

FIRST CONFERENCE REPORT

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

House Bill No. 4115, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 6, 8b, 11, 11a, 11j, 11k, 11m, 15, 18, 18a, 20, 20d, 20f, 21f, 22a, 22b, 22c, 22d, 22g, 23a, 24, 24a, 24c, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 43, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 95a, 98, 99, 99b, 99h, 101, 104, 104b, 104c, 107, 147, 147a, 147c, 152a, 163, 201, 201a, 206, 207a, 207b, 207c, 209, 210, 210b, 213, 217, 222, 225, 226, 229, 229a, 230, 236, 236a, 236b, 236c, 241, 244, 246, 252, 256, 258, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, 284, and 286 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1618a, 388.1620, 388.1620d, 388.1620f, 388.1621f, 388.1622a, 388.1622b, 388.1622c, 388.1622d, 388.1622g, 388.1623a, 388.1624, 388.1624a, 388.1624c, 388.1625f, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1643, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699, 388.1699b, 388.1699h, 388.1701, 388.1704, 388.1704b, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1763, 388.1801, 388.1801a, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810, 388.1810b, 388.1813, 388.1817, 388.1822, 388.1825, 388.1826, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1844, 388.1846, 388.1852, 388.1856, 388.1858, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, and 388.1886), sections 6, 8b, 11a, 11j, 11k, 15, 20, 20d, 20f, 21f, 22c, 22d, 22g, 24, 24a, 24c, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 101, 104, 104b, 107, 147, 147a, 152a, 163, 201a, 206, 209, 210b, 217, 225, 229, 229a, 230, 236a, 236b, 236c, 241, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 43, 95a, 99b, 104c, 207a, 207b, and 207c as added by 2014 PA 196, sections 11, 11m, 18, 22a, 22b, 51a, 51c, 147c, 201, and 236 as amended by 2015 PA 5, section 18a as amended by 2004 PA 351, section 23a as added by 2012 PA 465, sections 210, 244, and 258 as amended by 2013 PA 60, and sections 213, 222, 226, and 286 as amended by 2012 PA 201, and by adding sections 55, 65, 67, 99q, 99r, 99s, 210c, 215, 260, and 274c; and to repeal acts and parts of acts.

Recommends:

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

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

(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 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 18a, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 22i, 23a, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 43, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 95a, 98, 99h, 101, 104, 104b, 104c, 107, 147, 147a, 147c, 152a, 163, 201, 201a, 206, 207a, 207b, 207c, 209, 210, 210b, 217, 222, 225, 226, 229, 229a, 230, 236, 236a, 236b, 236c, 241, 244, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, 284, and 286 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611r, 388.1615, 388.1618, 388.1618a, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1622i, 388.1623a, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1643, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1664b, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699h, 388.1701, 388.1704, 388.1704b, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1763, 388.1801, 388.1801a, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810, 388.1810b, 388.1817, 388.1822, 388.1825, 388.1826, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1844, 388.1846, 388.1852, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, and 388.1886), sections 6, 8b, 11a, 11j, 11k, 15, 20, 20d, 20f, 20g, 21f, 22d, 22g, 22i, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99h, 101, 104, 104b, 107, 147, 147a, 152a, 163, 201a, 206, 209, 210b, 217, 225, 229, 229a, 230, 236a, 236b, 236c, 241, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 11r,

43, 64b, 95a, 104c, 207a, 207b, and 207c as added by 2014 PA 196, sections 11, 11m, 18, 22a, 22b, 51a, 51c, 147c, 201, and 236 as amended by 2015 PA 5, section 18a as amended by 2004 PA 351, section 23a as added by 2012 PA 465, sections 210 and 244 as amended by 2013 PA 60, and sections 222, 226, and 286 as amended by 2012 PA 201, and by adding sections 25g, 31c, 31h, 35, 35a, 55, 61b, 65, 67, 77, 99c, 99s, 102d, 104d, 210c, 210d, 230a, and 274c; and to repeal acts and parts of acts.

Al Pscholka

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Conferees for the House

Conferees for the Senate

**SUBSTITUTE FOR
HOUSE BILL NO. 4115**

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"The state school aid act of 1979,"
by amending sections 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 15, 18,
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24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41,
43, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 95a,
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256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277,
278, 279, 280, 281, 282, 283, 284, and 286 (MCL 388.1606,
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388.1622g, 388.1622i, 388.1623a, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1643, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1664b, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699h, 388.1701, 388.1704, 388.1704b, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1763, 388.1801, 388.1801a, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810, 388.1810b, 388.1817, 388.1822, 388.1825, 388.1826, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1844, 388.1846, 388.1852, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, and 388.1886), sections 6, 8b, 11a, 11j, 11k, 15, 20, 20d, 20f, 20g, 21f, 22d, 22g, 22i, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99h, 101, 104, 104b, 107, 147, 147a, 152a, 163, 201a, 206, 209, 210b, 217, 225, 229, 229a, 230, 236a, 236b, 236c, 241, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 11r, 43, 64b, 95a, 104c, 207a, 207b, and 207c as added by 2014 PA 196, sections 11, 11m, 18, 22a, 22b, 51a, 51c, 147c, 201, and 236 as amended by 2015 PA 5, section 18a as amended by 2004 PA 351, section 23a as added by 2012 PA 465, sections 210 and 244 as amended by 2013 PA 60, and sections 222, 226, and 286 as amended by

2012 PA 201, and by adding sections 25g, 31c, 31h, 35, 35a, 55, 61b, 65, 67, 77, 99c, 99s, 102d, 104d, 210c, 210d, 230a, and 274c; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) "Center program" means a program operated by a
2 district or by an intermediate district for special education
3 pupils from several districts in programs for pupils with autism
4 spectrum disorder, pupils with severe cognitive impairment, pupils
5 with moderate cognitive impairment, pupils with severe multiple
6 impairments, pupils with hearing impairment, pupils with visual
7 impairment, and pupils with physical impairment or other health
8 impairment. Programs for pupils with emotional impairment housed in
9 buildings that do not serve regular education pupils also qualify.
10 Unless otherwise approved by the department, a center program
11 either shall serve all constituent districts within an intermediate
12 district or shall serve several districts with less than 50% of the
13 pupils residing in the operating district. In addition, special
14 education center program pupils placed part-time in noncenter
15 programs to comply with the least restrictive environment
16 provisions of section 612 of part B of the individuals with
17 disabilities education act, 20 USC 1412, may be considered center
18 program pupils for pupil accounting purposes for the time scheduled
19 in either a center program or a noncenter program.

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

23 (3) "District and high school graduation report" means a

1 report of the number of pupils, excluding adult **EDUCATION**
2 participants, in the district for the immediately preceding school
3 year, adjusted for those pupils who have transferred into or out of
4 the district or high school, who leave high school with a diploma
5 or other credential of equal status.

6 (4) "Membership", except as otherwise provided in this
7 article, means for a district, a public school academy, the
8 education achievement system, or an intermediate district the sum
9 of the product of .90 times the number of full-time equated pupils
10 in grades K to 12 actually enrolled and in regular daily attendance
11 on the pupil membership count day for the current school year, plus
12 the product of .10 times the final audited count from the
13 supplemental count day for the ~~current~~ **IMMEDIATELY PRECEDING** school
14 year. A district's, public school academy's, or intermediate
15 district's membership shall be adjusted as provided under section
16 25e for pupils who enroll in the district, public school academy,
17 or intermediate district after the pupil membership count day. All
18 pupil counts used in this subsection are as determined by the
19 department and calculated by adding the number of pupils registered
20 for attendance plus pupils received by transfer and minus pupils
21 lost as defined by rules promulgated by the superintendent, and as
22 corrected by a subsequent department audit. For the purposes of
23 this section and section 6a, for a school of excellence that is a
24 cyber school, as defined in section 551 of the revised school code,
25 MCL 380.551, and is in compliance with section 553a of the revised
26 school code, MCL 380.553a, a pupil's participation, **AS DETERMINED**
27 **BY THE DEPARTMENT IN ACCORDANCE WITH THE PUPIL ACCOUNTING MANUAL,**

1 in the cyber school's educational program is considered regular
2 daily attendance; for the education achievement system, a pupil's
3 participation, **AS DETERMINED BY THE DEPARTMENT IN ACCORDANCE WITH**
4 **THE PUPIL ACCOUNTING MANUAL**, in an online educational program of
5 the education achievement system or of an achievement school is
6 considered regular daily attendance; and for a district a pupil's
7 participation in an online course as defined in section 21f is
8 considered regular daily attendance. The amount of the foundation
9 allowance for a pupil in membership is determined under section 20.
10 In making the calculation of membership, all of the following, as
11 applicable, apply to determining the membership of a district, a
12 public school academy, the education achievement system, or an
13 intermediate district:

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

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

1 district.

2 (c) A special education pupil educated by the intermediate
3 district shall be counted in membership in the intermediate
4 district.

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

11 (e) A pupil enrolled in the Michigan schools for the deaf and
12 blind shall be counted in membership in the pupil's intermediate
13 district of residence.

14 (f) A pupil enrolled in a career and technical education
15 program supported by a millage levied over an area larger than a
16 single district or in an area vocational-technical education
17 program established pursuant to section 690 of the revised school
18 code, MCL 380.690, shall be counted only in the pupil's district of
19 residence.

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

22 (h) A pupil enrolled in an achievement school shall be counted
23 in membership in the education achievement system.

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

1 (i) If operations begin before the pupil membership count day
2 for the fiscal year, membership is the average number of full-time
3 equated pupils in grades K to 12 actually enrolled and in regular
4 daily attendance on the pupil membership count day for the current
5 school year and on the supplemental count day for the current
6 school year, as determined by the department and calculated by
7 adding the number of pupils registered for attendance on the pupil
8 membership count day plus pupils received by transfer and minus
9 pupils lost as defined by rules promulgated by the superintendent,
10 and as corrected by a subsequent department audit, plus the final
11 audited count from the supplemental count day for the current
12 school year, and dividing that sum by 2.

13 (ii) If operations begin after the pupil membership count day
14 for the fiscal year and not later than the supplemental count day
15 for the fiscal year, membership is the final audited count of the
16 number of full-time equated pupils in grades K to 12 actually
17 enrolled and in regular daily attendance on the supplemental count
18 day for the current school year.

19 (j) If a district is the authorizing body for a public school
20 academy, then, in the first school year in which pupils are counted
21 in membership on the pupil membership count day in the public
22 school academy, the determination of the district's membership
23 shall exclude from the district's pupil count for the immediately
24 preceding supplemental count day any pupils who are counted in the
25 public school academy on that first pupil membership count day who
26 were also counted in the district on the immediately preceding
27 supplemental count day.

1 (k) In a district, a public school academy, the education
2 achievement system, or an intermediate district operating an
3 extended school year program approved by the superintendent, a
4 pupil enrolled, but not scheduled to be in regular daily attendance
5 on a pupil membership count day, shall be counted.

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

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

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

19 (A) Is enrolled in a public school academy or an alternative
20 education high school diploma program, that is primarily focused on
21 educating homeless pupils.

22 (B) Had dropped out of school for more than 1 year and has re-
23 entered school.

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

26 **(D) IS CONSIDERED TO BE HOMELESS UNDER 42 USC 11302.**

27 (iii) If a child does not meet the minimum age requirement to

1 be eligible to attend school for that school year under section
2 1147 of the revised school code, MCL 380.1147, but will be 5 years
3 of age not later than December 1 of that school year, the district
4 may count the child in membership for that school year if the
5 parent or legal guardian has notified the district in writing that
6 he or she intends to enroll the child in kindergarten for that
7 school year.

8 (m) An individual who has obtained a high school diploma shall
9 not be counted in membership. An individual who has obtained a
10 general educational development (G.E.D.) certificate shall not be
11 counted in membership unless the individual is a ~~pupil~~ **STUDENT** with
12 a disability as defined in R 340.1702 of the Michigan
13 administrative code. An individual participating in a job training
14 program funded under former section 107a or a jobs program funded
15 under former section 107b, administered by the Michigan strategic
16 fund, or participating in any successor of either of those 2
17 programs, shall not be counted in membership.

18 (n) If a pupil counted in membership in a public school
19 academy or the education achievement system is also educated by a
20 district or intermediate district as part of a cooperative
21 education program, the pupil shall be counted in membership only in
22 the public school academy or the education achievement system
23 unless a written agreement signed by all parties designates the
24 party or parties in which the pupil shall be counted in membership,
25 and the instructional time scheduled for the pupil in the district
26 or intermediate district shall be included in the full-time equated
27 membership determination under subdivision (q) **AND SECTION 101.**

1 However, for pupils receiving instruction in both a public school
2 academy or the education achievement system and in a district or
3 intermediate district but not as a part of a cooperative education
4 program, the following apply:

5 (i) If the public school academy or the education achievement
6 system provides instruction for at least 1/2 of the class hours
7 ~~specified in subdivision (q),~~ **REQUIRED UNDER SECTION 101**, the
8 public school academy or the education achievement system shall
9 receive as its prorated share of the full-time equated membership
10 for each of those pupils an amount equal to 1 times the product of
11 the hours of instruction the public school academy or the education
12 achievement system provides divided by the number of hours
13 ~~specified in subdivision (q)~~ **REQUIRED UNDER SECTION 101** for full-
14 time equivalency, and the remainder of the full-time membership for
15 each of those pupils shall be allocated to the district or
16 intermediate district providing the remainder of the hours of
17 instruction.

18 (ii) If the public school academy or the education achievement
19 system provides instruction for less than 1/2 of the class hours
20 ~~specified in subdivision (q),~~ **REQUIRED UNDER SECTION 101**, the
21 district or intermediate district providing the remainder of the
22 hours of instruction shall receive as its prorated share of the
23 full-time equated membership for each of those pupils an amount
24 equal to 1 times the product of the hours of instruction the
25 district or intermediate district provides divided by the number of
26 hours ~~specified in subdivision (q)~~ **REQUIRED UNDER SECTION 101** for
27 full-time equivalency, and the remainder of the full-time

1 membership for each of those pupils shall be allocated to the
2 public school academy or the education achievement system.

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

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

10 (q) The number of class hours used to calculate full-time
11 equated memberships shall be consistent with section ~~101(3)~~.**101**.
12 In determining full-time equated memberships for pupils who are
13 enrolled in a postsecondary institution, a pupil shall not be
14 considered to be less than a full-time equated pupil solely because
15 of the effect of his or her postsecondary enrollment, including
16 necessary travel time, on the number of class hours provided by the
17 district to the pupil.

18 (r) ~~Beginning in 2012-2013, full-time~~ **FULL-TIME** equated
19 memberships for pupils in kindergarten shall be determined by
20 dividing the number of instructional hours scheduled and provided
21 per year per kindergarten pupil by the same number used for
22 determining full-time equated memberships for pupils in grades 1 to
23 12. However, to the extent allowable under federal law, for a
24 district or public school academy that provides evidence
25 satisfactory to the department that it used federal title I money
26 in the 2 immediately preceding school fiscal years to fund full-
27 time kindergarten, full-time equated memberships for pupils in

1 kindergarten shall be determined by dividing the number of class
2 hours scheduled and provided per year per kindergarten pupil by a
3 number equal to $1/2$ the number used for determining full-time
4 equated memberships for pupils in grades 1 to 12. The change in the
5 counting of full-time equated memberships for pupils in
6 kindergarten that took effect for 2012-2013 is not a mandate.

7 (s) For a district, a public school academy, or the education
8 achievement system that has pupils enrolled in a grade level that
9 was not offered by the district, the public school academy, or the
10 education achievement system in the immediately preceding school
11 year, the number of pupils enrolled in that grade level to be
12 counted in membership is the average of the number of those pupils
13 enrolled and in regular daily attendance on the pupil membership
14 count day and the supplemental count day of the current school
15 year, as determined by the department. Membership shall be
16 calculated by adding the number of pupils registered for attendance
17 in that grade level on the pupil membership count day plus pupils
18 received by transfer and minus pupils lost as defined by rules
19 promulgated by the superintendent, and as corrected by subsequent
20 department audit, plus the final audited count from the
21 supplemental count day for the current school year, and dividing
22 that sum by 2.

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

26 (u) If, as a result of a disciplinary action, a district
27 determines through the district's alternative or disciplinary

1 education program that the best instructional placement for a pupil
2 is in the pupil's home or otherwise apart from the general school
3 population, if that placement is authorized in writing by the
4 district superintendent and district alternative or disciplinary
5 education supervisor, and if the district provides appropriate
6 instruction as described in this subdivision to the pupil at the
7 pupil's home or otherwise apart from the general school population,
8 the district may count the pupil in membership on a pro rata basis,
9 with the proration based on the number of hours of instruction the
10 district actually provides to the pupil divided by the number of
11 hours ~~specified in subdivision (g)~~ **REQUIRED UNDER SECTION 101** for
12 full-time equivalency. For the purposes of this subdivision, a
13 district shall be considered to be providing appropriate
14 instruction if all of the following are met:

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

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

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

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

26 (v) If a pupil was enrolled in a public school academy on the
27 pupil membership count day, if the public school academy's contract

1 with its authorizing body is revoked or the public school academy
2 otherwise ceases to operate, and if the pupil enrolls in a district
3 or the education achievement system within 45 days after the pupil
4 membership count day, the department shall adjust the district's or
5 the education achievement system's pupil count for the pupil
6 membership count day to include the pupil in the count.

7 (w) For a public school academy that has been in operation for
8 at least 2 years and that suspended operations for at least 1
9 semester and is resuming operations, membership is the sum of the
10 product of .90 times the number of full-time equated pupils in
11 grades K to 12 actually enrolled and in regular daily attendance on
12 the first pupil membership count day or supplemental count day,
13 whichever is first, occurring after operations resume, plus the
14 product of .10 times the final audited count from the most recent
15 pupil membership count day or supplemental count day that occurred
16 before suspending operations, as determined by the superintendent.

