds appropriated in section 201(7) must be  
14 allocated and expended in a manner consistent with federal rules  
15 and regulations.

16 (3) The department of labor and economic opportunity must  
17 report on the status of funds appropriated in section 201(7), and  
18 all funds appropriated related to the coronavirus relief effort, to  
19 the house and senate appropriations subcommittees on community  
20 colleges, the house and senate fiscal agencies, and the state  
21 budget director on a quarterly basis until all funds are exhausted.

22 (4) Any unexpended and unencumbered funds remaining on  
23 September 30, 2023 from the amounts appropriated in section 201(7)  
24 for the Michigan reconnect grant program short-term training grants  
25 for fiscal year 2022-2023 do not lapse on September 30, 2023 but  
26 continue to be available for the purposes described in subsection  
27 (1) in the 2023-2024 and 2024-2025 fiscal years under a work  
28 project account. The use of these unexpended fiscal year 2022-2023  
29 funds under this subsection terminates at the end of the 2024-2025



1 fiscal year.

2 Sec. 236. (1) Subject to the conditions set forth in this  
3 article, the amounts listed in this section are appropriated for  
4 higher education for the fiscal year ending September 30, 2023,  
5 from the funds indicated in this section. The following is a  
6 summary of the appropriations in this section **and section 236j**:

7 (a) The gross appropriation is ~~\$2,022,135,700.00.~~  
8 **\$2,016,635,700.00.** After deducting total interdepartmental grants  
9 and intradepartmental transfers in the amount of \$0.00, the  
10 adjusted gross appropriation is  
11 ~~\$2,022,135,700.00.~~**\$2,016,635,700.00.**

12 (b) The sources of the adjusted gross appropriation described  
13 in subdivision (a) are as follows:

14 (i) Total federal revenues, \$128,526,400.00.

15 (ii) Total local revenues, \$0.00.

16 (iii) Total private revenues, \$0.00.

17 (iv) Total other state restricted revenues, \$347,888,300.00.

18 (v) State general fund/general purpose money,

19 ~~\$1,545,721,000.00.~~**\$1,540,221,000.00.**

20 (c) **The totals and subtotals reflected in subdivisions (a) and**  
21 **(b) do not include amounts appropriated under subsection (7)(f) or**  
22 **(8)(c) to avoid duplicating totals of amounts appropriated in this**  
23 **section and section 236j.**

24 (2) Amounts appropriated for public universities are as  
25 follows:

26 (a) The appropriation for Central Michigan University is  
27 \$91,145,100.00, \$87,600,000.00 for operations, \$0.00 for per-  
28 student floor funding, \$1,752,000.00 for operations increase, and  
29 \$1,793,100.00 for costs incurred under the North American Indian



1 tuition waiver.

2 (b) The appropriation for Eastern Michigan University is  
 3 \$79,152,400.00, \$77,253,700.00 for operations, \$0.00 for per-  
 4 student floor funding, \$1,545,100.00 for operations increase, and  
 5 \$353,600.00 for costs incurred under the North American Indian  
 6 tuition waiver.

7 (c) The appropriation for Ferris State University is  
 8 \$56,952,900.00, \$55,025,500.00 for operations, \$0.00 for per-  
 9 student floor funding, \$1,100,500.00 for operations increase, and  
 10 \$826,900.00 for costs incurred under the North American Indian  
 11 tuition waiver.

12 (d) The appropriation for Grand Valley State University is  
 13 \$81,253,800.00, \$72,313,500.00 for operations, \$7,661,000.00 for  
 14 per-student floor funding, \$0.00 for operations increase, and  
 15 \$1,279,300.00 for costs incurred under the North American Indian  
 16 tuition waiver.

17 (e) The appropriation for Lake Superior State University is  
 18 \$14,361,900.00, \$13,307,000.00 for operations, \$0.00 for per-  
 19 student floor funding, \$266,100.00 for operations increase, and  
 20 \$788,800.00 for costs incurred under the North American Indian  
 21 tuition waiver.