17 (x) If a district's membership for a particular fiscal year,
18 as otherwise calculated under this subsection, would be less than
19 1,550 pupils and the district has 4.5 or fewer pupils per square
20 mile, as determined by the department, and if the district does not
21 receive funding under section 22d(2), the district's membership
22 shall be considered to be the membership figure calculated under
23 this subdivision. If a district educates and counts in its
24 membership pupils in grades 9 to 12 who reside in a contiguous
25 district that does not operate grades 9 to 12 and if 1 or both of
26 the affected districts request the department to use the
27 determination allowed under this sentence, the department shall

1 include the square mileage of both districts in determining the
2 number of pupils per square mile for each of the districts for the
3 purposes of this subdivision. The membership figure calculated
4 under this subdivision is the greater of the following:

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

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

12 (y) Full-time equated memberships for special education pupils
13 who are not enrolled in kindergarten but are enrolled in a
14 classroom program under R 340.1754 of the Michigan administrative
15 code shall be determined by dividing the number of class hours
16 scheduled and provided per year by 450. Full-time equated
17 memberships for special education pupils who are not enrolled in
18 kindergarten but are receiving early childhood special education
19 services under R 340.1755 or R 340.1862 of the Michigan
20 administrative code shall be determined by dividing the number of
21 hours of service scheduled and provided per year per-pupil by 180.

22 (z) A pupil of a district that begins its school year after
23 Labor ~~day~~-**DAY** who is enrolled in an intermediate district program
24 that begins before Labor ~~day~~-**DAY** shall not be considered to be less
25 than a full-time pupil solely due to instructional time scheduled
26 but not attended by the pupil before Labor ~~day~~-**DAY**.

27 (aa) For the first year in which a pupil is counted in

1 membership on the pupil membership count day in a middle college
2 program, the membership is the average of the full-time equated
3 membership on the pupil membership count day and on the
4 supplemental count day for the current school year, as determined
5 by the department. **IF A PUPIL DESCRIBED IN THIS SUBDIVISION WAS
6 COUNTED IN MEMBERSHIP BY THE OPERATING DISTRICT ON THE IMMEDIATELY
7 PRECEDING SUPPLEMENTAL COUNT DAY, THE PUPIL SHALL BE EXCLUDED FROM
8 THE DISTRICT'S IMMEDIATELY PRECEDING SUPPLEMENTAL COUNT FOR THE
9 PURPOSES OF DETERMINING THE DISTRICT'S MEMBERSHIP.**

10 (bb) A district, a public school academy, or the education
11 achievement system that educates a pupil who attends a United
12 States Olympic ~~education center~~ **EDUCATION CENTER** may count the
13 pupil in membership regardless of whether or not the pupil is a
14 resident of this state.

15 (cc) A pupil enrolled in a district other than the pupil's
16 district of residence pursuant to section 1148(2) of the revised
17 school code, MCL 380.1148, shall be counted in the educating
18 district or the education achievement system.

19 (dd) For a pupil enrolled in a dropout recovery program that
20 meets the requirements of section 23a, the pupil shall be counted
21 as 1/12 of a full-time equated membership for each month that the
22 district operating the program reports that the pupil was enrolled
23 in the program and was in full attendance. However, if the special
24 membership counting provisions under this subdivision and the
25 operation of the other membership counting provisions under this
26 subsection result in a pupil being counted as more than 1.0 FTE in
27 a fiscal year, the payment made for the pupil under sections 22a

1 and 22b shall not be based on more than 1.0 FTE for that pupil, and
2 any portion of an FTE for that pupil that exceeds 1.0 shall instead
3 be paid under section ~~25f.~~**25G**. The district operating the program
4 shall report to the center the number of pupils who were enrolled
5 in the program and were in full attendance for a month not later
6 than the tenth day of the next month. A district shall not report a
7 pupil as being in full attendance for a month unless both of the
8 following are met:

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

12 (ii) The pupil meets the district's definition under section
13 23a of satisfactory monthly progress for that month or, if the
14 pupil does not meet that definition of satisfactory monthly
15 progress for that month, the pupil did meet that definition of
16 satisfactory monthly progress in the immediately preceding month
17 and appropriate interventions are implemented within 10 school days
18 after it is determined that the pupil does not meet that definition
19 of satisfactory monthly progress.

20 **(EE) A PUPIL PARTICIPATING IN AN ONLINE COURSE UNDER SECTION**
21 **21F SHALL BE COUNTED IN MEMBERSHIP IN THE DISTRICT ENROLLING THE**
22 **PUPIL.**

23 **(FF) IF A PUBLIC SCHOOL ACADEMY THAT IS NOT IN ITS FIRST OR**
24 **SECOND YEAR OF OPERATION CLOSES AT THE END OF A SCHOOL YEAR AND**
25 **DOES NOT REOPEN FOR THE NEXT SCHOOL YEAR, THE DEPARTMENT SHALL**
26 **ADJUST THE MEMBERSHIP COUNT OF THE DISTRICT OR THE EDUCATION**
27 **ACHIEVEMENT SYSTEM IN WHICH A FORMER PUPIL OF THE PUBLIC SCHOOL**

1 ACADEMY ENROLLS AND IS IN REGULAR DAILY ATTENDANCE FOR THE NEXT
2 SCHOOL YEAR TO ENSURE THAT THE DISTRICT OR THE EDUCATION
3 ACHIEVEMENT SYSTEM RECEIVES THE SAME AMOUNT OF MEMBERSHIP AID FOR
4 THE PUPIL AS IF THE PUPIL WERE COUNTED IN THE DISTRICT OR THE
5 EDUCATION ACHIEVEMENT SYSTEM ON THE SUPPLEMENTAL COUNT DAY OF THE
6 PRECEDING SCHOOL YEAR.

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

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

14 (a) A nonpublic part-time pupil enrolled in grades 1 to 12 in
15 accordance with section 166b.

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

18 (c) A pupil enrolled in a public school academy or the
19 education achievement system.

20 (d) A pupil enrolled in a district other than the pupil's
21 district of residence under an intermediate district schools of
22 choice pilot program as described in section 91a or former section
23 91 if the intermediate district and its constituent districts have
24 been exempted from section 105.

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

1 (f) A pupil who has made an official written complaint or
2 whose parent or legal guardian has made an official written
3 complaint to law enforcement officials and to school officials of
4 the pupil's district of residence that the pupil has been the
5 victim of a criminal sexual assault or other serious assault, if
6 the official complaint either indicates that the assault occurred
7 at school or that the assault was committed by 1 or more other
8 pupils enrolled in the school the pupil would otherwise attend in
9 the district of residence or by an employee of the district of
10 residence. A person who intentionally makes a false report of a
11 crime to law enforcement officials for the purposes of this
12 subdivision is subject to section 411a of the Michigan penal code,
13 1931 PA 328, MCL 750.411a, which provides criminal penalties for
14 that conduct. As used in this subdivision:

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

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

24 (g) A pupil whose district of residence changed after the
25 pupil membership count day and before the supplemental count day
26 and who continues to be enrolled on the supplemental count day as a
27 nonresident in the district in which he or she was enrolled as a

1 resident on the pupil membership count day of the same school year.

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

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

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

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

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

12 (i) A pupil enrolled in the Michigan virtual school, for the
13 pupil's enrollment in the Michigan virtual school.

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

20 (k) An expelled pupil who has been denied reinstatement by the
21 expelling district and is reinstated by another school board under
22 section 1311 or 1311a of the revised school code, MCL 380.1311 and
23 380.1311a.

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

1 (m) A pupil enrolled in a district other than the pupil's
2 district of residence who attends a United States Olympic education
3 center. **EDUCATION CENTER.**

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

7 (o) A pupil who enrolls in a district other than the pupil's
8 district of residence as a result of the pupil's school not making
9 adequate yearly progress under the no child left behind act of
10 2001, Public Law 107-110.

11 ~~—— (p) An online learning pupil enrolled in a district other than~~
12 ~~the pupil's district of residence as an eligible pupil under~~
13 ~~section 21f.~~

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

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

22 (a) Except as provided in subdivision (b), the first Wednesday
23 in October each school year or, for a district or building in which
24 school is not in session on that Wednesday due to conditions not
25 within the control of school authorities, with the approval of the
26 superintendent, the immediately following day on which school is in
27 session in the district or building.

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

3 (i) Fourth Wednesday in July.

4 (ii) First Wednesday in October.

5 (iii) Second Wednesday in February.

6 (iv) Fourth Wednesday in April.

7 (8) "Pupils in grades K to 12 actually enrolled and in regular
8 daily attendance" means pupils in grades K to 12 in attendance and
9 receiving instruction in all classes for which they are enrolled on
10 the pupil membership count day or the supplemental count day, as
11 applicable. Except as otherwise provided in this subsection, a
12 pupil who is absent from any of the classes in which the pupil is
13 enrolled on the pupil membership count day or supplemental count
14 day and who does not attend each of those classes during the 10
15 consecutive school days immediately following the pupil membership
16 count day or supplemental count day, except for a pupil who has
17 been excused by the district, shall not be counted as 1.0 full-time
18 equated membership. A pupil who is excused from attendance on the
19 pupil membership count day or supplemental count day and who fails
20 to attend each of the classes in which the pupil is enrolled within
21 30 calendar days after the pupil membership count day or
22 supplemental count day shall not be counted as 1.0 full-time
23 equated membership. In addition, a pupil who was enrolled and in
24 attendance in a district, an intermediate district, a public school
25 academy, or the education achievement system before the pupil
26 membership count day or supplemental count day of a particular year
27 but was expelled or suspended on the pupil membership count day or

1 supplemental count day shall only be counted as 1.0 full-time
2 equated membership if the pupil resumed attendance in the district,
3 intermediate district, public school academy, or education
4 achievement system within 45 days after the pupil membership count
5 day or supplemental count day of that particular year. Pupils not
6 counted as 1.0 full-time equated membership due to an absence from
7 a class shall be counted as a prorated membership for the classes
8 the pupil attended. For purposes of this subsection, "class" means
9 a period of time in 1 day when pupils and a certificated teacher or
10 legally qualified substitute teacher are together and instruction
11 is taking place.

12 (9) "Rule" means a rule promulgated pursuant to the
13 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
14 24.328.

15 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
16 380.1852.

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

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

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

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

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

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

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

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

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

27 (20) "Total state aid" or "total state school aid" means the

1 total combined amount of all funds due to a district, intermediate
2 district, or other entity under all of the provisions of this
3 article.

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

9 (2) If the department does not assign a district code to a
10 public school academy within the 30-day period described in
11 subsection (1), the district code the department shall use to make
12 payments under this article to the newly authorized public school
13 academy shall be a number that is equivalent to the sum of the last
14 district code assigned to a public school academy located in the
15 same county as the newly authorized public school academy plus 1.
16 However, if there is not an existing public school academy located
17 in the same county as the newly authorized public school academy,
18 then the district code the department shall use to make payments
19 under this article to the newly authorized public school academy
20 shall be a 5-digit number that has the county code in which the
21 public school academy is located as its first 2 digits, 9 as its
22 third digit, 0 as its fourth digit, and 1 as its fifth digit. If
23 the number of public school academies in a county grows to exceed
24 100, the third digit in this 5-digit number shall then be 7 for the
25 public school academies in excess of 100.

26 **(3) FOR EACH SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL AND**
27 **IS AUTHORIZED UNDER PART 6E OF THE REVISED SCHOOL CODE, MCL 380.551**

1 TO 380.561, BY A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,
2 COMMUNITY COLLEGE OTHER THAN A FEDERAL TRIBALLY CONTROLLED
3 COMMUNITY COLLEGE, OR OTHER AUTHORIZING BODY THAT IS NOT EMPOWERED
4 TO AUTHORIZE A SCHOOL OF EXCELLENCE TO OPERATE STATEWIDE AND IS
5 ELIGIBLE TO RECEIVE FUNDING UNDER THIS ARTICLE, THE DEPARTMENT
6 SHALL ASSIGN A DISTRICT CODE THAT INCLUDES AS THE FIRST 2 DIGITS
7 THE COUNTY CODE IN WHICH THE AUTHORIZING BODY IS LOCATED.

8 Sec. 11. (1) For the fiscal year ending September 30, 2015,
9 there is appropriated for the public schools of this state and
10 certain other state purposes relating to education the sum of
11 ~~\$11,827,097,400.00~~ **\$11,814,097,400.00** from the state school aid
12 fund, the sum of \$18,000,000.00 from the MPSERS retirement
13 obligation reform reserve fund created under section 147b, and the
14 sum of \$33,700,000.00 from the general fund. **FOR THE FISCAL YEAR**
15 **ENDING SEPTEMBER 30, 2016, THERE IS APPROPRIATED FOR THE PUBLIC**
16 **SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO**
17 **EDUCATION THE SUM OF \$12,074,660,100.00 FROM THE STATE SCHOOL AID**
18 **FUND AND THE SUM OF \$45,900,000.00 FROM THE GENERAL FUND.** In
19 addition, all other available federal funds are appropriated **EACH**
20 **FISCAL YEAR** for the fiscal year ~~years~~ ending September 30, 2015 **AND**
21 **SEPTEMBER 30, 2016.**

22 (2) The appropriations under this section shall be allocated
23 as provided in this article. Money appropriated under this section
24 from the general fund shall be expended to fund the purposes of
25 this article before the expenditure of money appropriated under
26 this section from the state school aid fund.

27 (3) Any general fund allocations under this article that are

1 not expended by the end of the state fiscal year are transferred to
2 the school aid stabilization fund created under section 11a.

3 Sec. 11a. (1) The school aid stabilization fund is created as
4 a separate account within the state school aid fund established by
5 section 11 of article IX of the state constitution of 1963.

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

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

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

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

16 (3) Money available in the school aid stabilization fund may
17 not be expended without a specific appropriation from the school
18 aid stabilization fund. Money in the school aid stabilization fund
19 shall be expended only for purposes for which state school aid fund
20 money may be expended.

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

25 (5) Money in the school aid stabilization fund at the close of
26 a fiscal year shall remain in the school aid stabilization fund and
27 shall not lapse to the unreserved school aid fund balance or the

1 general fund.

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

15 (7) For ~~2014-2015,~~ **2015-2016**, in addition to the
16 appropriations in section 11, there is appropriated from the school
17 aid stabilization fund to the state school aid fund the amount
18 necessary to fully fund the allocations under this article.

19 Sec. 11j. From the appropriation in section 11, there is
20 allocated an amount not to exceed ~~\$126,000,000.00 for 2014-2015~~
21 **\$126,500,000.00 FOR 2015-2016** for payments to the school loan bond
22 redemption fund in the department of treasury on behalf of
23 districts and intermediate districts. Notwithstanding section 296
24 or any other provision of this act, funds allocated under this
25 section are not subject to proration and shall be paid in full.

26 Sec. 11k. For ~~2014-2015,~~ **2015-2016**, there is appropriated from
27 the general fund to the school loan revolving fund an amount equal

1 to the amount of school bond loans assigned to the Michigan finance
2 authority, not to exceed the total amount of school bond loans held
3 in reserve as long-term assets. As used in this section, "school
4 loan revolving fund" means that fund created in section 16c of the
5 shared credit rating act, 1985 PA 227, MCL 141.1066c.

6 Sec. 11m. From the appropriation in section 11, there is
7 allocated for 2014-2015 an amount not to exceed ~~\$3,000,000.00~~ **\$0.00**
8 **AND THERE IS ALLOCATED FOR 2015-2016 AN AMOUNT NOT TO EXCEED**
9 **\$2,000,000.00** for fiscal year cash-flow borrowing costs solely
10 related to the state school aid fund established by section 11 of
11 article IX of the state constitution of 1963.

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

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

24 (3) Subject to subsection (4), **AND EXCEPT AS OTHERWISE**
25 **PROVIDED UNDER SUBSECTION (8)**, a district is eligible to receive a
26 grant from the distressed districts emergency grant fund if either
27 of the following applies:

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

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

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

12 (5) The amount of a grant under this section shall be
13 determined by the state treasurer after consultation with the
14 superintendent of public instruction, but shall not exceed the
15 estimated amount of remaining district costs in excess of available
16 revenues, including, but not limited to, payroll, benefits,
17 retirement system contributions, pupil transportation, food
18 services, special education, building security, and other costs
19 necessary to allow the district to operate schools directly and
20 provide public education services until the end of the current
21 school fiscal year. For a district that meets the eligibility
22 criteria under subsection (3)(b), the amount of the grant shall be
23 determined in the same manner as transition costs under section
24 20g.

25 (6) Before disbursing funds under this section, the state
26 treasurer shall notify the house and senate appropriations
27 subcommittees on school aid and the house and senate fiscal

1 agencies. The notification shall include, but not be limited to,
2 the district receiving funds under this section, the amount of the
3 funds awarded under this section, an explanation of the district
4 conditions that necessitate funding under this section, and the
5 intended use of funds disbursed under this section.

6 (7) Money in the distressed districts emergency grant fund at
7 the close of a fiscal year shall remain in the distressed districts
8 emergency grant fund and shall not lapse to the state school aid
9 fund or to the general fund.

10 (8) FOR 2014-2015 ONLY, FOR A DISTRICT THAT IS A STRICT
11 DISCIPLINE ACADEMY ESTABLISHED UNDER SECTIONS 1311B TO 1311M OF THE
12 REVISED SCHOOL CODE, MCL 380.1311B TO 380.1311M, THAT SERVES AT
13 LEAST 340 PUPILS AS REPORTED ON THE LINE LABELED "STATE AID
14 MEMBERSHIP" IN THE MAY 2015 STATE AID FINANCIAL STATUS REPORT, AND
15 THAT SERVICES A PROGRAM THAT PROVIDED PUPIL ACCOUNTING INFORMATION
16 TO THE DEPARTMENT FOR THE OCTOBER 2013 DATA COLLECTION ON THE
17 DEPARTMENT FORM ENTITLED "ANNUAL SURVEY OF CHILDREN IN LOCAL
18 INSTITUTIONS FOR NEGLECTED OR DELINQUENT CHILDREN OR IN
19 CORRECTIONAL INSTITUTIONS (TITLE I OF P.L. 107-110)", BUT FOR WHICH
20 THE INFORMATION WAS NOT CORRECTLY COMPILED BY THE DEPARTMENT, THE
21 DEPARTMENT SHALL AWARD A GRANT TO THAT DISTRICT UNDER THIS
22 SUBSECTION FROM THE FUNDING ALLOCATED UNDER SUBSECTION (1) TO
23 COMPENSATE THE DISTRICT FOR THE LOSS IN FEDERAL FUNDING THAT
24 OCCURRED AS A RESULT OF THE DEPARTMENT'S INCORRECT COMPILATION. THE
25 AMOUNT OF THE GRANT UNDER THIS SUBSECTION FOR THIS PURPOSE SHALL BE
26 \$178,000.00 FOR THE AMOUNT LOST FOR THE 2014-2015 SCHOOL YEAR.