22 (f) The appropriation for Michigan State University is  
 23 \$372,054,800.00, \$287,331,700.00 for operations, \$0.00 for per-  
 24 student floor funding, \$14,349,600.00 for operations increase,  
 25 \$2,046,400.00 for costs incurred under the North American Indian  
 26 tuition waiver, \$36,684,200.00 for MSU AgBioResearch, and  
 27 \$31,642,900.00 for MSU Extension.

28 (g) The appropriation for Michigan Technological University is  
 29 \$51,951,000.00, \$50,101,600.00 for operations, \$0.00 for per-



1 student floor funding, \$1,002,000.00 for operations increase, and  
 2 \$847,400.00 for costs incurred under the North American Indian  
 3 tuition waiver.

4 (h) The appropriation for Northern Michigan University is  
 5 \$50,751,100.00, \$47,809,100.00 for operations, \$0.00 for per-  
 6 student floor funding, \$1,780,700.00 for operations increase, and  
 7 \$1,161,300.00 for costs incurred under the North American Indian  
 8 tuition waiver.

9 (i) The appropriation for Oakland University is  
 10 \$60,761,900.00, \$53,147,400.00 for operations, \$7,259,200.00 for  
 11 per-student floor funding, \$0.00 for operations increase, and  
 12 \$355,300.00 for costs incurred under the North American Indian  
 13 tuition waiver.

14 (j) The appropriation for Saginaw Valley State University is  
 15 \$32,274,600.00, \$30,583,800.00 for operations, \$132,900.00 for per-  
 16 student floor funding, \$1,369,600.00 for operations increase, and  
 17 \$188,300.00 for costs incurred under the North American Indian  
 18 tuition waiver.

19 (k) The appropriation for University of Michigan - Ann Arbor  
 20 is \$339,198,000.00, \$321,970,100.00 for operations, \$0.00 for per-  
 21 student floor funding, \$16,390,200.00 for operations increase, and  
 22 \$837,700.00 for costs incurred under the North American Indian  
 23 tuition waiver.

24 (l) The appropriation for University of Michigan - Dearborn is  
 25 \$28,115,900.00, \$26,167,000.00 for operations, \$1,702,700.00 for  
 26 per-student floor funding, \$0.00 for operations increase, and  
 27 \$246,200.00 for costs incurred under the North American Indian  
 28 tuition waiver.

29 (m) The appropriation for University of Michigan - Flint is



1 \$25,159,200.00, \$23,616,200.00 for operations, \$953,900.00 for per-  
 2 student floor funding, \$204,700.00 for operations increase, and  
 3 \$384,400.00 for costs incurred under the North American Indian  
 4 tuition waiver.

5 (n) The appropriation for Wayne State University is  
 6 \$213,639,700.00, \$202,996,700.00 for operations, \$0.00 for per-  
 7 student floor funding, \$10,289,900.00 for operations increase, and  
 8 \$353,100.00 for costs incurred under the North American Indian  
 9 tuition waiver.

10 (o) The appropriation for Western Michigan University is  
 11 \$114,351,900.00, \$111,522,200.00 for operations, \$0.00 for per-  
 12 student floor funding, \$2,230,400.00 for operations increase, and  
 13 \$599,300.00 for costs incurred under the North American Indian  
 14 tuition waiver.

15 (3) The amount appropriated in subsection (2) for public  
 16 universities is \$1,611,124,200.00, appropriated from the following:

17 (a) State school aid fund, \$343,168,300.00.

18 (b) State general fund/general purpose money,

19 ~~\$1,297,955,900.00.~~ **\$1,267,955,900.00.**

20 (4) The amount appropriated for Michigan public school  
 21 employees' retirement system reimbursement is \$70,000.00,  
 22 appropriated from the state school aid fund.