27 Sec. 15. (1) If a district or intermediate district fails to

1 receive its proper apportionment, the department, upon satisfactory
2 proof that the district or intermediate district was entitled
3 justly, shall apportion the deficiency in the next apportionment.
4 Subject to subsections (2) and (3), if a district or intermediate
5 district has received more than its proper apportionment, the
6 department, upon satisfactory proof, shall deduct the excess in the
7 next apportionment. Notwithstanding any other provision in this
8 article, state aid overpayments to a district, other than
9 overpayments in payments for special education or special education
10 transportation, may be recovered from any payment made under this
11 article other than a special education or special education
12 transportation payment, from the proceeds of a loan to the district
13 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
14 141.942, or from the proceeds of millage levied or pledged under
15 section 1211 of the revised school code, MCL 380.1211. State aid
16 overpayments made in special education or special education
17 transportation payments may be recovered from subsequent special
18 education or special education transportation payments, from the
19 proceeds of a loan to the district under the emergency municipal
20 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
21 of millage levied or pledged under section 1211 of the revised
22 school code, MCL 380.1211.

23 (2) If the result of an audit conducted by or for the
24 department affects the current fiscal year membership, affected
25 payments shall be adjusted in the current fiscal year. A deduction
26 due to an adjustment made as a result of an audit conducted by or
27 for the department, or as a result of information obtained by the

1 department from the district, an intermediate district, the
2 department of treasury, or the office of auditor general, shall be
3 deducted from the district's apportionments when the adjustment is
4 finalized. At the request of the district and upon the district
5 presenting evidence satisfactory to the department of the hardship,
6 the department may grant up to an additional 4 years for the
7 adjustment and may advance payments to the district otherwise
8 authorized under this article if the district would otherwise
9 experience a significant hardship in satisfying its financial
10 obligations. **FOR A DISTRICT THAT IS A STRICT DISCIPLINE ACADEMY
11 ESTABLISHED UNDER SECTIONS 1311B TO 1311M OF THE REVISED SCHOOL
12 CODE, MCL 380.1311B TO 380.1311M, AND THAT CLAIMED A HARDSHIP IN
13 2014-2015 BECAUSE OF AN OVERPAYMENT CAUSED BY A MISCALCULATION OF
14 ITS PUPIL MEMBERSHIP FOR 2013-2014, THE DEPARTMENT SHALL CONSIDER
15 THE AMOUNT OF REPAYMENT MADE BY THE DISTRICT AS OF THE EFFECTIVE
16 DATE OF THE AMENDATORY ACT THAT ADDED THIS SENTENCE TO CONSTITUTE
17 FULL REPAYMENT AND THE DISTRICT IS NOT REQUIRED TO CONTINUE MAKING
18 REPAYMENT FOR THE OVERPAYMENT THAT OCCURRED IN 2013-2014.**

19 (3) If, based on an audit by the department or the
20 department's designee or because of new or updated information
21 received by the department, the department determines that the
22 amount paid to a district or intermediate district under this
23 article for the current fiscal year or a prior fiscal year was
24 incorrect, the department shall make the appropriate deduction or
25 payment in the district's or intermediate district's allocation in
26 the next apportionment after the adjustment is finalized. The
27 deduction or payment shall be calculated according to the law in

1 effect in the fiscal year in which the incorrect amount was paid.
2 If the district does not receive an allocation for the fiscal year
3 or if the allocation is not sufficient to pay the amount of any
4 deduction, the amount of any deduction otherwise applicable shall
5 be satisfied from the proceeds of a loan to the district under the
6 emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942,
7 or from the proceeds of millage levied or pledged under section
8 1211 of the revised school code, MCL 380.1211, as determined by the
9 department.

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

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

18 (6) In addition to funds appropriated in section 11 for all
19 programs and services, there is appropriated for 2014-2015 **AND FOR**
20 **2015-2016** for obligations in excess of applicable appropriations an
21 amount equal to the collection of overpayments, but not to exceed
22 amounts available from overpayments.

23 Sec. 18. (1) Except as provided in another section of this
24 article, each district or other entity shall apply the money
25 received by the district or entity under this article to salaries
26 and other compensation of teachers and other employees, tuition,
27 transportation, lighting, heating, ventilation, water service, the

1 purchase of textbooks, other supplies, and any other school
2 operating expenditures defined in section 7. However, not more than
3 20% of the total amount received by a district under sections 22a
4 and 22b or received by an intermediate district under section 81
5 may be transferred by the board to either the capital projects fund
6 or to the debt retirement fund for debt service. The money shall
7 not be applied or taken for a purpose other than as provided in
8 this section. The department shall determine the reasonableness of
9 expenditures and may withhold from a recipient of funds under this
10 article the apportionment otherwise due upon a violation by the
11 recipient.

12 (2) **A DISTRICT OR INTERMEDIATE DISTRICT SHALL ADOPT AN ANNUAL**
13 **BUDGET IN A MANNER THAT COMPLIES WITH THE UNIFORM BUDGETING AND**
14 **ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO 141.440A.** Within 15 days
15 after a board adopts its annual operating budget for the following
16 school fiscal year, or after a board adopts a subsequent revision
17 to that budget, the district shall make all of the following
18 available through a link on its website ~~home page,~~ **HOME PAGE**, or may
19 make the information available through a link on its intermediate
20 district's website ~~home page,~~ **HOME PAGE**, in a form and manner
21 prescribed by the department:

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

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

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

3 (A) Salaries and wages.

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

7 (C) Retirement benefit costs.

8 (D) All other personnel costs.

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

11 (A) Instruction.

12 (B) Support services.

13 (C) Business and administration.

14 (D) Operations and maintenance.

15 (c) Links to all of the following:

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

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

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

25 (iv) The bids required under section 5 of the public employee
26 health benefits act, 2007 PA 106, MCL 124.75.

27 (v) The district's written policy governing procurement of

1 supplies, materials, and equipment.

2 (vi) The district's written policy establishing specific
3 categories of reimbursable expenses, as described in section
4 1254(2) of the revised school code, MCL 380.1254.

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

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

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

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

18 (g) Any deficit elimination plan or enhanced deficit
19 elimination plan the district was required to submit under this
20 article.

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

26 (i) Costs incurred for each instance of out-of-state travel by
27 the school administrator of the district that is fully or partially

1 paid for by the district and the details of each of those instances
2 of out-of-state travel, including at least identification of each
3 individual on the trip, destination, and purpose.

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

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

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

26 (b) If a district operates in a single building with fewer
27 than 700 full-time equated pupils, if the district has stable

1 membership, and if the error rate of the immediately preceding 2
2 pupil accounting field audits of the district is less than 2%, the
3 district may have a pupil accounting field audit conducted
4 biennially but must continue to have desk audits for each pupil
5 count. The auditor must document compliance with the audit cycle in
6 the pupil auditing manual. As used in this subdivision, "stable
7 membership" means that the district's membership for the current
8 fiscal year varies from the district's membership for the
9 immediately preceding fiscal year by less than 5%.

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

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

18 (e) All of the following shall be done not later than ~~November~~
19 ~~15, 2014 for reporting 2013-2014 data during 2014-2015, and not~~
20 ~~later than November 1~~ **EACH YEAR** for reporting the prior fiscal year
21 data: ~~for all subsequent fiscal years:~~

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

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

26 (iii) The intermediate district shall enter the pupil
27 membership audit reports for its constituent districts and for the

1 intermediate district, for the pupil membership count day and
2 supplemental count day, in the Michigan student data system.

3 (f) The annual financial audit reports and pupil accounting
4 procedures reports shall be available to the public in compliance
5 with the freedom of information act, 1976 PA 442, MCL 15.231 to
6 15.246.

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

14 (5) By ~~November 15, 2014 for 2014-2015 and by November 1 for~~
15 ~~all subsequent fiscal years,~~ **EACH YEAR**, each district and
16 intermediate district shall submit to the center, in a manner
17 prescribed by the center, annual comprehensive financial data
18 consistent with accounting manuals and charts of accounts approved
19 and published by the department. For an intermediate district, the
20 report shall also contain the website address where the department
21 can access the report required under section 620 of the revised
22 school code, MCL 380.620. The department shall ensure that the
23 prescribed Michigan public school accounting manual chart of
24 accounts includes standard conventions to distinguish expenditures
25 by allowable fund function and object. The functions shall include
26 at minimum categories for instruction, pupil support, instructional
27 staff support, general administration, school administration,

1 business administration, transportation, facilities operation and
2 maintenance, facilities acquisition, and debt service; and shall
3 include object classifications of salary, benefits, including
4 categories for active employee health expenditures, purchased
5 services, supplies, capital outlay, and other. Districts shall
6 report the required level of detail consistent with the manual as
7 part of the comprehensive annual financial report.

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

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

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

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

23 (10) If a district or intermediate district does not comply
24 with subsections (4), (5), (6), and (7), the department shall
25 withhold all state school aid due to the district or intermediate
26 district under this article, beginning with the next payment due to
27 the district or intermediate district, until the district or

1 intermediate district complies with subsections (4), (5), (6), and
2 (7). ~~However, the department shall not withhold the payment due on~~
3 ~~October 20 due to the operation of this subsection.~~ If the district
4 or intermediate district does not comply with subsections (4), (5),
5 (6), and (7) by the end of the fiscal year, the district or
6 intermediate district forfeits the amount withheld.

7 **(11) IF A DISTRICT OR INTERMEDIATE DISTRICT DOES NOT COMPLY**
8 **WITH SUBSECTION (2), THE DEPARTMENT MAY WITHHOLD UP TO 10% OF THE**
9 **STATE SCHOOL AID OTHERWISE PAYABLE TO THE DISTRICT OR INTERMEDIATE**
10 **DISTRICT UNDER THIS ARTICLE, BEGINNING WITH THE NEXT PAYMENT DUE TO**
11 **THE DISTRICT OR INTERMEDIATE DISTRICT, UNTIL THE DISTRICT OR**
12 **INTERMEDIATE DISTRICT COMPLIES WITH SUBSECTION (2). IF THE DISTRICT**
13 **OR INTERMEDIATE DISTRICT DOES NOT COMPLY WITH SUBSECTION (2) BY THE**
14 **END OF THE FISCAL YEAR, THE DISTRICT OR INTERMEDIATE DISTRICT**
15 **FORFEITS THE AMOUNT WITHHELD.**

16 **(12)** ~~(11)~~ Not later than November 1, ~~2014,~~ **2015**, if a district
17 or intermediate district offers online learning under section 21f,
18 the district or intermediate district shall submit to the
19 department a report that details the per-pupil costs of operating
20 the online learning by vendor type. The report shall include at
21 least all of the following information concerning the operation of
22 online learning for the school fiscal year ending June 30,
23 ~~2014+2015~~:

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

26 (b) The total number of students enrolled in the online
27 learning and the total number of membership pupils enrolled in the

1 online learning.

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

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

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

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

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

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

20 (13) ~~(12)~~ Not later than March 31, ~~2015,~~ **2016**, the department
21 shall submit to the house and senate appropriations subcommittees
22 on state school aid, the state budget director, and the house and
23 senate fiscal agencies a report summarizing the per pupil costs by
24 vendor type of online courses available under section 21f.

25 (14) ~~(13)~~ As used in subsections ~~(11) and (12),~~ **(12) AND (13)**,
26 "vendor type" means the following:

27 (a) Online courses provided by the Michigan virtual

1 university.

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

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

7 (d) Online courses created and offered by a district or
8 intermediate district.

9 Sec. 18a. Grant funds awarded and allotted to a district,
10 intermediate district, or other entity, unless otherwise specified
11 in this ~~act~~, **ARTICLE**, shall be expended by the grant recipient
12 before the end of the ~~school~~-fiscal year immediately following the
13 fiscal year in which the funds are received. If a grant recipient
14 does not expend the funds received under this ~~act~~ **ARTICLE** before
15 the end of the fiscal year in which the funds are received, the
16 grant recipient shall submit a report to the department not later
17 than November 1 after the fiscal year in which the funds are
18 received indicating whether it expects to expend those funds during
19 the fiscal year in which the report is submitted. A recipient of a
20 grant shall return any unexpended grant funds to the department in
21 the manner prescribed by the department not later than September 30
22 after the fiscal year in which the funds are received.

23 Sec. 20. (1) For ~~2014-2015~~, **2015-2016**, both of the following
24 apply:

25 (a) The basic foundation allowance is ~~\$8,099.00~~ **\$8,169.00**.

26 (b) The minimum foundation allowance is ~~\$7,126.00~~ **\$7,391.00**.

27 (2) The amount of each district's foundation allowance shall

1 be calculated as provided in this section, using a basic foundation
2 allowance in the amount specified in subsection (1).

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

7 (a) Except as otherwise provided in this subdivision, for a
8 district that had a foundation allowance for the immediately
9 preceding state fiscal year that was equal to the minimum
10 foundation allowance for the immediately preceding state fiscal
11 year, but less than the basic foundation allowance for the
12 immediately preceding state fiscal year, the district shall receive
13 a foundation allowance in an amount equal to the sum of the
14 district's foundation allowance for the immediately preceding state
15 fiscal year plus the difference between twice the dollar amount of
16 the adjustment from the immediately preceding state fiscal year to
17 the current state fiscal year made in the basic foundation
18 allowance and [(the difference between the basic foundation
19 allowance for the current state fiscal year and basic foundation
20 allowance for the immediately preceding state fiscal year minus
21 ~~\$10.00~~—**\$23.00**) times (the difference between the district's
22 foundation allowance for the immediately preceding state fiscal
23 year and the minimum foundation allowance for the immediately
24 preceding state fiscal year) divided by the difference between the
25 basic foundation allowance for the current state fiscal year and
26 the minimum foundation allowance for the immediately preceding
27 state fiscal year]. However, the foundation allowance for a

1 district that had less than the basic foundation allowance for the
2 immediately preceding state fiscal year shall not exceed the basic
3 foundation allowance for the current state fiscal year. For the
4 purposes of this subdivision, for ~~2014-2015, 2015-2016~~, the minimum
5 foundation allowance for the immediately preceding state fiscal
6 year shall be considered to be ~~\$7,076.00~~. For ~~2014-2015~~, for a
7 ~~district that had a foundation allowance for the immediately~~
8 ~~preceding state fiscal year that was at least equal to the minimum~~
9 ~~foundation allowance for the immediately preceding state fiscal~~
10 ~~year but less than the basic foundation allowance for the~~
11 ~~immediately preceding state fiscal year, the district shall receive~~
12 ~~a foundation allowance in an amount equal to the district's~~
13 ~~foundation allowance for 2013-2014 plus \$50.00.~~ **\$7,251.00.**

14 (b) Except as otherwise provided in this subsection, for a
15 district that in the immediately preceding state fiscal year had a
16 foundation allowance in an amount equal to the amount of the basic
17 foundation allowance for the immediately preceding state fiscal
18 year, the district shall receive a foundation allowance for ~~2014-~~
19 ~~2015-2015-2016~~ in an amount equal to the basic foundation allowance
20 for ~~2014-2015-2015-2016~~.

21 (c) For a district that had a foundation allowance for the
22 immediately preceding state fiscal year that was greater than the
23 basic foundation allowance for the immediately preceding state
24 fiscal year, the district's foundation allowance is an amount equal
25 to the sum of the district's foundation allowance for the
26 immediately preceding state fiscal year plus the lesser of the
27 increase in the basic foundation allowance for the current state

1 fiscal year, as compared to the immediately preceding state fiscal
2 year, or the product of the district's foundation allowance for the
3 immediately preceding state fiscal year times the percentage
4 increase in the United States consumer price index in the calendar
5 year ending in the immediately preceding fiscal year as reported by
6 the May revenue estimating conference conducted under section 367b
7 of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

11 (e) For a district that received a payment under section 22c
12 as that section was in effect for ~~2013-2014~~, ~~2014-2015~~, the
13 district's ~~2013-2014-2014-2015~~ foundation allowance shall be
14 considered to have been an amount equal to the sum of the
15 district's actual ~~2013-2014-2014-2015~~ foundation allowance as
16 otherwise calculated under this section plus the per-pupil amount
17 of the district's equity payment for ~~2013-2014-2014-2015~~ under
18 section 22c as that section was in effect for ~~2013-2014-2014-2015~~.

19 (4) Except as otherwise provided in this subsection, the state
20 portion of a district's foundation allowance is an amount equal to
21 the district's foundation allowance or the basic foundation
22 allowance for the current state fiscal year, whichever is less,
23 minus the local portion of the district's foundation allowance
24 divided by the district's membership excluding special education
25 pupils. For a district described in subsection (3)(c), the state
26 portion of the district's foundation allowance is an amount equal
27 to \$6,962.00 plus the difference between the district's foundation

1 allowance for the current state fiscal year and the district's
2 foundation allowance for 1998-99, minus the local portion of the
3 district's foundation allowance divided by the district's
4 membership excluding special education pupils. For a district that
5 has a millage reduction required under section 31 of article IX of
6 the state constitution of 1963, the state portion of the district's
7 foundation allowance shall be calculated as if that reduction did
8 not occur. For a receiving district, if school operating taxes
9 continue to be levied on behalf of a dissolved district that has
10 been attached in whole or in part to the receiving district to
11 satisfy debt obligations of the dissolved district under section 12
12 of the revised school code, MCL 380.12, the taxable value per
13 membership pupil of property in the receiving district used for the
14 purposes of this subsection does not include the taxable value of
15 property within the geographic area of the dissolved district.

16 (5) The allocation calculated under this section for a pupil
17 shall be based on the foundation allowance of the pupil's district
18 of residence. For a pupil enrolled pursuant to section 105 or 105c
19 in a district other than the pupil's district of residence, the
20 allocation calculated under this section shall be based on the
21 lesser of the foundation allowance of the pupil's district of
22 residence or the foundation allowance of the educating district.
23 For a pupil in membership in a K-5, K-6, or K-8 district who is
24 enrolled in another district in a grade not offered by the pupil's
25 district of residence, the allocation calculated under this section
26 shall be based on the foundation allowance of the educating
27 district if the educating district's foundation allowance is

1 greater than the foundation allowance of the pupil's district of
2 residence.

3 (6) Except as otherwise provided in this subsection, for
4 pupils in membership, other than special education pupils, in a
5 public school academy, the allocation calculated under this section
6 is an amount per membership pupil other than special education
7 pupils in the public school academy equal to the foundation
8 allowance of the district in which the public school academy is
9 located or the state maximum public school academy allocation,
10 whichever is less. **FOR PUPILS IN MEMBERSHIP, OTHER THAN SPECIAL**
11 **EDUCATION PUPILS, IN A PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL**
12 **AND IS AUTHORIZED BY A SCHOOL DISTRICT, THE ALLOCATION CALCULATED**
13 **UNDER THIS SECTION IS AN AMOUNT PER MEMBERSHIP PUPIL OTHER THAN**
14 **SPECIAL EDUCATION PUPILS IN THE PUBLIC SCHOOL ACADEMY EQUAL TO THE**
15 **FOUNDATION ALLOWANCE OF THE DISTRICT THAT AUTHORIZED THE PUBLIC**
16 **SCHOOL ACADEMY OR THE STATE MAXIMUM PUBLIC SCHOOL ACADEMY**
17 **ALLOCATION, WHICHEVER IS LESS.** However, a public school academy
18 that had an allocation under this subsection before 2009-2010 that
19 was equal to the sum of the local school operating revenue per
20 membership pupil other than special education pupils for the
21 district in which the public school academy is located and the
22 state portion of that district's foundation allowance shall not
23 have that allocation reduced as a result of the 2010 amendment to
24 this subsection. Notwithstanding section 101, for a public school
25 academy that begins operations after the pupil membership count
26 day, the amount per membership pupil calculated under this
27 subsection shall be adjusted by multiplying that amount per

1 membership pupil by the number of hours of pupil instruction
2 provided by the public school academy after it begins operations,
3 as determined by the department, divided by the minimum number of
4 hours of pupil instruction required under section 101(3). The
5 result of this calculation shall not exceed the amount per
6 membership pupil otherwise calculated under this subsection.

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

1 achievement system and not a school that is part of a district, and
2 a pupil attending that public school is considered to be in
3 membership in the education achievement system and not in
4 membership in the district that operated the school before the
5 transfer.

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

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

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

26 (11) To assist the legislature in determining the basic
27 foundation allowance for the subsequent state fiscal year, each

1 revenue estimating conference conducted under section 367b of the
2 management and budget act, 1984 PA 431, MCL 18.1367b, shall
3 calculate a pupil membership factor, a revenue adjustment factor,
4 and an index as follows:

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

15 (b) The revenue adjustment factor shall be computed by
16 dividing the sum of the estimated total state school aid fund
17 revenue for the subsequent state fiscal year plus the estimated
18 total state school aid fund revenue for the current state fiscal
19 year, adjusted for any change in the rate or base of a tax the
20 proceeds of which are deposited in that fund and excluding money
21 transferred into that fund from the countercyclical budget and
22 economic stabilization fund under the management and budget act,
23 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
24 total school aid fund revenue for the current state fiscal year
25 plus the estimated total state school aid fund revenue for the
26 immediately preceding state fiscal year, adjusted for any change in
27 the rate or base of a tax the proceeds of which are deposited in

1 that fund. If a consensus revenue factor is not determined at the
2 revenue estimating conference, the principals of the revenue
3 estimating conference shall report their estimates to the house and
4 senate subcommittees responsible for school aid appropriations not
5 later than 7 days after the conclusion of the revenue conference.

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

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

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

22 (14) As used in this section:

23 (a) "Certified mills" means the lesser of 18 mills or the
24 number of mills of school operating taxes levied by the district in
25 1993-94.

26 (b) "Combined state and local revenue" means the aggregate of
27 the district's state school aid received by or paid on behalf of

1 the district under this section and the district's local school
2 operating revenue.

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

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

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

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

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

25 (h) "Local school operating revenue" means school operating
26 taxes levied under section 1211 of the revised school code, MCL
27 380.1211. For a receiving district, if school operating taxes are

1 to be levied on behalf of a dissolved district that has been
2 attached in whole or in part to the receiving district to satisfy
3 debt obligations of the dissolved district under section 12 of the
4 revised school code, MCL 380.12, local school operating revenue
5 does not include school operating taxes levied within the
6 geographic area of the dissolved district.

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

10 (j) "Maximum public school academy allocation", except as
11 otherwise provided in this subdivision, means the maximum per-pupil
12 allocation as calculated by adding the highest per-pupil allocation
13 among all public school academies for the immediately preceding
14 state fiscal year plus the difference between twice the amount of
15 the difference between the basic foundation allowance for the
16 current state fiscal year and the basic foundation for the
17 immediately preceding state fiscal year and [(the amount of the
18 difference between the basic foundation allowance for the current
19 state fiscal year and the basic foundation for the immediately
20 preceding state fiscal year minus ~~\$10.00~~ **\$23.00**) times (the
21 difference between the highest per-pupil allocation among all
22 public school academies for the immediately preceding state fiscal
23 year and the minimum foundation allowance for the immediately
24 preceding state fiscal year) divided by the difference between the
25 basic foundation allowance for the current state fiscal year and
26 the minimum foundation allowance for the immediately preceding
27 state fiscal year]. For the purposes of this subdivision, ~~for 2014-~~

1 ~~2015, the minimum foundation allowance for the immediately~~
2 ~~preceding state fiscal year shall be considered to be \$7,076.00.~~
3 ~~For 2014-2015,~~ **FOR 2015-2016**, the maximum public school academy
4 allocation is ~~\$7,218.00.~~ **\$7,391.00.**

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

8 (l) "Nonexempt property" means property that is not a
9 principal residence, qualified agricultural property, qualified
10 forest property, supportive housing property, industrial personal
11 property, ~~or~~ commercial personal property, **OR PROPERTY OCCUPIED BY**
12 **A PUBLIC SCHOOL ACADEMY.**

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

18 (n) "Receiving district" means a district to which all or part
19 of the territory of a dissolved district is attached under section
20 12 of the revised school code, MCL 380.12.

21 (o) "School operating purposes" means the purposes included in
22 the operation costs of the district as prescribed in sections 7 and
23 18 and purposes authorized under section 1211 of the revised school
24 code, MCL 380.1211.

25 (p) "School operating taxes" means local ad valorem property
26 taxes levied under section 1211 of the revised school code, MCL
27 380.1211, and retained for school operating purposes.

1 (q) "Tax increment financing acts" means 1975 PA 197, MCL
2 125.1651 to 125.1681, the tax increment finance authority act, 1980
3 PA 450, MCL 125.1801 to 125.1830, the local development financing
4 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
5 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
6 or the corridor improvement authority act, 2005 PA 280, MCL
7 125.2871 to 125.2899.

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

14 Sec. 20d. In making the final determination required under
15 former section 20a of a district's combined state and local revenue
16 per membership pupil in 1993-94 and in making calculations under
17 section 20 for ~~2014-2015~~, **2015-2016**, the department and the
18 department of treasury shall comply with all of the following:

19 (a) For a district that had combined state and local revenue
20 per membership pupil in the 1994-95 state fiscal year of \$6,500.00
21 or more and served as a fiscal agent for a state board designated
22 area vocational education center in the 1993-94 school year, total
23 state school aid received by or paid on behalf of the district
24 pursuant to this act in 1993-94 shall exclude payments made under
25 former section 146 and under section 147 on behalf of the
26 district's employees who provided direct services to the area
27 vocational education center. Not later than June 30, 1996, the

1 department shall make an adjustment under this subdivision to the
2 district's combined state and local revenue per membership pupil in
3 the 1994-95 state fiscal year and the department of treasury shall
4 make a final certification of the number of mills that may be
5 levied by the district under section 1211 of the revised school
6 code, MCL 380.1211, as a result of the adjustment under this
7 subdivision.

8 (b) If a district had an adjustment made to its 1993-94 total
9 state school aid that excluded payments made under former section
10 146 and under section 147 on behalf of the district's employees who
11 provided direct services for intermediate district center programs
12 operated by the district under article 5, if nonresident pupils
13 attending the center programs were included in the district's
14 membership for purposes of calculating the combined state and local
15 revenue per membership pupil for 1993-94, and if there is a signed
16 agreement by all constituent districts of the intermediate district
17 that an adjustment under this subdivision shall be made, the
18 foundation allowances for 1995-96 and 1996-97 of all districts that
19 had pupils attending the intermediate district center program
20 operated by the district that had the adjustment shall be
21 calculated as if their combined state and local revenue per
22 membership pupil for 1993-94 included resident pupils attending the
23 center program and excluded nonresident pupils attending the center
24 program.

25 Sec. 20f. (1) From the funds appropriated in section 11, there
26 is allocated an amount not to exceed ~~\$6,000,000.00 for 2014-2015~~
27 **\$18,000,000.00 FOR 2015-2016** for payments to eligible districts

1 under this section.

2 **(2) THE FUNDING UNDER THIS SUBSECTION IS FROM THE ALLOCATION**
3 **UNDER SUBSECTION (1).** A district is eligible for funding under this
4 ~~section~~**SUBSECTION** if the district received a payment under this
5 section as it was in effect for 2013-2014. A district was eligible
6 for funding in 2013-2014 if the sum of the following was less than
7 \$5.00:

8 (a) The increase in the district's foundation allowance or
9 per-pupil payment as calculated under section 20 from 2012-2013 to
10 2013-2014.

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

13 (c) The quotient of the district's allocation under section
14 147a for 2012-2013 divided by the district's membership pupils for
15 2012-2013 minus the quotient of the district's allocation under
16 section 147a for 2013-2014 divided by the district's membership
17 pupils for 2013-2014.

18 **(3) ~~(2)~~**The amount allocated to each eligible district under
19 ~~this section~~**SUBSECTION (2)** is an amount per membership pupil equal
20 to the amount per membership pupil the district received **UNDER THIS**
21 **SECTION** in 2013-2014.

22 **(4) THE FUNDING UNDER THIS SUBSECTION IS FROM THE ALLOCATION**
23 **UNDER SUBSECTION (1).** A DISTRICT IS ELIGIBLE FOR FUNDING UNDER THIS
24 **SUBSECTION FOR 2015-2016 IF THE SUM OF THE FOLLOWING IS LESS THAN**
25 **\$25.00:**

26 **(A) THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR**
27 **PER-PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2014-2015 TO**

1 2015-2016.

2 (B) THE DECREASE IN THE DISTRICT'S BEST PRACTICES PER-PUPIL
3 FUNDING UNDER SECTION 22F FROM 2014-2015 TO 2015-2016.

4 (C) THE DECREASE IN THE DISTRICT'S PUPIL PERFORMANCE PER-PUPIL
5 FUNDING UNDER SECTION 22J FROM 2014-2015 TO 2015-2016.

6 (D) THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION
7 31A FOR 2015-2016 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR
8 2015-2016 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER
9 SECTION 31A FOR 2014-2015 DIVIDED BY THE DISTRICT'S MEMBERSHIP
10 PUPILS FOR 2014-2015.

11 (5) THE AMOUNT ALLOCATED TO EACH ELIGIBLE DISTRICT UNDER
12 SUBSECTION (4) IS AN AMOUNT PER MEMBERSHIP PUPIL EQUAL TO \$25.00
13 MINUS THE SUM OF THE FOLLOWING:

14 (A) THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR
15 PER-PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2014-2015 TO
16 2015-2016.

17 (B) THE DECREASE IN THE DISTRICT'S BEST PRACTICES PER-PUPIL
18 FUNDING UNDER SECTION 22F FROM 2014-2015 TO 2015-2016.

19 (C) THE DECREASE IN THE DISTRICT'S PUPIL PERFORMANCE PER-PUPIL
20 FUNDING UNDER SECTION 22J FROM 2014-2015 TO 2015-2016.

21 (D) THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION
22 31A FOR 2015-2016 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR
23 2015-2016 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER
24 SECTION 31A FOR 2014-2015 DIVIDED BY THE DISTRICT'S MEMBERSHIP
25 PUPILS FOR 2014-2015.

26 (6) ~~(3)~~—If the allocation under subsection (1) is insufficient
27 to fully fund payments UNDER SUBSECTIONS (3) AND (5) as otherwise

1 calculated under this section, the department shall prorate
2 payments under this section on an equal per-pupil basis.

3 Sec. 20g. (1) From the money appropriated under section 11,
4 there is allocated an amount not to exceed \$2,200,000.00 for ~~2014-~~
5 ~~2015-2016~~ for grants to eligible districts that first received
6 payments under this section in 2013-2014 for transition costs
7 related to the enrollment of pupils who were previously enrolled in
8 a district that was dissolved under section 12 of the revised
9 school code, MCL 380.12, allocated as provided under subsection
10 (3). Payments under this section shall continue for a total of 4
11 fiscal years following the dissolution of a district, after which
12 the payments shall cease.

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

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

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

1 Sec. 21f. (1) A pupil enrolled in a district in any of grades
2 6 to 12 is eligible to enroll in an online course as provided for
3 in this section.

4 (2) With the consent of the pupil's parent or legal guardian,
5 a district shall enroll an eligible pupil in up to 2 online courses
6 as requested by the pupil during an academic term, semester, or
7 trimester. Unless the pupil is newly enrolled in the **PUPIL'S**
8 **PRIMARY** district, the request for online course enrollment must be
9 made in the academic term, semester, trimester, or summer preceding
10 the enrollment. A district may not establish additional
11 requirements that would prohibit a pupil from taking an online
12 course. If a pupil has demonstrated previous success with online
13 courses and the school leadership and the pupil's parent or legal
14 guardian determine that it is in the best interest of the pupil, a
15 pupil may be enrolled in more than 2 online courses in a specific
16 academic term, semester, or trimester. Consent of the pupil's
17 parent or legal guardian is not required if the pupil is at least
18 age 18 or is an emancipated minor.

19 (3) An eligible pupil may enroll in an online course published
20 in the pupil's ~~educating~~ **PRIMARY** district's catalog of online
21 courses described in subsection (7)(a) or the statewide catalog of
22 online courses maintained by the Michigan ~~virtual university~~
23 **VIRTUAL UNIVERSITY** pursuant to section 98.

24 (4) A **PROVIDING** district **OR COMMUNITY COLLEGE** shall determine
25 whether or not it has capacity to accept applications for
26 enrollment from nonresident applicants in online courses and may
27 use that limit as the reason for refusal to enroll an applicant. If

1 the number of nonresident applicants eligible for acceptance in an
2 online course does not exceed the capacity of the **PROVIDING**
3 district **OR COMMUNITY COLLEGE** to provide the online course, the
4 **PROVIDING** district **OR COMMUNITY COLLEGE** shall accept for enrollment
5 all of the nonresident applicants eligible for acceptance. If the
6 number of nonresident applicants exceeds the **PROVIDING** district's
7 **OR COMMUNITY COLLEGE'S** capacity to provide the online course, the
8 **PROVIDING** district **OR COMMUNITY COLLEGE** shall use a random draw
9 system, subject to the need to abide by state and federal
10 antidiscrimination laws and court orders.

11 (5) A **PUPIL'S PRIMARY** district may deny a ~~THE~~ pupil enrollment
12 in an online course if any of the following apply, as determined by
13 the district:

14 (a) The pupil has previously gained the credits provided from
15 the completion of the online course.

16 (b) The online course is not capable of generating academic
17 credit.

18 (c) The online course is inconsistent with the remaining
19 graduation requirements or career interests of the pupil.

20 (d) The pupil does not possess the prerequisite knowledge and
21 skills to be successful in the online course or has demonstrated
22 failure in previous online coursework in the same subject.

23 (e) The online course is of insufficient quality or rigor. A
24 district that denies a pupil enrollment for this reason shall make
25 a reasonable effort to assist the pupil to find an alternative
26 course in the same or a similar subject that is of acceptable rigor
27 and quality.

1 (f) The cost of the online course exceeds the amount
2 identified in subsection ~~(8)~~, **(10)**, unless the pupil's parent or
3 legal guardian agrees to pay the cost that exceeds this amount.

4 (g) The online course enrollment request does not occur within
5 the same timelines established by the **PRIMARY** district for
6 enrollment and schedule changes for regular courses.

7 (6) If a pupil is denied enrollment in an online course by a
8 **THE PUPIL'S PRIMARY** district, the pupil may appeal the denial by
9 submitting a letter to the superintendent of the intermediate
10 district in which the pupil's ~~educating~~ **PRIMARY** district is
11 located. The letter of appeal shall include the reason provided by
12 the **PRIMARY** district for not enrolling the pupil and the reason why
13 the pupil is claiming that the enrollment should be approved. The
14 intermediate district superintendent or designee shall respond to
15 the appeal within 5 days after it is received. If the intermediate
16 district superintendent or designee determines that the denial of
17 enrollment does not meet 1 or more of the reasons specified in
18 subsection (5), the **PRIMARY** district shall allow the pupil to
19 enroll in the online course.