23 (5) The amount appropriated for state and regional programs is  
 24 \$316,800.00, appropriated from general fund/general purpose money  
 25 and allocated as follows:

26 (a) Higher education database modernization and conversion,  
 27 \$200,000.00.

28 (b) Midwestern Higher Education Compact, \$116,800.00.

29 (6) The amount appropriated for the Martin Luther King, Jr. -



1 Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated  
2 from general fund/general purpose money and allocated as follows:

3 (a) Select student support services, \$1,956,100.00.

4 (b) Michigan college/university partnership program,  
5 \$586,800.00.

6 (c) Morris Hood, Jr. educator development program,  
7 \$148,600.00.

8 (7) Subject to subsection (8), the amount appropriated for  
9 grants and financial aid is ~~\$147,783,200.00,~~ **\$397,783,200.00,**  
10 allocated as follows:

11 (a) State competitive scholarships, \$29,861,700.00.

12 (b) Tuition grants, \$42,021,500.00.

13 (c) Tuition incentive program, \$71,300,000.00.

14 (d) Children of veterans and officer's survivor tuition grant  
15 programs, \$1,400,000.00.

16 (e) Project GEAR-UP, \$3,200,000.00.

17 **(f) Michigan achievement scholarships, \$250,000,000.00. From**  
18 **this amount, up to \$10,000,000.00 may be used to award skills**  
19 **scholarships under section 248a.**

20 (8) The money appropriated in subsection (7) for grants and  
21 financial aid is appropriated from the following:

22 (a) Federal revenues under the United States Department of  
23 Education, Office of Elementary and Secondary Education, GEAR-UP  
24 program, \$3,200,000.00.

25 (b) Federal revenues under the social security act, temporary  
26 assistance for needy families, \$125,326,400.00.

27 **(c) Postsecondary scholarship fund, \$250,000,000.00.**

28 **(d) ~~(e)~~ State general fund/general purpose money,**  
29 **\$19,256,800.00.**





1           (9) For fiscal year 2022-2023 only, in addition to the  
2 allocation under subsection (4), from the appropriations described  
3 in subsection (1), there is allocated an amount not to exceed  
4 \$4,650,000.00 for payments to participating public universities,  
5 appropriated from the state school aid fund. A university that  
6 receives money under this subsection shall use that money solely  
7 for the purpose of offsetting the normal cost contribution rate. As  
8 used in this subsection, "participating public universities" means  
9 public universities that are a reporting unit of the Michigan  
10 public school employees' retirement system under the public school  
11 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
12 38.1437, and that pay contributions to the Michigan public school  
13 employees' retirement system for the state fiscal year.

14           Sec. 236j. (1) The postsecondary scholarship fund is created  
15 in the department of treasury for the purpose of providing  
16 scholarship awards to eligible students who attend eligible  
17 postsecondary educational institutions in this state, as provided  
18 in subsection (5).

19           (2) The state treasurer may receive money or other assets from  
20 any source for deposit into the postsecondary scholarship fund. The  
21 state treasurer shall direct the investment of the postsecondary  
22 scholarship fund. The state treasurer shall credit to the  
23 postsecondary scholarship fund interest and earnings from  
24 postsecondary scholarship fund investments.

25           (3) Except as otherwise provided in subsection (5)(c), money  
26 in the postsecondary scholarship fund at the close of the fiscal  
27 year must remain in the postsecondary scholarship fund and not  
28 lapse to the general fund.

29           (4) The department of treasury shall be the administrator of



1 the postsecondary scholarship fund for auditing purposes.

2 (5) The expenditure of money from the postsecondary  
3 scholarship fund is subject to all of the following:

4 (a) Money must be expended from the postsecondary scholarship  
5 fund only for the purpose of providing scholarship awards to  
6 eligible students who attend eligible postsecondary educational  
7 institutions in this state.

8 (b) Criteria for student and institutional eligibility under  
9 subdivision (a), along with all other program requirements, must be  
10 established pursuant to a postsecondary scholarship program enacted  
11 into the law of this state that is effective by not later than  
12 September 30, 2023.

13 (c) If a postsecondary scholarship program is not enacted into  
14 law with an effective date as described in subdivision (b), money  
15 in the postsecondary scholarship fund must remain in the  
16 postsecondary scholarship fund and not lapse to the general fund.

17 (6) For the fiscal year ending September 30, 2023,  
18 \$250,000,000.00 is deposited into the postsecondary scholarship  
19 fund from the state general fund/general purpose money.

20 **(7) It is the intent of the legislature that the postsecondary**  
21 **scholarship fund serves as the primary funding source of the**  
22 **Michigan achievement scholarship. To ensure the Michigan**  
23 **achievement scholarship provides ongoing supports for students, it**  
24 **is the intent of the legislature to increase annual deposits into**  
25 **the postsecondary scholarship fund by \$50,000,000.00 per year until**  
26 **the fully implemented costs of the Michigan achievement scholarship**  
27 **are deposited annually into the postsecondary scholarship fund.**

28 **Sec. 248. (1) The funds appropriated in section 236 for**  
29 **Michigan achievement scholarships must be distributed as provided**



1 in this section and section 248a, pursuant to the administrative  
2 procedures for Michigan achievement scholarships of the department.

3 (2) As used in this section:

4 (a) "Department" means the department of treasury.

5 (b) "Eligible institution" means a public university that  
6 receives an appropriation in section 236, a community college that  
7 receives an appropriation in section 201, a federally recognized  
8 tribal college in this state, or an independent nonprofit college  
9 or university in this state as described in section 1 of 1966 PA  
10 313, MCL 390.991.

11 (c) "Gift aid" includes federal Pell grants under 20 USC  
12 1070a, tuition incentive program benefits under section 256, state  
13 tuition grants under section 252, awards received for minimum  
14 payments awarded in subsection (4), higher education expenses paid  
15 under the Michigan promise zone authority act, 2008 PA 549, MCL  
16 390.1661 to 390.1679, and all other federal, state, local, or  
17 institutional aid in the form of grants, scholarships, or discounts  
18 applied toward tuition and mandatory fees. Gift aid does not  
19 include student loans, work-study awards, qualified withdrawals  
20 made from education savings accounts to pay higher education  
21 expenses pursuant to the Michigan education savings program act,  
22 2000 PA 161, MCL 390.1471 to 390.1486, or higher education expenses  
23 paid under the Michigan education trust program pursuant to the  
24 Michigan education trust act, 1986 PA 316, MCL 390.1421 to  
25 390.1442.

26 (d) "High school equivalency certificate" means that term as  
27 defined in section 4.

28 (3) An individual must meet all of the following criteria and  
29 financial thresholds each year to be eligible for a Michigan



1 achievement scholarship awarded under this section:

2 (a) Be a resident of this state for at least the immediately  
3 preceding year.

4 (b) Have graduated from high school in this state with a  
5 diploma or certificate of completion or achieved a high school  
6 equivalency certificate in 2023 or after.

7 (c) Be a full-time undergraduate student at an eligible  
8 institution, as defined by that eligible institution, and be a  
9 first-time enrollee in an eligible institution during the 2023-2024  
10 academic year, or a subsequent academic year, within 15 months  
11 after high school graduation or attainment of a high school  
12 equivalency certificate or have received a Michigan achievement  
13 scholarship in a previous academic year. For the purposes of this  
14 subdivision, participation in a dual enrollment, early college, or  
15 other similar program while attending high school does not  
16 disqualify a student from being considered a first-time enrollee.

17 (d) Maintain satisfactory academic progress, as defined by the  
18 eligible institution in which the student is enrolled.

19 (e) Not be incarcerated in a corrections institution.