20 (7) To ~~offer or~~ provide an online course under this section, a
21 **THE PROVIDING** district or intermediate district shall do all of the
22 following:

23 (a) Provide the Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY**
24 with the course syllabus in a form and method prescribed by the
25 Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** for inclusion in a
26 statewide online course catalog. The district or intermediate
27 district shall also provide on its publicly accessible website a

1 link to the course syllabi for all of the online courses offered by
2 the district or intermediate district and a link to the statewide
3 catalog of online courses maintained by the Michigan ~~virtual~~
4 ~~university~~. **VIRTUAL UNIVERSITY.**

5 **(B) ASSIGN TO EACH PUPIL A TEACHER OF RECORD AND PROVIDE THE**
6 **PRIMARY DISTRICT WITH THE PERSONAL IDENTIFICATION CODE FOR THE**
7 **TEACHER OF RECORD.**

8 **(C) ~~(b)~~** Offer the online course on an open entry and exit
9 method, or aligned to a semester, trimester, or accelerated
10 academic term format.

11 **(D) ~~(e)~~** Not later than October 1, ~~2014,~~ **2015**, provide the
12 Michigan virtual university with the number of enrollments in each
13 online course the district or intermediate district ~~offered~~
14 **PROVIDED** to pupils pursuant to this section in the immediately
15 preceding school year, and the number of enrollments in which the
16 pupil earned 60% or more of the total course points for each online
17 course.

18 **(8) TO PROVIDE AN ONLINE COURSE UNDER THIS SECTION, A**
19 **COMMUNITY COLLEGE SHALL DO ALL OF THE FOLLOWING:**

20 **(A) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE COURSE**
21 **SYLLABUS IN A FORM AND METHOD PRESCRIBED BY THE MICHIGAN VIRTUAL**
22 **UNIVERSITY FOR INCLUSION IN A STATEWIDE ONLINE COURSE CATALOG.**

23 **(B) OFFER THE ONLINE COURSE ON AN OPEN ENTRY AND EXIT METHOD,**
24 **OR ALIGNED TO A SEMESTER, TRIMESTER, OR ACCELERATED ACADEMIC TERM**
25 **FORMAT.**

26 **(C) ENSURE THAT EACH ONLINE COURSE IT PROVIDES UNDER THIS**
27 **SECTION GENERATES POSTSECONDARY CREDIT.**

1 (D) BEGINNING WITH OCTOBER 1, 2016, AND BY OCTOBER 1 OF EACH
2 YEAR THEREAFTER, PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE
3 NUMBER OF ENROLLMENTS IN EACH ONLINE COURSE THE COMMUNITY COLLEGE
4 PROVIDED TO PUPILS PURSUANT TO THIS SECTION IN THE IMMEDIATELY
5 PRECEDING SCHOOL YEAR, AND THE NUMBER OF ENROLLMENTS IN WHICH THE
6 PUPIL EARNED 60% OR MORE OF THE TOTAL COURSE POINTS FOR EACH ONLINE
7 COURSE.

8 (E) BE TAUGHT BY AN INSTRUCTOR EMPLOYED BY OR CONTRACTED
9 THROUGH THE COMMUNITY COLLEGE.

10 (9) FOR ANY ONLINE COURSE A PUPIL ENROLLS IN UNDER THIS
11 SECTION, THE PUPIL'S PRIMARY DISTRICT MUST ASSIGN TO THE PUPIL A
12 MENTOR TO MONITOR THE PUPIL'S PROGRESS DURING THE ONLINE COURSE AND
13 SHALL SUPPLY THE PROVIDING DISTRICT WITH THE MENTOR'S CONTACT
14 INFORMATION.

15 (10) ~~(8)~~ For a pupil enrolled in 1 or more online courses
16 published in the pupil's educating ~~PRIMARY~~ district's catalog of
17 online courses under subsection (7) or in the statewide catalog of
18 online courses maintained by the Michigan ~~virtual university,~~
19 **VIRTUAL UNIVERSITY**, the **PRIMARY** district shall use foundation
20 allowance or per-pupil funds calculated under section 20 to pay for
21 the expenses associated with the online course or courses. The
22 ~~district shall pay 80% of the cost of the online course upon~~
23 ~~enrollment and 20% upon completion as determined by the district. A~~
24 district is not required to pay toward the cost of an online course
25 an amount that exceeds ~~8.33%~~ **6.67%** of the minimum foundation
26 allowance for the current fiscal year as calculated under section
27 20.

1 (11) ~~(9)~~—An online learning pupil shall have the same rights
2 and access to technology in his or her primary district's school
3 facilities as all other pupils enrolled in the pupil's primary
4 district.

5 (12) ~~(10)~~—If a pupil successfully completes an online course,
6 as determined by the pupil's primary district, the pupil's primary
7 district shall grant appropriate academic credit for completion of
8 the course and shall count that credit toward completion of
9 graduation and subject area requirements. A pupil's school record
10 and transcript shall identify the online course title as it appears
11 in the online course syllabus.

12 (13) ~~(11)~~—The enrollment of a pupil in 1 or more online
13 courses shall not result in a pupil being counted as more than 1.0
14 full-time equivalent pupils under this article.

15 (14) ~~(12)~~—The portion of the full-time equated pupil
16 membership for which a pupil is enrolled in 1 or more online
17 courses under this section shall not be transferred under the pupil
18 transfer process under section 25e.

19 (15) ~~(13)~~—As used in this section:

20 (A) "MENTOR" MEANS A PROFESSIONAL EMPLOYEE OF THE PRIMARY
21 DISTRICT WHO MONITORS THE PUPIL'S PROGRESS, ENSURES THE PUPIL HAS
22 ACCESS TO NEEDED TECHNOLOGY, IS AVAILABLE FOR ASSISTANCE, AND
23 ENSURES ACCESS TO THE TEACHER OF RECORD. A MENTOR MAY ALSO SERVE AS
24 THE TEACHER OF RECORD IF THE MENTOR MEETS THE REQUIREMENTS UNDER
25 SUBDIVISION (G).

26 (B) ~~(a)~~—"Online course" means a course of study that is
27 capable of generating a credit or a grade, that is provided in an

1 interactive ~~internet-connected~~ **INTERNET-CONNECTED** learning
2 environment, in which pupils are separated from their teachers by
3 time or location, or both, and, **IF THE COURSE IS PROVIDED BY A**
4 **DISTRICT OR INTERMEDIATE DISTRICT**, in which a teacher who holds a
5 valid Michigan teaching certificate **THAT QUALIFIES THE TEACHER TO**
6 **TEACH THE COURSE** is responsible for **PROVIDING INSTRUCTION**,
7 determining appropriate instructional methods for each pupil,
8 diagnosing learning needs, assessing pupil learning, prescribing
9 intervention strategies, reporting outcomes, and evaluating the
10 effects of instruction and support strategies.

11 (C) ~~(b)~~ "Online course syllabus" means a document that
12 includes all of the following:

13 (i) The state academic standards addressed in an online
14 course.

15 (ii) The online course content outline.

16 (iii) The online course required assessments.

17 (iv) The online course prerequisites.

18 (v) Expectations for actual instructor contact time with the
19 online learning pupil and other pupil-to-instructor communications.

20 (vi) Academic support available to the online learning pupil.

21 (vii) The online course learning outcomes and objectives.

22 (viii) The name of the institution or organization providing
23 the online content.

24 (ix) The name of the institution or organization providing the
25 online instructor.

26 (x) The course titles assigned by the district or intermediate
27 district and the course titles and course codes from the ~~national~~

1 ~~center for education statistics~~ **NATIONAL CENTER FOR EDUCATION**
 2 **STATISTICS** (NCES) school codes for the exchange of data (SCED).

3 (xi) The number of eligible nonresident pupils that will be
 4 accepted by the district or intermediate district in the online
 5 course.

6 (xii) The results of the online course quality review using
 7 the guidelines and model review process published by the Michigan
 8 ~~virtual university.~~ **VIRTUAL UNIVERSITY.**

9 (D) ~~(e)~~-"Online learning pupil" means a pupil enrolled in 1 or
 10 more online courses.

11 (E) ~~(d)~~-"Primary district" means the **PUPIL'S** district ~~that~~
 12 ~~enrolls the pupil and reports the pupil as a full-time equated~~
 13 ~~pupil for pupil membership purposes.~~ **OF RESIDENCE.**

14 (F) **"PROVIDING DISTRICT" MEANS THE DISTRICT, INTERMEDIATE**
 15 **DISTRICT, OR COMMUNITY COLLEGE THAT THE PRIMARY DISTRICT PAYS TO**
 16 **PROVIDE THE ONLINE COURSE.**

17 (G) **"TEACHER OF RECORD" MEANS A TEACHER WHO HOLDS A VALID**
 18 **MICHIGAN TEACHING CERTIFICATE; WHO, IF APPLICABLE, IS ENDORSED IN**
 19 **THE SUBJECT AREA AND GRADE OF THE ONLINE COURSE; AND IS RESPONSIBLE**
 20 **FOR PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL METHODS FOR**
 21 **EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING,**
 22 **PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES, AND**
 23 **EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.**

24 Sec. 22a. (1) From the appropriation in section 11, there is
 25 allocated an amount not to exceed ~~\$5,380,000,000.00~~
 26 **\$5,377,000,000.00** for 2014-2015 **AND AN AMOUNT NOT TO EXCEED**
 27 **\$5,281,700,000.00 FOR 2015-2016** for payments to districts and

1 qualifying public school academies to guarantee each district and
2 qualifying public school academy an amount equal to its 1994-95
3 total state and local per pupil revenue for school operating
4 purposes under section 11 of article IX of the state constitution
5 of 1963. Pursuant to section 11 of article IX of the state
6 constitution of 1963, this guarantee does not apply to a district
7 in a year in which the district levies a millage rate for school
8 district operating purposes less than it levied in 1994. However,
9 subsection (2) applies to calculating the payments under this
10 section. Funds allocated under this section that are not expended
11 in the state fiscal year for which they were allocated, as
12 determined by the department, may be used to supplement the
13 allocations under sections 22b and 51c in order to fully fund those
14 calculated allocations for the same fiscal year.

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

20 (a) Except as otherwise provided in this subsection, the state
21 portion of a district's 1994-95 foundation allowance is an amount
22 equal to the district's 1994-95 foundation allowance or \$6,500.00,
23 whichever is less, minus the difference between the sum of the
24 product of the taxable value per membership pupil of all property
25 in the district that is nonexempt property times the district's
26 certified mills and, for a district with certified mills exceeding
27 12, the product of the taxable value per membership pupil of

1 property in the district that is commercial personal property times
2 the certified mills minus 12 mills and the quotient of the ad
3 valorem property tax revenue of the district captured under tax
4 increment financing acts divided by the district's membership. For
5 a district that has a millage reduction required under section 31
6 of article IX of the state constitution of 1963, the state portion
7 of the district's foundation allowance shall be calculated as if
8 that reduction did not occur. For a receiving district, if school
9 operating taxes are to be levied on behalf of a dissolved district
10 that has been attached in whole or in part to the receiving
11 district to satisfy debt obligations of the dissolved district
12 under section 12 of the revised school code, MCL 380.12, taxable
13 value per membership pupil of all property in the receiving
14 district that is nonexempt property and taxable value per
15 membership pupil of property in the receiving district that is
16 commercial personal property do not include property within the
17 geographic area of the dissolved district; ad valorem property tax
18 revenue of the receiving district captured under tax increment
19 financing acts does not include ad valorem property tax revenue
20 captured within the geographic boundaries of the dissolved district
21 under tax increment financing acts; and certified mills do not
22 include the certified mills of the dissolved district.

23 (b) For a district that had a 1994-95 foundation allowance
24 greater than \$6,500.00, the state payment under this subsection
25 shall be the sum of the amount calculated under subdivision (a)
26 plus the amount calculated under this subdivision. The amount
27 calculated under this subdivision shall be equal to the difference

1 between the district's 1994-95 foundation allowance minus \$6,500.00
2 and the current year hold harmless school operating taxes per
3 pupil. If the result of the calculation under subdivision (a) is
4 negative, the negative amount shall be an offset against any state
5 payment calculated under this subdivision. If the result of a
6 calculation under this subdivision is negative, there shall not be
7 a state payment or a deduction under this subdivision. The taxable
8 values per membership pupil used in the calculations under this
9 subdivision are as adjusted by ad valorem property tax revenue
10 captured under tax increment financing acts divided by the
11 district's membership. For a receiving district, if school
12 operating taxes are to be levied on behalf of a dissolved district
13 that has been attached in whole or in part to the receiving
14 district to satisfy debt obligations of the dissolved district
15 under section 12 of the revised school code, MCL 380.12, ad valorem
16 property tax revenue captured under tax increment financing acts do
17 not include ad valorem property tax revenue captured within the
18 geographic boundaries of the dissolved district under tax increment
19 financing acts.

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

26 (4) A district or qualifying public school academy may use
27 funds allocated under this section in conjunction with any federal

1 funds for which the district or qualifying public school academy
2 otherwise would be eligible.

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

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

22 (7) As used in this section:

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

27 (b) "Certified mills" means the lesser of 18 mills or the

1 number of mills of school operating taxes levied by the district in
2 1993-94.

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

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

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

20 (f) "Hold harmless millage" means, for a district with a 1994-
21 95 foundation allowance greater than \$6,500.00, the number of mills
22 by which the exemption from the levy of school operating taxes on a
23 homestead, qualified agricultural property, qualified forest
24 property, supportive housing property, industrial personal
25 property, ~~and commercial personal property,~~ **AND PROPERTY OCCUPIED**
26 **BY A PUBLIC SCHOOL ACADEMY** could be reduced as provided in section
27 1211 of the revised school code, MCL 380.1211, and the number of

1 mills of school operating taxes that could be levied on all
2 property as provided in section 1211(2) of the revised school code,
3 MCL 380.1211, as certified by the department of treasury for the
4 1994 tax year. For a receiving district, if school operating taxes
5 are to be levied on behalf of a dissolved district that has been
6 attached in whole or in part to the receiving district to satisfy
7 debt obligations of the dissolved district under section 12 of the
8 revised school code, MCL 380.12, school operating taxes do not
9 include school operating taxes levied within the geographic area of
10 the dissolved district.

11 (g) "Homestead", "qualified agricultural property", "qualified
12 forest property", "supportive housing property", "industrial
13 personal property", and "commercial personal property" mean those
14 terms as defined in section 1211 of the revised school code, MCL
15 380.1211.

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

19 (i) "Nonexempt property" means property that is not a
20 principal residence, qualified agricultural property, qualified
21 forest property, supportive housing property, industrial personal
22 property, ~~or~~ commercial personal property, **OR PROPERTY OCCUPIED BY**
23 **A PUBLIC SCHOOL ACADEMY.**

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

27 (k) "Receiving district" means a district to which all or part

1 of the territory of a dissolved district is attached under section
2 12 of the revised school code, MCL 380.12.

3 (l) "School operating taxes" means local ad valorem property
4 taxes levied under section 1211 of the revised school code, MCL
5 380.1211, and retained for school operating purposes as defined in
6 section 20.

7 (m) "Tax increment financing acts" means 1975 PA 197, MCL
8 125.1651 to 125.1681, the tax increment finance authority act, 1980
9 PA 450, MCL 125.1801 to 125.1830, the local development financing
10 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
11 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
12 or the corridor improvement authority act, 2005 PA 280, MCL
13 125.2871 to 125.2899.

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

16 (i) For the number of mills by which the exemption from the
17 levy of school operating taxes on a homestead, qualified
18 agricultural property, qualified forest property, supportive
19 housing property, industrial personal property, ~~and~~ commercial
20 personal property, **AND PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**
21 may be reduced as provided in section 1211 of the revised school
22 code, MCL 380.1211, the taxable value of homestead, qualified
23 agricultural property, qualified forest property, supportive
24 housing property, industrial personal property, ~~and~~ commercial
25 personal property, **AND PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**
26 for the calendar year ending in the current state fiscal year. For
27 a receiving district, if school operating taxes are to be levied on

1 behalf of a dissolved district that has been attached in whole or
2 in part to the receiving district to satisfy debt obligations of
3 the dissolved district under section 12 of the revised school code,
4 MCL 380.12, mills do not include mills within the geographic area
5 of the dissolved district.

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

17 Sec. 22b. (1) From the appropriation in section 11, there is
18 allocated an amount not to exceed ~~\$3,434,000,000.00~~
19 **\$3,440,000,000.00** for 2014-2015 **AND AN AMOUNT NOT TO EXCEED**
20 **\$3,728,000,000.00 FOR 2015-2016** for discretionary nonmandated
21 payments to districts under this section. Funds allocated under
22 this section that are not expended in the state fiscal year for
23 which they were allocated, as determined by the department, may be
24 used to supplement the allocations under sections 22a and 51c in
25 order to fully fund those calculated allocations for the same
26 fiscal year.

27 (2) Subject to subsection (3) and section 296, the allocation

1 to a district under this section shall be an amount equal to the
2 sum of the amounts calculated under sections 20, 51a(2), 51a(3),
3 and 51a(11), minus the sum of the allocations to the district under
4 sections 22a and 51c.

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

7 (a) Comply with section 1280b of the revised school code, MCL
8 380.1280b.

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

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

14 (d) Comply with section 1230g of the revised school code, MCL
15 380.1230g.

16 (e) Comply with section 21f.

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

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

27 (6) From the allocation in subsection (1), the department

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

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

23 (8) If the local claims review board or a court of competent
24 jurisdiction makes a final determination that this state is in
25 violation of section 29 of article IX of the state constitution of
26 1963 regarding state payments to districts, the state budget
27 director shall use work project funds under subsection (7) or

1 allocate from the discretionary funds for nonmandated payments
2 under this section the amount as may be necessary to satisfy the
3 amount owed to districts before making any payments to districts
4 under subsection (2).