20 (f) Not be in default on a federal student loan.

21 (g) Timely complete the Free Application for Federal Student  
22 Aid and have an expected family contribution of \$25,000.00 or less.

23 (h) Timely apply for all available gift aid for each academic  
24 year in which the individual applies for a Michigan achievement  
25 scholarship.

26 (4) Michigan achievement scholarships are subject to all of  
27 the following:

28 (a) Subject to section 248a(3)(f)(i), an eligible student may  
29 receive an award under this section or section 248a for a maximum



1 of 5 academic years, not more than 3 of which may be for attending  
2 eligible institutions that are community colleges or federally  
3 recognized tribal colleges. A student may not receive an award  
4 under this subsection and section 248a(3)(f)(i) during the same  
5 academic year.

6 (b) The amount awarded to an eligible student at an eligible  
7 institution that is a community college or federally recognized  
8 tribal college must equal the sum of following:

9 (i) A minimum payment of \$1,750.00, which is comprised of a  
10 base payment of \$1,000.00 plus an additional payment of \$750.00.

11 (ii) The lesser of \$1,000.00 or the student's last-dollar  
12 payment amount.

13 (c) The amount awarded to an eligible student at an eligible  
14 institution that is a public university must equal the sum of  
15 following:

16 (i) A minimum payment of \$2,500.00, which is comprised of a  
17 base payment of \$1,000.00 plus an additional payment of \$1,500.00.

18 (ii) The lesser of \$3,000.00 or the student's last-dollar  
19 payment amount.

20 (d) The amount awarded to an eligible student at an eligible  
21 institution that is an independent nonprofit college or university  
22 must equal the sum of the following:

23 (i) A minimum payment of \$1,000.00.

24 (ii) The lesser of \$3,000.00 or the student's last-dollar  
25 payment amount.

26 (e) Money awarded under this subsection for a Michigan  
27 achievement scholarship must be paid to the eligible institution  
28 for credit to the student's account.

29 (f) As used in this subsection:



1 (i) "Last-dollar payment amount" means an amount equal to the  
2 tuition cost for an eligible student's courses at the resident  
3 rate, regardless of whether the student actually incurred that  
4 rate, plus the student's mandatory fees, minus all gift aid  
5 received by the student.

6 (ii) "Resident rate" means the lowest tuition rate charged to  
7 in-state students by the eligible institution, including, if any,  
8 an in-district tuition rate.

9 (5) The department shall work closely with participating  
10 institutions to provide the highest level of participation and  
11 ensure that all requirements of the program are met.

12 (6) The department shall ensure that Michigan achievement  
13 scholarships are well publicized and that high school students are  
14 provided information on the program. The department shall provide  
15 the necessary funding and staff to fully operate the program.

16 (7) The following reporting obligations apply to the Michigan  
17 achievement scholarship program:

18 (a) Beginning December 1, 2023, by December 1 of each year,  
19 the department shall provide a written report, organized by  
20 eligible institution, to the house and senate appropriations  
21 subcommittees on higher education, the house and senate fiscal  
22 agencies, and the state budget director that includes the following  
23 information for the previous academic year:

24 (i) The number of students who qualified for a Michigan  
25 achievement scholarship.

26 (ii) The number of students who received a Michigan achievement  
27 scholarship.

28 (iii) The average number of credits earned by students who  
29 received a Michigan achievement scholarship.



1 (iv) The number of Michigan achievement scholarships that were  
2 canceled due to failure to maintain satisfactory academic progress  
3 under subsection (3) (d) .

4 (v) The number of Michigan achievement scholarships that were  
5 canceled due to a student ceasing attendance at an eligible  
6 institution. The number must not include any known transfers to  
7 another eligible institution.

8 (vi) The number of Michigan achievement scholarships that were  
9 canceled due to a student's failure to maintain full-time status.

10 (b) Each eligible institution whose students receive awards  
11 under this section shall cooperate with the department in a timely  
12 manner to facilitate the creation of the report under subdivision  
13 (a) .

14 (8) Beginning April 1, 2024, by April 1 of each year, each  
15 eligible institution shall submit a report that provides the  
16 following information to the department, the state budget office,  
17 and the house and senate fiscal agencies:

18 (a) A description of each financial aid or scholarship program  
19 offered by the eligible institution to undergraduate students  
20 attending that institution, including the minimum and maximum  
21 dollar amounts available to a qualifying student for each program  
22 and the types of costs that awards from each program may cover. At  
23 a minimum, this report must include the amount of institutional  
24 aid, including student loans, work-study awards, merit-based  
25 scholarships, and need-based grants, offered by the institution.

26 (b) A description of any changes made to institutional  
27 undergraduate financial aid programs between the current academic  
28 year and prior academic year.

29 (c) The total institutional grant aid per full-year equated



1 undergraduate student for the current institution fiscal year and  
2 for the immediately preceding 3 institution fiscal years. If the  
3 institution does not maintain total institutional grant aid per  
4 full-year equated undergraduate student at the average amount  
5 provided over the immediately preceding 3 institution fiscal years,  
6 the institution must include in the report a description of changes  
7 to institutional finances or the student population that prevented  
8 the institution from maintaining support for institutional aid. An  
9 institution's report of total institutional grant aid per full-year  
10 equated undergraduate student pursuant to this subdivision must be  
11 consistent with data most recently reported to the Integrated  
12 Postsecondary Education Data System.

13 (d) The number of students who received an award and the total  
14 dollar amount of awards for each program described under  
15 subdivision (a).

16 (9) For each fiscal year, an eligible institution becomes  
17 ineligible for funding under this section if, in the immediately  
18 preceding fiscal year, the institution exceeds 1 of the following  
19 tuition restraint requirements, as applicable:

20 (a) For an eligible institution that is a community college,  
21 the tuition restraint described in section 230(5).

22 (b) For an eligible institution that is a public university or  
23 independent nonprofit college or university, the tuition restraint  
24 described in section 265.

25 (10) It is the intent of the legislature that an eligible  
26 institution will not make changes to scholarship or financial aid  
27 programs offered by that eligible institution that have the goal or  
28 net effect of shifting the cost burden of those programs to the  
29 program described in this section.





1           Sec. 248a. (1) The funds appropriated in section 236 for  
2 Michigan achievement scholarships must be distributed as provided  
3 in this section and section 248, pursuant to the administrative  
4 procedures for Michigan achievement scholarship private training  
5 program of the department.

6           (2) As used in this section:

7           (a) "Department" means the department of labor and economic  
8 opportunity.

9           (b) "Gift aid" means that term as defined in section 248.

10           (c) "High school equivalency certificate" means that term as  
11 defined in section 4.

12           (d) "Qualified occupational training program" and "qualified  
13 private training institution" mean those terms as defined in  
14 section 13 of the Michigan reconnect grant recipient act, 2020 PA  
15 68, MCL 390.1713.

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

17           (a) Develop and implement a process by which those seeking to  
18 participate in the Michigan achievement scholarship private  
19 training program as a qualified private training institutions  
20 offering qualified occupational training programs must apply to the  
21 department.

22           (b) Approve as a qualified occupational training program a  
23 program for which an application is submitted under subdivision (a)  
24 that meets all of the criteria to qualify as a qualified  
25 occupational training program, and post these criteria to the  
26 department's website.

27           (c) Ensure that an applicant under subdivision (a) is first  
28 included on this state's eligible training provider list as a  
29 qualified private training institution before each of the



1 applicant's programs receives separate approval from the department  
2 as being a qualified occupational training program.