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

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

20 (11) If a lawsuit challenging payments made to districts
21 related to costs reimbursed by federal title XIX Medicaid funds is
22 filed against this state, then, for the purpose of addressing
23 potential liability under such a lawsuit, the state budget director
24 may place funds allocated under this section in escrow or allocate
25 money from the funds otherwise allocated under this section, up to
26 a maximum of 50% of the amount allocated in subsection (1). If
27 funds are placed in escrow under this subsection, those funds are a

1 work project appropriation and the funds are carried forward into
2 the following fiscal year. The purpose of the work project is to
3 provide for any payments that may be awarded to districts as a
4 result of the litigation. The work project shall be completed upon
5 resolution of the litigation. In addition, this state reserves the
6 right to terminate future federal title XIX Medicaid reimbursement
7 payments to districts if the amount or allocation of reimbursed
8 funds is challenged in the lawsuit. As used in this subsection,
9 "title XIX" means title XIX of the social security act, 42 USC 1396
10 to 1396v.

11 (12) Payments under this section are subject to section 25f.

12 Sec. 22d. (1) From the appropriation in section 11, an amount
13 not to exceed ~~\$2,584,600.00~~ **\$5,000,000.00** is allocated for ~~2014-~~
14 ~~2015-2016~~ **2015-2016** for supplemental payments to rural districts under
15 this section.

16 (2) From the allocation under subsection (1), there is
17 allocated for ~~2014-2015-2016~~ **2015-2016** an amount not to exceed
18 \$957,300.00 for payments under this subsection to districts that
19 meet all of the following:

20 (a) Operates grades K to 12.

21 (b) Has fewer than 250 pupils in membership.

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

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

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

27 (3) The amount of the additional funding to each eligible

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

17 (4) Subject to subsection (6), from the allocation in
18 subsection (1), there is allocated for ~~2014-2015-2015-2016~~ an
19 amount not to exceed ~~\$1,627,300.00~~ **\$4,042,700.00** for payments under
20 this subsection to districts that ~~meet all of the following:~~

21 ~~—— (a) The district has 5.0~~ **HAVE 7.3** or fewer pupils per square
22 mile as determined by the department.

23 ~~—— (b) The district has a total square mileage greater than 200.0~~
24 ~~or is 1 of 2 districts that have consolidated transportation~~
25 ~~services and have a combined total square mileage greater than~~
26 ~~200.0.~~

27 (5) The funds allocated under subsection (4) shall be

1 allocated on an equal per-pupil basis.

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

4 Sec. 22g. (1) From the funds appropriated in section 11, there
5 is allocated for ~~2014-2015-2015-2016~~ only an amount not to exceed
6 ~~\$2,000,000.00~~ **\$5,000,000.00** for competitive assistance grants to
7 districts and intermediate districts.

8 (2) Funds received under this section may be used for
9 reimbursement of transition costs associated with the consolidation
10 **OR ANNEXATION** of ~~operations or services between 2 or more districts~~
11 ~~, OR intermediate districts. , or other local units of government,~~
12 ~~the consolidation or sharing of technology and data operations or~~
13 ~~services between 50 or more districts or 5 or more intermediate~~
14 ~~districts, or the consolidation of districts or intermediate~~
15 ~~districts.~~ Grant funding shall be available for consolidations **OR**
16 **ANNEXATIONS** that occur on or after June 1, 2014. ~~The department~~
17 ~~shall develop an application process and method of grant~~
18 ~~distribution. The department shall give priority to applicants that~~
19 ~~propose including at least 1 of the following statewide activities:~~
20 **2015. DISTRICTS MAY SPEND FUNDS ALLOCATED UNDER THIS SECTION OVER 3**
21 **FISCAL YEARS.**

22 ~~—— (a) A comprehensive, research based academic early warning~~
23 ~~indicator and dropout prevention solution.~~

24 ~~—— (b) A data driven system for identifying early reading~~
25 ~~challenges and establishing individual reading development plans~~
26 ~~for every student by the end of grade 3.~~

27 Sec. 22i. (1) From the funds appropriated in section 11, there

1 ~~is allocated for 2013-2014 an amount not to exceed \$45,000,000.00~~
2 ~~and there is allocated for 2014-2015-2015-2016~~ an amount not to
3 exceed ~~\$41,500,000.00~~ **\$23,500,000.00** for the technology **READINESS**
4 infrastructure grant program for districts or intermediate
5 districts on behalf of their constituent districts. Funds received
6 under this ~~subsection~~ **SECTION** shall be used for the development or
7 improvement of ~~a district's~~ **DISTRICTS'** technology **HARD**
8 infrastructure, the shared services consolidation of technology and
9 data, ~~and~~ **FOR THE COORDINATION AND STRATEGIC PURCHASING OF**
10 hardware **AND SOFTWARE** in preparation for the ~~planned implementation~~
11 ~~in 2014-2015 of online assessments.~~ **DELIVERY OF ASSESSMENTS THROUGH**
12 **ONLINE MODELS. THIS ALLOCATION SHALL NOT BE MADE AFTER 2015-2016.**

13 (2) ~~The~~ **SUBJECT TO THE REQUIREMENTS OF THIS SECTION, THE**
14 department shall develop a competitive application process and
15 method of grant distribution to eligible districts and intermediate
16 districts that demonstrate need for grants under subsection (1).
17 The department may consult with the department of technology,
18 management, and budget during the grant process and grant
19 distribution. Grants to districts shall not exceed \$2,000,000.00
20 per district. A grant to an intermediate district on behalf of its
21 constituent districts shall not exceed \$2,000,000.00 per
22 constituent district. To receive a grant under subsection (1), an
23 intermediate district shall demonstrate that a grant awarded to the
24 intermediate district on behalf of its constituent districts would
25 provide savings compared to providing grants to individual
26 districts. **THE DEPARTMENT SHALL GIVE ADDITIONAL CONSIDERATION TO**
27 **APPLICANTS THAT PROPOSE EXTERNAL PARTNERSHIPS AND ARTICULATE PLANS**

1 **FOR SUSTAINABILITY BEYOND THE GRANT FUNDING.**

2 ~~—— (3) From the general fund money appropriated in section 11,~~
 3 ~~there is allocated an amount not to exceed \$5,000,000.00 for 2013-~~
 4 ~~2014 to be awarded through a competitive bid process to a single~~
 5 ~~provider of whole school technology as described in this~~
 6 ~~subsection. The department shall issue a single request for~~
 7 ~~proposal with application rules written and administered by the~~
 8 ~~department, and with a focus on economic and geographic diversity.~~
 9 ~~To be eligible to receive the grant under this section, a provider~~
 10 ~~shall meet all of the following:~~

11 ~~—— (a) Agrees to submit evaluation criteria in a form and manner~~
 12 ~~determined by the department.~~

13 ~~—— (b) Provides at least all of the following:~~

14 ~~—— (i) One to one mobile devices.~~

15 ~~—— (ii) Laptop or desktop computers for each classroom.~~

16 ~~—— (iii) On and off campus filtering.~~

17 ~~—— (iv) Wireless networks and peripherals.~~

18 ~~—— (v) Wireless audio equipment.~~

19 ~~—— (vi) Operating software.~~

20 ~~—— (vii) Instructional software.~~

21 ~~—— (viii) Repairs and replacements.~~

22 ~~—— (ix) Professional development.~~

23 ~~—— (x) Ongoing support.~~

24 **(3) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS**
 25 **ALLOCATED AN AMOUNT NOT TO EXCEED \$11,250,000.00 FOR DISTRICT**
 26 **PARTICIPATION INCENTIVES AS DESCRIBED IN THIS SUBSECTION. GRANTS**
 27 **AWARDED UNDER THIS SUBSECTION SHALL BE DISTRIBUTED ON AN EQUAL PER**

1 PUPIL BASIS, NOT TO EXCEED \$10.00 PER PUPIL. TO RECEIVE FUNDING
2 UNDER THIS SUBSECTION, A DISTRICT MUST MEET ALL OF THE FOLLOWING:

3 (A) THE DISTRICT AGREES TO LIMIT THE SPENDING OF PARTICIPATION
4 INCENTIVE GRANTS TO TECHNOLOGY READINESS EFFORTS, INCLUDING, BUT
5 NOT LIMITED TO, THE FOLLOWING:

6 (i) ONLINE OR DIGITAL ASSESSMENT, INCLUDING UNIVERSAL
7 DIAGNOSTIC SCREENING TOOLS.

8 (ii) IN-BUILDING WIRELESS CONNECTIVITY.

9 (iii) NETWORK SERVICES, SUCH AS ADDITIONAL BANDWIDTH AND
10 CONTENT FILTERING.

11 (iv) COMPUTER OR DEVICE PURCHASING.

12 (v) TECHNOLOGY READINESS FOR INSTRUCTION AND DATA
13 COLLABORATIONS THAT SUPPORT ONLINE ASSESSMENT READINESS.

14 (B) THE DISTRICT AGREES TO BE REPRESENTED IN THE PROGRAM KNOWN
15 AS "TRIG SPONSORED STATEWIDE 470 BIDS FOR E-RATE FUNDING" AND TO
16 CONSIDER USING THE AWARDED VENDORS. HOWEVER, THE DISTRICT IS NOT
17 OBLIGATED TO PURCHASE FROM THAT BID OR THOSE VENDORS.

18 (C) THE DISTRICT AGREES TO PARTICIPATE IN ANY SURVEY OR DATA
19 COLLECTION PROCESS CONSIDERED NECESSARY BY THE DEPARTMENT.

20 (D) THE DISTRICT ENSURES THAT ITS INTERMEDIATE DISTRICT ALSO
21 AGREES TO REQUIREMENTS OF SUBDIVISIONS (A) TO (C) FOR THE DISTRICT
22 TO RECEIVE PARTICIPATION FUNDS.

23 (4) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
24 ALLOCATED AN AMOUNT NOT TO EXCEED \$9,250,000.00 FOR DEVICE
25 PURCHASING INCENTIVES.

26 (5) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
27 ALLOCATED AN AMOUNT NOT TO EXCEED \$2,200,000.00 FOR DATA SYSTEMS

1 INTEGRATION.

2 (6) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
3 ALLOCATED AN AMOUNT NOT TO EXCEED \$300,000.00 FOR E-RATE
4 ACTIVITIES.

5 (7) FROM THE MONEY ALLOCATED IN SUBSECTION (1), THERE IS
6 ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR ADMINISTRATION OF
7 THE TECHNOLOGY READINESS INFRASTRUCTURE GRANT PROGRAM.

8 (8) NOT LATER THAN JANUARY 1, 2017, THE DEPARTMENT SHALL
9 CONSOLIDATE AND PREPARE A SUMMARY FROM THE TOTAL PROJECT REPORTS
10 FROM EACH GRANTEE UNDER THIS SECTION TO INCLUDE MEASURABLE OUTCOMES
11 BASED ON GRANT OBJECTIVES. THE REPORT SHALL INCLUDE A SUMMARY OF
12 COMPILED DATA FROM EACH GRANTEE TO PROVIDE A MEANS TO EVALUATE THE
13 EFFECTIVENESS OF THE GRANT PROJECT. THE DEPARTMENT SHALL SUBMIT THE
14 REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON
15 STATE SCHOOL AID AND ON THE DEPARTMENT BUDGET AND TO THE HOUSE AND
16 SENATE FISCAL AGENCIES.

17 ~~(9) (4) The funds allocated under subsection (1) are a work~~
18 ~~project appropriation. Any unexpended funds for 2013-2014 are~~
19 ~~carried forward into 2014-2015 and any unexpended funds for 2014-~~
20 ~~2015 are carried forward into 2015-2016. The purpose of the work~~
21 ~~project is to continue to implement the projects described under~~
22 ~~this section. The estimated completion date of the work project is~~
23 ~~September 30, 2016.~~ 2015-2016 SHALL LAPSE TO THE STATE SCHOOL AID
24 FUND.

25 (10) FROM THE FUNDS APPROPRIATED UNDER THIS ARTICLE, THE
26 DEPARTMENT SHALL NOT CONTRACT FOR OR PAY FOR A CONTRACT THAT
27 CREATES INFORMATIONAL TECHNOLOGY INFRASTRUCTURE THAT IS OWNED OR

1 OPERATED BY THIS STATE, A LOCAL UNIT OF GOVERNMENT, A COMMUNITY
2 COLLEGE OR STATE PUBLIC UNIVERSITY, OR A DISTRICT OR INTERMEDIATE
3 DISTRICT, AND IS OPERATED IN A MANNER THAT PROVIDES INFORMATIONAL
4 TECHNOLOGY SERVICES TO PUBLIC ENTITIES IN COMPETITION WITH
5 BUSINESSES LOCATED IN THIS STATE.

6 (11) AS USED IN THIS SECTION:

7 (A) "HARD INFRASTRUCTURE" MEANS TECHNOLOGY HARDWARE NECESSARY
8 TO MOVE TO AN ONLINE LEARNING AND TESTING ENVIRONMENT, INCLUDING,
9 BUT NOT LIMITED TO, FIBER, SERVERS, WIRELESS COMPUTING NETWORKS,
10 AND NECESSARY PERIPHERALS.

11 (B) "SHARED SERVICES CONSOLIDATION OF TECHNOLOGY AND DATA"
12 MEANS PROJECTS THAT SUPPORT THE MOVE TO A COLLABORATIVE MULTIPLE
13 ORGANIZATIONAL APPROACH TO MANAGING HARDWARE, SOFTWARE,
14 PERIPHERALS, AND DATA INTEGRATION AND DISPLAY OF APPROPRIATE
15 INFORMATION FOR PARENTS, TEACHERS, ADMINISTRATORS, AND THIS STATE.

16 Sec. 23a. (1) A dropout recovery program operated by a
17 district qualifies for the special membership counting provisions
18 of section ~~6(4)(ff)~~ 6(4)(DD) and the hours and day of pupil
19 instruction exemption under section 101(12) if the dropout recovery
20 program meets all of the following:

21 (a) Enrolls only eligible pupils.

22 (b) Provides an advocate. An advocate may serve in that role
23 for more than 1 pupil but no more than 50 pupils. An advocate may
24 be employed by the district or may be provided by an education
25 management organization that is partnering with the district.
26 Before an individual is assigned to be an advocate for a pupil in
27 the dropout recovery program, the district shall comply with

1 sections 1230 and 1230a of the revised school code, MCL 380.1230
2 and 380.1230a, with respect to that individual.

3 (c) Develops a written learning plan.

4 (d) Monitors the pupil's progress against the written learning
5 plan.

6 (e) Requires each pupil to make satisfactory monthly progress,
7 as defined by the district under subsection (2).

8 (f) Reports the pupil's progress results to the partner
9 district at least monthly.

10 (g) The program may be operated on or off a district school
11 campus, but may be operated using distance learning online only if
12 the program provides a computer and internet access for each
13 eligible pupil participating in the program.

14 (h) Is operated throughout the entire calendar year.

15 (i) If the district partners with an education management
16 organization for the program, the education management organization
17 has a dropout recovery program partnership relationship with at
18 least 1 other district.

19 (2) A district operating a dropout recovery program under this
20 section shall adopt a definition of satisfactory monthly progress
21 that is consistent with the definition of that term under
22 subsection (3).

23 (3) As used in this section:

24 (a) "Advocate" means an adult available to meet in person with
25 assigned pupils, as needed, to conduct social interventions, to
26 proctor final examinations, and to provide academic and social
27 support to pupils enrolled in the district's dropout recovery

1 program.

2 (b) "Education management organization" means a private
3 provider that operates 1 or more other dropout recovery programs
4 that meet the requirements of this section in partnership with 1 or
5 more districts.

6 (c) "Eligible pupil" means a pupil who has been expelled from
7 school under the mandatory expulsion provisions in section 1311 or
8 1311a of the revised school code, MCL 380.1311 and 380.1311a, a
9 pupil who has been suspended or expelled from school under a local
10 policy, a pupil who is referred by a court, a pupil who is pregnant
11 or is a parent, a pupil who was previously a dropout, or a pupil
12 who is determined by the district to be at risk of dropping out.

13 (d) "Satisfactory monthly progress" means an amount of
14 progress that is measurable on a monthly basis and that, if
15 continued for a full 12 months, would result in the same amount of
16 academic credit being awarded to the pupil as would be awarded to a
17 general education pupil completing a full school year. Satisfactory
18 monthly progress may include a lesser required amount of progress
19 for the first 2 months a pupil participates in the program.

20 (e) "Written learning plan" means a written plan developed in
21 conjunction with the advocate that includes the plan start and end
22 dates, courses to be taken, credit to be earned for each course,
23 teacher of record for each course, and advocate name and contact
24 information.

25 Sec. 24. (1) From the appropriation in section 11, there is
26 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
27 \$8,000,000.00 for payments to the educating district or

1 intermediate district for educating pupils assigned by a court or
2 the department of **HEALTH AND** human services to reside in or to
3 attend a juvenile detention facility or child caring institution
4 licensed by the department of **HEALTH AND** human services and
5 approved by the department to provide an on-grounds education
6 program. The amount of the payment under this section to a district
7 or intermediate district shall be calculated as prescribed under
8 subsection (2).

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

15 (a) "Added cost" means 100% of the added cost each fiscal year
16 for educating all pupils assigned by a court or the department of
17 **HEALTH AND** human services to reside in or to attend a juvenile
18 detention facility or child caring institution licensed by the
19 department of **HEALTH AND** human services or the department of
20 licensing and regulatory affairs and approved by the department to
21 provide an on-grounds education program. Added cost shall be
22 computed by deducting all other revenue received under this article
23 for pupils described in this section from total costs, as approved
24 by the department, in whole or in part, for educating those pupils
25 in the on-grounds education program or in a program approved by the
26 department that is located on property adjacent to a juvenile
27 detention facility or child caring institution. Costs reimbursed by

1 federal funds are not included.

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

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

17 (4) Special education pupils funded under section 53a shall
18 not be funded under this section.

19 Sec. 24a. From the appropriation in section 11, there is
20 allocated an amount not to exceed ~~\$2,195,500.00 for 2014-2015~~
21 **\$2,189,800.00 FOR 2015-2016** for payments to intermediate districts
22 for pupils who are placed in juvenile justice service facilities
23 operated by the department of **HEALTH AND** human services. Each
24 intermediate district shall receive an amount equal to the state
25 share of those costs that are clearly and directly attributable to
26 the educational programs for pupils placed in facilities described
27 in this section that are located within the intermediate district's

1 boundaries. The intermediate districts receiving payments under
2 this section shall cooperate with the department of **HEALTH AND**
3 human services to ensure that all funding allocated under this
4 section is utilized by the intermediate district and department of
5 **HEALTH AND** human services for educational programs for pupils
6 described in this section. Pupils described in this section are not
7 eligible to be funded under section 24. However, a program
8 responsibility or other fiscal responsibility associated with these
9 pupils shall not be transferred from the department of **HEALTH AND**
10 human services to a district or intermediate district unless the
11 district or intermediate district consents to the transfer.

12 Sec. 24c. From the appropriation in section 11, there is
13 allocated an amount not to exceed ~~\$1,500,000.00 for 2014-2015~~
14 **\$1,497,400.00 FOR 2015-2016** for payments to districts for pupils
15 who are enrolled in a nationally administered community-based
16 education and youth mentoring program, known as the youth challenge
17 program, that is administered by the department of military and
18 veterans affairs. Both of the following apply to a district
19 receiving payments under this section:

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

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

27 Sec. 25e. (1) The pupil membership transfer application and

1 pupil transfer process administered by the center under this
2 section shall be used for processing pupil transfers.

3 (2) If a pupil counted in membership for the pupil membership
4 count day transfers from a district or intermediate district to
5 enroll in another district or intermediate district after the pupil
6 membership count day and before the supplemental count day and, due
7 to the pupil's enrollment and attendance status as of the pupil
8 membership count day, the pupil was not counted in membership in
9 the educating district or intermediate district, the educating
10 district or intermediate district may report the enrollment and
11 attendance information to the center through the pupil transfer
12 process within 30 days after the transfer or within 30 days after
13 the pupil membership count certification date, whichever is later.
14 Pupil transfers may be submitted no earlier than the first day
15 after the certification deadline for the pupil membership count day
16 and before the supplemental count day. Upon receipt of the transfer
17 information under this subsection indicating that a pupil has
18 enrolled and is in attendance in an educating district or
19 intermediate district as described in this subsection, the pupil
20 transfer process shall do the following:

21 (a) Notify the district in which the pupil was previously
22 enrolled.

23 (b) Notify both the pupil auditing staff of the intermediate
24 district in which the educating district is located and the pupil
25 auditing staff of the intermediate district in which the district
26 that previously enrolled the pupil is located. The pupil auditing
27 staff shall investigate a representative sample based on required

1 audit sample sizes in the pupil auditing manual and may deny the
2 pupil membership transfer.

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

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

6 (a) Adjust the membership calculation for each district or
7 intermediate district in which the pupil was previously counted in
8 membership or that previously received an adjustment in its
9 membership calculation under this section due to a change in the
10 pupil's enrollment and attendance so that the district's or
11 intermediate district's membership is prorated to allow the
12 district or intermediate district to receive for each school day,
13 as determined by the financial calendar furnished by the center, in
14 which the pupil was enrolled and in attendance in the district or
15 intermediate district an amount equal to 1/105 of a full-time
16 equated membership claimed in the fall pupil membership count. The
17 district or intermediate district shall receive a prorated
18 foundation allowance in an amount equal to the product of the
19 adjustment under this subdivision for the district or intermediate
20 district multiplied by the foundation allowance or per-pupil
21 payment as calculated under section 20 for the district or
22 intermediate district. The foundation allowance or per-pupil
23 payment shall be adjusted by the pupil's full-time equated status
24 as affected by the membership definition under section 6(4).

25 (b) Adjust the membership calculation for the educating
26 district or intermediate district in which the pupil is enrolled
27 and is in attendance so that the district's or intermediate

1 district's membership is increased to allow the district or
2 intermediate district to receive an amount equal to the difference
3 between the full-time equated membership claimed in the fall pupil
4 membership count and the sum of the adjustments calculated under
5 subdivision (a) for each district or intermediate district in which
6 the pupil was previously enrolled and in attendance. The educating
7 district or intermediate district shall receive a prorated
8 foundation allowance in an amount equal to the product of the
9 adjustment under this subdivision for the educating district or
10 intermediate district multiplied by the foundation allowance or
11 per-pupil payment as calculated under section 20 for the educating
12 district or intermediate district. The foundation allowance or per-
13 pupil payment shall be adjusted by the pupil's full-time equated
14 status as affected by the membership definition under section 6(4).

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

22 (5) If a pupil enrolls in an educating district or
23 intermediate district as described in subsection (2), the district
24 or intermediate district in which the pupil is counted in
25 membership or another educating district or intermediate district
26 that received an adjustment in its membership calculation under
27 subsection (3), if any, and the educating district or intermediate

1 district shall provide to the center and the department all
2 information they require to comply with this section.

3 ~~—— (6) Not later than December 1, 2014, the center in conjunction~~
4 ~~with the department shall report to the legislature data related to~~
5 ~~the implementation of this section, including, but not limited to,~~
6 ~~the number of transfer transactions and the net change in pupil~~
7 ~~memberships in 2013-2014 by district and intermediate district.~~

8 (6) ~~(7)~~—The portion of the full-time equated pupil membership
9 for which a pupil is enrolled in 1 or more online courses under
10 section 21f shall not be counted or transferred under the pupil
11 transfer process under this section.

12 (7) THE CENTER SHALL DETERMINE THE NUMBER OF PUPILS WHO DID
13 NOT RESIDE IN THIS STATE AS OF THE 2015-2016 PUPIL MEMBERSHIP COUNT
14 DAY BUT WHO NEWLY ENROLLED IN A DISTRICT OR INTERMEDIATE DISTRICT
15 AFTER THAT PUPIL MEMBERSHIP COUNT DAY AND BEFORE THE 2015-2016
16 SUPPLEMENTAL COUNT DAY. THE CENTER SHALL FURTHER DETERMINE THE
17 NUMBER OF PUPILS WHO WERE COUNTED IN MEMBERSHIP FOR THE 2015-2016
18 PUPIL MEMBERSHIP COUNT DAY BUT WHO LEFT THIS STATE BEFORE THE 2015-
19 2016 SUPPLEMENTAL COUNT DAY. THE CENTER SHALL PROVIDE A REPORT TO
20 THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL
21 AID, AND TO THE SENATE AND HOUSE FISCAL AGENCIES, DETAILING THE
22 NUMBER OF PUPILS TRANSFERRING IN FROM ANOTHER STATE OR TRANSFERRING
23 OUT FROM THIS STATE BETWEEN THE PUPIL MEMBERSHIP COUNT DAY AND
24 SUPPLEMENTAL COUNT DAY AS DESCRIBED IN THIS SUBSECTION. THE CENTER
25 SHALL INCLUDE IN THE REPORT A DISCUSSION OF BENEFITS AND OBSTACLES
26 TO DEVELOPING A PUPIL ENROLLMENT PROCESS FOR PUPILS WHO NEWLY
27 ENROLL IN A DISTRICT OR INTERMEDIATE DISTRICT AFTER THE PUPIL

1 MEMBERSHIP COUNT DAY AND BEFORE THE SUPPLEMENTAL COUNT DAY, AND
2 DEVELOPING A PROCESS FOR DEDUCTING PUPILS WHO WERE COUNTED ON THE
3 PUPIL MEMBERSHIP COUNT DAY AND TRANSFER OUT OF THIS STATE BEFORE
4 THE SUPPLEMENTAL COUNT DAY.

5 (8) As used in this section:

6 (a) "Educating district or intermediate district" means the
7 district or intermediate district in which a pupil enrolls after
8 the pupil membership count day or after an adjustment was made in
9 another district's or intermediate district's membership
10 calculation under this section due to the pupil's enrollment and
11 attendance.

12 (b) "Pupil" means that term as defined under section 6 and
13 also children receiving early childhood special education programs
14 and services.

15 Sec. 25f. (1) From the state school aid fund money
16 appropriated in section 11, there is allocated an amount not to
17 exceed ~~\$2,000,000.00 for 2014-2015~~ **\$1,000,000.00 FOR 2015-2016** for
18 payments to strict discipline academies established under sections
19 1311b to 1311m of the revised school code, MCL 380.1311b to
20 380.1311m, as provided under this section. ~~and for the purposes~~
21 ~~described in subsection (5).~~

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

26 ~~—— (3) Not later than June 30, 2015, a strict discipline academy~~
27 ~~shall report to the center and to the department, in a manner~~

1 ~~prescribed by the center and the department, the following~~
2 ~~information for 2014-2015:~~

3 ~~—— (a) The number of pupils enrolled and in attendance at the~~
4 ~~strict discipline academy.~~

5 ~~—— (b) The number of days each pupil enrolled was in attendance~~
6 ~~at the strict discipline academy, not to exceed 180.~~

7 ~~—— (4) The amount of the payment to a strict discipline academy~~
8 ~~under this section shall be an amount equal to the difference~~
9 ~~between the product of 1/180 of the per pupil payment as calculated~~
10 ~~under section 20 for the strict discipline academy multiplied by~~
11 ~~the number of days of pupil attendance reported under subsection~~
12 ~~(3)(b) minus the product of the per pupil payment as calculated~~
13 ~~under section 20 for the strict discipline academy multiplied by~~
14 ~~the pupils in membership at the strict discipline academy as~~
15 ~~calculated under section 6 and as adjusted by section 25e.~~

16 ~~—— (5) If the operation of the special membership counting~~
17 ~~provisions under section 6(4)(dd) and the other membership counting~~
18 ~~provisions under section 6(4) result in a pupil being counted as~~
19 ~~more than 1.0 FTE in a fiscal year, then the payment made for the~~
20 ~~pupil under sections 22a and 22b shall not be based on more than~~
21 ~~1.0 FTE for that pupil, and that portion of the FTE that exceeds~~
22 ~~1.0 shall be paid under this section in an amount equal to that~~
23 ~~portion multiplied by the educating district's foundation allowance~~
24 ~~or per pupil payment calculated under section 20.~~

25 **(3) THE TOTAL AMOUNT ALLOCATED TO A STRICT DISCIPLINE ACADEMY**
26 **UNDER THIS SECTION IS AN AMOUNT EQUAL TO THE LESSER OF THE STRICT**
27 **DISCIPLINE ACADEMY'S ADDED COST OR THE DEPARTMENT'S APPROVED PER-**

1 PUPIL ALLOCATION FOR THE STRICT DISCIPLINE ACADEMY. HOWEVER, THE
2 SUM OF THE AMOUNTS RECEIVED BY A STRICT DISCIPLINE ACADEMY UNDER
3 THIS SECTION AND UNDER SECTION 24 SHALL NOT EXCEED THE PRODUCT OF
4 THE STRICT DISCIPLINE ACADEMY'S PER-PUPIL ALLOCATION CALCULATED
5 UNDER SECTION 20 MULTIPLIED BY THE STRICT DISCIPLINE ACADEMY'S
6 FULL-TIME EQUATED MEMBERSHIP. THE DEPARTMENT SHALL ALLOCATE FUNDS
7 TO STRICT DISCIPLINE ACADEMIES UNDER THIS SECTION ON A MONTHLY
8 BASIS. FOR THE PURPOSES OF THIS SUBSECTION:

9 (A) "ADDED COST" MEANS 100% OF THE ADDED COST EACH FISCAL YEAR
10 FOR EDUCATING ALL PUPILS ENROLLED AND IN REGULAR DAILY ATTENDANCE
11 AT A STRICT DISCIPLINE ACADEMY. ADDED COST SHALL BE COMPUTED BY
12 DEDUCTING ALL OTHER REVENUE RECEIVED UNDER THIS ARTICLE FOR PUPILS
13 DESCRIBED IN THIS SUBSECTION FROM TOTAL COSTS, AS APPROVED BY THE
14 DEPARTMENT, IN WHOLE OR IN PART, FOR EDUCATING THOSE PUPILS IN A
15 STRICT DISCIPLINE ACADEMY. THE DEPARTMENT SHALL INCLUDE ALL COSTS
16 INCLUDING, BUT NOT LIMITED TO, EDUCATIONAL COSTS, INSURANCE,
17 MANAGEMENT FEES, TECHNOLOGY COSTS, LEGAL FEES, AUDITING FEES,
18 INTEREST, PUPIL ACCOUNTING COSTS, AND ANY OTHER ADMINISTRATIVE
19 COSTS NECESSARY TO OPERATE THE PROGRAM OR TO COMPLY WITH STATUTORY
20 REQUIREMENTS. COSTS REIMBURSED BY FEDERAL FUNDS ARE NOT INCLUDED.

21 (B) "DEPARTMENT'S APPROVED PER-PUPIL ALLOCATION" FOR A STRICT
22 DISCIPLINE ACADEMY SHALL BE DETERMINED BY DIVIDING THE TOTAL AMOUNT
23 ALLOCATED UNDER THIS SUBSECTION FOR A FISCAL YEAR BY THE FULL-TIME
24 EQUATED MEMBERSHIP TOTAL FOR ALL PUPILS APPROVED BY THE DEPARTMENT
25 TO BE FUNDED UNDER THIS SUBSECTION FOR THAT FISCAL YEAR FOR THE
26 STRICT DISCIPLINE ACADEMY.

27 (4) SPECIAL EDUCATION PUPILS FUNDED UNDER SECTION 53A SHALL

1 NOT BE FUNDED UNDER THIS SECTION.

2 (5) ~~(6)~~—If the funds allocated under this section are
3 insufficient to fully fund the adjustments under ~~subsections (4)~~
4 ~~and (5)~~, **SUBSECTION (3)**, payments under this section shall be
5 prorated on an equal per-pupil basis.

6 (6) ~~(7)~~—Payments to districts under this section shall be made
7 according to the payment schedule under section 17b.

8 **SEC. 25G. (1) FROM THE STATE SCHOOL AID FUND MONEY**
9 **APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO**
10 **EXCEED \$1,000,000.00 FOR 2015-2016 FOR THE PURPOSES OF THIS**
11 **SECTION. IF THE OPERATION OF THE SPECIAL MEMBERSHIP COUNTING**
12 **PROVISIONS UNDER SECTION 6(4) (DD) AND THE OTHER MEMBERSHIP COUNTING**
13 **PROVISIONS UNDER SECTION 6(4) RESULT IN A PUPIL BEING COUNTED AS**
14 **MORE THAN 1.0 FTE IN A FISCAL YEAR, THEN THE PAYMENT MADE FOR THE**
15 **PUPIL UNDER SECTIONS 22A AND 22B SHALL NOT BE BASED ON MORE THAN**
16 **1.0 FTE FOR THAT PUPIL, AND THAT PORTION OF THE FTE THAT EXCEEDS**
17 **1.0 SHALL BE PAID UNDER THIS SECTION IN AN AMOUNT EQUAL TO THAT**
18 **PORTION MULTIPLIED BY THE EDUCATING DISTRICT'S FOUNDATION ALLOWANCE**
19 **OR PER-PUPIL PAYMENT CALCULATED UNDER SECTION 20.**

20 (2) SPECIAL EDUCATION PUPILS FUNDED UNDER SECTION 53A SHALL
21 NOT BE FUNDED UNDER THIS SECTION.

22 (3) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT
23 TO FULLY FUND THE ADJUSTMENTS UNDER SUBSECTION (1), PAYMENTS UNDER
24 THIS SECTION SHALL BE PRORATED ON AN EQUAL PER-PUPIL BASIS.

25 (4) PAYMENTS TO DISTRICTS UNDER THIS SECTION SHALL BE MADE
26 ACCORDING TO THE PAYMENT SCHEDULE UNDER SECTION 17B.

27 Sec. 26a. From the funds appropriated in section 11, there is

1 allocated an amount not to exceed \$26,300,000.00 for ~~2014-2015~~
2 **2015-2016** to reimburse districts and intermediate districts
3 pursuant to section 12 of the Michigan renaissance zone act, 1996
4 PA 376, MCL 125.2692, for taxes levied in ~~2014-2015~~. The
5 allocations shall be made not later than 60 days after the
6 department of treasury certifies to the department and to the state
7 budget director that the department of treasury has received all
8 necessary information to properly determine the amounts due to each
9 eligible recipient.

10 Sec. 26b. (1) From the appropriation in section 11, there is
11 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
12 ~~\$4,210,000.00~~ **\$4,276,800.00** for payments to districts, intermediate
13 districts, and community college districts for the portion of the
14 payment in lieu of taxes obligation that is attributable to
15 districts, intermediate districts, and community college districts
16 pursuant to section 2154 of the natural resources and environmental
17 protection act, 1994 PA 451, MCL 324.2154.

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

22 Sec. 26c. (1) From the appropriation in section 11, there is
23 allocated an amount not to exceed ~~\$293,100.00 for 2014-2015~~
24 **\$610,000.00 FOR 2015-2016** to the promise zone fund created in
25 subsection (3).

26 (2) Funds allocated to the promise zone fund under this
27 section shall be used solely for payments to eligible districts and

1 intermediate districts that have a promise zone development plan
2 approved by the department of treasury under section 7 of the
3 Michigan promise zone authority act, 2008 PA 549, MCL 390.1667.

4 (3) The promise zone fund is created as a separate account
5 within the state school aid fund to be used solely for the purposes
6 of the Michigan promise zone authority act, 2008 PA 549, MCL
7 390.1661 to 390.1679. All of the following apply to the promise
8 zone fund:

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

12 (b) Money in the promise zone fund at the close of a fiscal
13 year shall remain in the promise zone fund and shall not lapse to
14 the general fund.

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

21 Sec. 31a. (1) From the state school aid fund money
22 appropriated in section 11, there is allocated for ~~2014-2015-2015-~~
23 ~~2016~~ an amount not to exceed ~~\$317,695,500.00~~ **\$389,695,500.00** for
24 payments to eligible districts, eligible public school academies,
25 and the education achievement system for the purposes of ensuring
26 that pupils are proficient in reading by the end of grade 3 and
27 that high school graduates are career and college ready and for the

1 purposes under subsections ~~(6) and (7)~~. **(7) AND (8)**.