3 (d) Require that qualified private training institutions  
4 accepted to participate in the Michigan achievement scholarship  
5 private training program comply with data requests from the  
6 department as a condition of continued participation. For purposes  
7 of this subdivision, the department shall require institutions  
8 operating apprenticeship programs subject to this section to  
9 provide data that tracks relevant work experience required to  
10 verify a student's status as an apprentice.

11 (e) Maintain on its website a list of all qualified  
12 occupational training program options available to potential skills  
13 scholarship recipients.

14 (f) Award skills scholarships, subject to all of the  
15 following:

16 (i) A skills scholarship is a grant not to exceed \$2,000.00 per  
17 year to contribute to tuition costs for a qualified occupational  
18 training program at a qualified private training institution, both  
19 of which are approved under this section, for a training program  
20 participant who meets the requirements of subparagraph (ii). A  
21 skills scholarship is available under this section only if the  
22 program participant has applied for all other gift aid, if any is  
23 available, and must not cause the total amount of all gift aid,  
24 including a skills scholarship awarded under this section, if any,  
25 to exceed the full amount of the tuition charged for the training  
26 program. A program participant may receive a skills scholarship  
27 under this section for a maximum of 2 academic years.

28 (ii) To receive the skills scholarship described in  
29 subparagraph (i), a qualified occupational training program



1 participant must meet all of the following:

2 (A) Be a resident of this state for at least the immediately  
3 preceding year.

4 (B) Have graduated from a high school in this state with a  
5 diploma or certificate of completion or achieved a high school  
6 equivalency certificate in 2023 or after.

7 (C) Not have previously earned an associate or baccalaureate  
8 degree.

9 (D) Not have previously earned a degree, certificate, or other  
10 credential using a skills scholarship awarded under this section.

11 (E) Timely complete a Michigan achievement scholarship private  
12 training program skills scholarship application in a form and  
13 manner determined by the department.

14 (F) Timely apply for all other gift aid, if any is available,  
15 for the qualified occupational training program.

16 (iii) Subject to subparagraph (iv), the department may award  
17 skills scholarships under this section only until money  
18 appropriated to the Michigan achievement scholarship private  
19 training program has been fully committed.

20 (iv) Once money allocated to the Michigan achievement  
21 scholarship private training program in section 236 has been fully  
22 committed, the department may continue to award skills scholarships  
23 under this section using money appropriated for Michigan reconnect  
24 grant program short-term training grants under section 201(7).

25 (g) Inform each recipient of a skills scholarship that the  
26 recipient will remain eligible for the Michigan achievement  
27 scholarship under section 248 for a maximum of 5 years, less any  
28 years of eligibility used for a skills scholarship awarded under  
29 this section, to pursue an associate degree, baccalaureate degree,



1 or occupational certificate upon completion of a certification  
2 course of study at a qualified private training institution.

3 (4) Except as otherwise provided in subsection (5), the  
4 department shall promulgate rules to implement subsection (3) (a),  
5 (b), and (d) only, pursuant to the administrative procedures act of  
6 1969, 1969 PA 306, MCL 24.201 to 24.328, subject to all of the  
7 following:

8 (a) Under subsection (3) (a), the department is limited to  
9 developing the form for the application described in subsection  
10 (3) (a) and prescribing the time and manner of its completion.

11 (b) Under subsection (3) (b), the department is limited to  
12 applying the eligibility criteria described in subsection (3) (b)  
13 and shall not apply any other eligibility criteria.

14 (c) Under subsection (3) (d), the department is limited to  
15 requiring compliance with data requests as described in subsection  
16 (3) (d).

17 (5) To facilitate implementation of the Michigan achievement  
18 scholarship private training program prior to final rules being  
19 adopted, the department may develop and administer the program in  
20 accordance with its proposed rules or other policy or directive of  
21 the department established pursuant to this section.

22 (6) It is the intent of the legislature that a qualified  
23 private training institution will not make changes to scholarship  
24 or financial aid programs offered by that qualified private  
25 training institution that have the goal or net effect of shifting  
26 the cost burden of those programs to the program described in this  
27 section.

28 Sec. 251. (1) Payments of the amounts included in section 236  
29 for the state competitive scholarship program must be distributed



1 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

2 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the  
3 department of treasury shall determine an actual state competitive  
4 scholarship award per student, which must be \$1,500.00, that  
5 ensures that the aggregate payments for the state competitive  
6 scholarship program do not exceed the appropriation contained in  
7 section 236 for the state competitive scholarship program. If the  
8 department determines that insufficient funds are available to  
9 establish an award amount equal to \$1,500.00, the department shall  
10 immediately report to the house and senate appropriations  
11 subcommittees on higher education, the house and senate fiscal  
12 agencies, and the state budget director regarding the estimated  
13 amount of additional funds necessary to establish a \$1,500.00 award  
14 amount. **For the purpose of determining a student's financial need  
15 under section 6 of 1964 PA 208, MCL 390.976, the department of  
16 treasury shall presume that a student who receives a Michigan  
17 achievement scholarship under section 248(4)(b) or (c) has no need  
18 for a state competitive scholarship under this section.**

19 (3) The department of treasury shall implement a proportional  
20 competitive scholarship award level for recipients enrolled less  
21 than full-time in a given semester or term.

22 (4) If a student who receives an award under this section has  
23 his or her tuition and fees paid under the Michigan educational  
24 trust program, pursuant to the Michigan education trust act, 1986  
25 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the  
26 funds awarded under this section may be used for educational  
27 expenses other than tuition and fees.

28 (5) If the department of treasury increases the award per  
29 eligible student from that provided in the previous fiscal year, it



1 must not have the effect of reducing the number of eligible  
2 students receiving awards in relation to the total number of  
3 eligible applicants. Any increase in the award must be proportional  
4 for all eligible students receiving awards.

5 (6) Veterans Administration benefits must not be considered in  
6 determining eligibility for the award of scholarships under 1964 PA  
7 208, MCL 390.971 to 390.981.

8 Enacting section 1. (1) In accordance with section 30 of  
9 article IX of the state constitution of 1963, total state spending  
10 on school aid under article I of the state school aid act of 1979,  
11 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2021 PA 48,  
12 2022 PA 93, 2022 PA 144, and this amendatory act, from state  
13 sources for fiscal year 2021-2022 is estimated at  
14 \$14,635,534,200.00 and state appropriations for school aid to be  
15 paid to local units of government for fiscal year 2021-2022 are  
16 estimated at \$13,448,739,600.00. In accordance with section 30 of  
17 article IX of the state constitution of 1963, total state spending  
18 on school aid under article I of the state school aid act of 1979,  
19 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2022 PA 144 and  
20 this amendatory act, from state sources for fiscal year 2022-2023  
21 is estimated at \$17,090,672,900.00 and state appropriations for  
22 school aid to be paid to local units of government for fiscal year  
23 2022-2023 are estimated at \$15,764,187,600.00.

24 (2) In accordance with section 30 of article IX of the state  
25 constitution of 1963, total state spending from state sources for  
26 higher education for fiscal year 2022-2023 under article III of the  
27 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1891,  
28 as amended by 2022 PA 144 and this amendatory act, is estimated at  
29 \$1,888,109,300.00 and the amount of that state spending from state



1 sources to be paid to local units of government for fiscal year  
2 2022-2023 is estimated at \$0.00.

3 Enacting section 2. (1) Sections 51a and 56 of the state  
4 school aid act of 1979, 1979 PA 94, MCL 388.1651a and 388.1656, as  
5 amended, if granted immediate effect pursuant to section 27 of  
6 article IV of the state constitution of 1963, take effect on  
7 enactment of this amendatory act.

8 (2) Except as otherwise provided for the sections listed in  
9 subsection (1), the remaining sections of this amendatory act take  
10 effect October 1, 2022.