2 (2) For a district or public school academy, or the education
3 achievement system, to be eligible to receive funding under this
4 section, other than funding under subsection ~~(6) or (7)~~, **(7) OR**
5 **(8)**, the sum of the district's or public school academy's or the
6 education achievement system's combined state and local revenue per
7 membership pupil in the current state fiscal year, as calculated
8 under section 20, must be less than or equal to the basic
9 foundation allowance under section 20 for the current state fiscal
10 year.

11 **(3) FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT OPERATES**
12 **GRADES K TO 3, OR THE EDUCATION ACHIEVEMENT SYSTEM, TO BE ELIGIBLE**
13 **TO RECEIVE FUNDING UNDER THIS SECTION, OTHER THAN FUNDING UNDER**
14 **SUBSECTION (7) OR (8), THE DISTRICT OR PUBLIC SCHOOL ACADEMY, OR**
15 **THE EDUCATION ACHIEVEMENT SYSTEM, MUST IMPLEMENT, FOR AT LEAST**
16 **GRADES K TO 3, A MULTI-TIERED SYSTEM OF SUPPORTS THAT IS AN**
17 **EVIDENCE-BASED MODEL THAT USES DATA-DRIVEN PROBLEM SOLVING TO**
18 **INTEGRATE ACADEMIC AND BEHAVIORAL INSTRUCTION AND THAT USES**
19 **INTERVENTION DELIVERED TO ALL PUPILS IN VARYING INTENSITIES BASED**
20 **ON PUPIL NEEDS. THIS MULTI-TIERED SYSTEM OF SUPPORTS MUST PROVIDE**
21 **AT LEAST ALL OF THE FOLLOWING ESSENTIAL ELEMENTS:**

22 (A) IMPLEMENTS EFFECTIVE INSTRUCTION FOR ALL LEARNERS.

23 (B) INTERVENES EARLY.

24 (C) PROVIDES A MULTI-TIERED MODEL OF INSTRUCTION AND
25 INTERVENTION THAT PROVIDES THE FOLLOWING:

26 (i) A CORE CURRICULUM AND CLASSROOM INTERVENTIONS AVAILABLE TO
27 ALL PUPILS THAT MEET THE NEEDS OF MOST PUPILS.

1 (ii) TARGETED GROUP INTERVENTIONS.

2 (iii) INTENSE INDIVIDUAL INTERVENTIONS.

3 (D) MONITORS PUPIL PROGRESS TO INFORM INSTRUCTION.

4 (E) USES DATA TO MAKE INSTRUCTIONAL DECISIONS.

5 (F) USES ASSESSMENTS INCLUDING UNIVERSAL SCREENING,
6 DIAGNOSTICS, AND PROGRESS MONITORING.

7 (G) ENGAGES FAMILIES AND THE COMMUNITY.

8 (H) IMPLEMENTS EVIDENCE-BASED, SCIENTIFICALLY VALIDATED,
9 INSTRUCTION AND INTERVENTION.

10 (I) IMPLEMENTS INSTRUCTION AND INTERVENTION PRACTICES WITH
11 FIDELITY.

12 (J) USES A COLLABORATIVE PROBLEM-SOLVING MODEL.

13 (4) ~~(3)~~—Except as otherwise provided in this subsection, an
14 eligible district or eligible public school academy or the
15 education achievement system shall receive under this section for
16 each membership pupil in the district or public school academy or
17 the education achievement system who met the income eligibility
18 criteria for free breakfast, lunch, or milk, as determined under
19 the Richard B. Russell national school lunch act, 42 USC 1751 to
20 1769, and as reported to the department in the form and manner
21 prescribed by the department not later than the fifth Wednesday
22 after the pupil membership count day of the immediately preceding
23 fiscal year and adjusted not later than December 31 of the
24 immediately preceding fiscal year, an amount per pupil equal to
25 11.5% of the sum of the district's foundation allowance or the
26 public school academy's or the education achievement system's per
27 pupil amount calculated under section 20, not to exceed the basic

1 foundation allowance under section 20 for the current state fiscal
2 year, or of the public school academy's or the education
3 achievement system's per membership pupil amount calculated under
4 section 20 for the current state fiscal year. However, a public
5 school academy that began operations as a public school academy, or
6 an achievement school that began operations as an achievement
7 school, after the pupil membership count day of the immediately
8 preceding school year shall receive under this section for each
9 membership pupil in the public school academy or in the education
10 achievement system who met the income eligibility criteria for free
11 breakfast, lunch, or milk, as determined under the Richard B.
12 Russell national school lunch act and as reported to the department
13 not later than the fifth Wednesday after the pupil membership count
14 day of the current fiscal year and adjusted not later than December
15 31 of the current fiscal year, an amount per pupil equal to 11.5%
16 of the public school academy's or the education achievement
17 system's per membership pupil amount calculated under section 20
18 for the current state fiscal year.

19 (5) ~~(4)~~—Except as otherwise provided in this section, a
20 district or public school academy, or the education achievement
21 system, receiving funding under this section shall use that money
22 only to provide instructional programs and direct noninstructional
23 services, including, but not limited to, medical, mental health, or
24 counseling services, for at-risk pupils; for school health clinics;
25 and for the purposes of subsection ~~(5), (6), (7), or (10)~~. **(6),**
26 **(7), (8), OR (11)**. In addition, a district that is a school
27 district of the first class or a district or public school academy

1 in which at least 50% of the pupils in membership met the income
2 eligibility criteria for free breakfast, lunch, or milk in the
3 immediately preceding state fiscal year, as determined and reported
4 as described in subsection ~~(3)~~, **(4)**, or the education achievement
5 system if it meets this requirement, may use not more than 20% of
6 the funds it receives under this section for school security. A
7 district, the public school academy, or the education achievement
8 system shall not use any of that money for administrative costs.
9 The instruction or direct noninstructional services provided under
10 this section may be conducted before or after regular school hours
11 or by adding extra school days to the school year.

12 **(6)** ~~(5)~~—A district or public school academy that receives
13 funds under this section and that operates a school breakfast
14 program under section 1272a of the revised school code, MCL
15 380.1272a, or the education achievement system if it operates a
16 school breakfast program, shall use from the funds received under
17 this section an amount, not to exceed \$10.00 per pupil for whom the
18 district or public school academy or the education achievement
19 system receives funds under this section, necessary to pay for
20 costs associated with the operation of the school breakfast
21 program.

22 **(7)** ~~(6)~~—From the funds allocated under subsection (1), there
23 is allocated for ~~2014-2015-2015-2016~~ **2015-2016** an amount not to exceed
24 \$3,557,300.00 to support child and adolescent health centers. These
25 grants shall be awarded for 5 consecutive years beginning with
26 2003-2004 in a form and manner approved jointly by the department
27 and the department of ~~community health~~ **AND HUMAN SERVICES**. Each

1 grant recipient shall remain in compliance with the terms of the
2 grant award or shall forfeit the grant award for the duration of
3 the 5-year period after the noncompliance. To continue to receive
4 funding for a child and adolescent health center under this section
5 a grant recipient shall ensure that the child and adolescent health
6 center has an advisory committee and that at least one-third of the
7 members of the advisory committee are parents or legal guardians of
8 school-aged children. A child and adolescent health center program
9 shall recognize the role of a child's parents or legal guardian in
10 the physical and emotional well-being of the child. Funding under
11 this subsection shall be used to support child and adolescent
12 health center services provided to children up to age 21. If any
13 funds allocated under this subsection are not used for the purposes
14 of this subsection for the fiscal year in which they are allocated,
15 those unused funds shall be used that fiscal year to avoid or
16 minimize any proration that would otherwise be required under
17 subsection ~~(14)~~ (12) for that fiscal year. **IN ADDITION TO THE FUNDS
18 OTHERWISE ALLOCATED UNDER THIS SUBSECTION, FROM THE MONEY ALLOCATED
19 IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
20 \$2,000,000.00 FOR 2015-2016 ONLY FOR CHILD AND ADOLESCENT HEALTH
21 CENTERS TO INCREASE ACCESS TO NURSES AND BEHAVIORAL HEALTH SERVICES
22 IN SCHOOLS, USING 3 EXISTING SCHOOL CLINICS AS HUBS FOR SERVICES
23 AND USING MOBILE TEAMS TO SERVE SATELLITE SCHOOL SITES.**

24 (8) ~~(7)~~—From the funds allocated under subsection (1), there
25 is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
26 \$5,150,000.00 for the state portion of the hearing and vision
27 screenings as described in section 9301 of the public health code,

1 1978 PA 368, MCL 333.9301. A local public health department shall
2 pay at least 50% of the total cost of the screenings. The frequency
3 of the screenings shall be as required under R 325.13091 to R
4 325.13096 and R 325.3271 to R 325.3276 of the Michigan
5 administrative code. Funds shall be awarded in a form and manner
6 approved jointly by the department and the department of ~~community~~
7 health **AND HUMAN SERVICES**. Notwithstanding section 17b, payments to
8 eligible entities under this subsection shall be paid on a schedule
9 determined by the department.

10 (9) ~~(8)~~—Each district or public school academy receiving funds
11 under this section and the education achievement system shall
12 submit to the department by July 15 of each fiscal year a report,
13 not to exceed 10 pages, on the usage by the district or public
14 school academy or the education achievement system of funds under
15 this section, which report shall include a brief description of
16 each program conducted or services performed by the district or
17 public school academy or the education achievement system using
18 funds under this section, the amount of funds under this section
19 allocated to each of those programs or services, the total number
20 of at-risk pupils served by each of those programs or services, and
21 the data necessary for the department and the department of human
22 services to verify matching funds for the temporary assistance for
23 needy families program. If a district or public school academy or
24 the education achievement system does not comply with this
25 subsection, the department shall withhold an amount equal to the
26 August payment due under this section until the district or public
27 school academy or the education achievement system complies with

1 this subsection. If the district or public school academy or the
2 education achievement system does not comply with this subsection
3 by the end of the state fiscal year, the withheld funds shall be
4 forfeited to the school aid fund.

5 (10) ~~(9)~~—In order to receive funds under this section, a
6 district or public school academy or the education achievement
7 system shall allow access for the department or the department's
8 designee to audit all records related to the program for which it
9 receives those funds. The district or public school academy or the
10 education achievement system shall reimburse the state for all
11 disallowances found in the audit.

12 (11) ~~(10)~~—Subject to subsections ~~(5)~~, ~~(6)~~, and ~~(7)~~, **(6)**, **(7)**,
13 **AND (8)**, a district may use up to 100% of the funds it receives
14 under this section to implement schoolwide reform in schools with
15 40% or more of their pupils identified as at-risk pupils by
16 providing supplemental instructional or noninstructional services
17 consistent with the school improvement plan.

18 (12) ~~(11)~~—If necessary, and before any proration required
19 under section 296, the department shall prorate payments under this
20 section by reducing the amount of the per pupil payment under this
21 section by a dollar amount calculated by determining the amount by
22 which the amount necessary to fully fund the requirements of this
23 section exceeds the maximum amount allocated under this section and
24 then dividing that amount by the total statewide number of pupils
25 who met the income eligibility criteria for free breakfast, lunch,
26 or milk in the immediately preceding fiscal year, as described in
27 subsection ~~(3)~~. **(4)**.

1 (13) ~~(12)~~—If a district is formed by consolidation after June
2 1, 1995, and if 1 or more of the original districts ~~was~~ **WERE** not
3 eligible before the consolidation for an additional allowance under
4 this section, the amount of the additional allowance under this
5 section for the consolidated district shall be based on the number
6 of pupils described in subsection (1) enrolled in the consolidated
7 district who reside in the territory of an original district that
8 was eligible before the consolidation for an additional allowance
9 under this section. In addition, if a district is dissolved
10 pursuant to section 12 of the revised school code, MCL 380.12, the
11 intermediate district to which the dissolved school district was
12 constituent shall determine the estimated number of pupils that
13 meet the income eligibility criteria for free breakfast, lunch, or
14 milk, as described under subsection ~~(3)~~, **(4)**, enrolled in each of
15 the other districts within the intermediate district and provide
16 that estimate to the department for the purposes of distributing
17 funds under this section within 60 days after the school district
18 is declared dissolved.

19 (14) ~~(13)~~—As used in this section, "at-risk pupil" means a
20 pupil for whom the district has documentation that the pupil meets
21 any of the following criteria:

22 (a) Is a victim of child abuse or neglect.

23 (b) Is a pregnant teenager or teenage parent.

24 (c) Has a family history of school failure, incarceration, or
25 substance abuse.

26 (d) For pupils for whom the results of the ~~Michigan merit~~
27 ~~examination~~ **STATE SUMMATIVE ASSESSMENT** have been received, is a

1 ~~pupil who does not meet the other criteria under this subsection~~
2 ~~but who did not achieve proficiency on the reading, writing,~~
3 **ENGLISH LANGUAGE ARTS**, mathematics, science, or social studies
4 ~~components of the most recent Michigan merit examination for which~~
5 ~~results for the pupil have been received.~~ **CONTENT AREA ASSESSMENT.**

6 (e) ~~For pupils in grades K-3, is~~ **IS** a pupil who is at risk of
7 not meeting the district's core academic curricular objectives in
8 English language arts or mathematics, **AS DEMONSTRATED ON LOCAL**
9 **ASSESSMENTS.**

10 (f) The pupil is enrolled in a priority or priority-successor
11 school, as defined in the elementary and secondary education act of
12 2001 flexibility waiver approved by the United States ~~department of~~
13 ~~education.~~ **DEPARTMENT OF EDUCATION.**

14 ~~— (g) The pupil did not achieve a score of at least proficient~~
15 ~~on 2 or more state administered assessments for English language~~
16 ~~arts, mathematics, science, or social studies.~~

17 ~~— (h) For high school pupils in grades not assessed by the~~
18 ~~state, the pupil did not receive a satisfactory score on 2 or more~~
19 ~~end of course examinations that are aligned with state standards in~~
20 ~~English language arts, mathematics, science, or social studies. For~~
21 ~~middle school pupils in grades not assessed by the state, the pupil~~
22 ~~did not receive a satisfactory score on 2 or more end of semester~~
23 ~~or end of trimester examinations that are aligned with state~~
24 ~~standards in science or social studies. For pupils in the~~
25 ~~elementary grades in grades and subjects not assessed by the state,~~
26 ~~the pupil did not receive a satisfactory score or did not have a~~
27 ~~satisfactory outcome on 2 or more interim assessments in English~~

1 ~~language arts, mathematics, science, or social studies.~~

2 (G) ~~(i)~~—In the absence of state or local assessment data, the
3 pupil meets at least 2 of the following criteria, as documented in
4 a form and manner approved by the department:

5 (i) The pupil is eligible for free **OR REDUCED PRICE** breakfast,
6 lunch, or milk.

7 (ii) The pupil is absent more than 10% of enrolled days or 10
8 school days during the school year.

9 (iii) The pupil is homeless.

10 (iv) The pupil is a migrant.

11 (v) The pupil is an English language learner.

12 (vi) The pupil is an immigrant who has immigrated within the
13 immediately preceding 3 years.

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

17 (15) ~~(14) Beginning in 2014-2015, if~~ **IF** a district, public
18 school academy, or the education achievement system does not
19 demonstrate to the satisfaction of the department that at least 50%
20 of at-risk pupils are reading at grade level by the end of grade 3
21 as measured by the state assessment and demonstrate to the
22 satisfaction of the department improvement over 3 consecutive years
23 in the percentage of at-risk pupils that are career- and college-
24 ready as ~~measured by the pupil's score on each of the individual~~
25 ~~subject areas on the college entrance examination portion of the~~
26 ~~Michigan merit examination~~ **DETERMINED BY PROFICIENCY ON THE ENGLISH**
27 **LANGUAGE ARTS, MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON**

1 **THE GRADE 11 SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the
2 revised school code, MCL 380.1279g, the district, public school
3 academy, or education achievement system shall ensure all of the
4 following:

5 (a) The district, public school academy, or the education
6 achievement system shall determine the proportion of total at-risk
7 pupils that represents the number of pupils in grade 3 that are not
8 reading at grade level by the end of grade 3, and the district,
9 public school academy, or the education achievement system shall
10 expend that same proportion multiplied by 1/2 of its total at-risk
11 funds under this section on tutoring and other methods of improving
12 grade 3 reading levels.

13 (b) The district, public school academy, or the education
14 achievement system shall determine the proportion of total at-risk
15 pupils that represent the number of pupils in grade 11 that are not
16 career- and college-ready as measured by the student's score on
17 ~~each of the individual subject areas on the college entrance~~
18 ~~examination portion of the Michigan merit examination~~ **THE ENGLISH**
19 **LANGUAGE ARTS, MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON**
20 **THE GRADE 11 SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the
21 revised school code, MCL 380.1279g, and the district, public school
22 academy, or the education achievement system shall expend that same
23 proportion multiplied by 1/2 of its total at-risk funds under this
24 section on tutoring and other activities to improve scores on the
25 college entrance examination portion of the Michigan merit
26 examination.

27 (16) ~~(15)~~ As used in subsection ~~(14)~~, **(15)**, "total at risk

1 pupils" means the sum of the number of pupils in grade 3 that are
2 not reading at grade level by the end of third grade **AS MEASURED ON**
3 **THE STATE ASSESSMENT** and the number of pupils in grade 11 that are
4 not career- and college-ready as measured by the student's score on
5 ~~each of the individual subject areas on the college entrance~~
6 ~~examination portion of the Michigan merit examination~~ **THE ENGLISH**
7 **LANGUAGE ARTS, MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON**
8 **THE GRADE 11 SUMMATIVE ASSESSMENT** under section 1279g(2)(a) of the
9 revised school code, MCL 380.1279g.

10 (17) ~~(16)~~ A district or public school academy that receives
11 funds under this section or the education achievement system may
12 use funds received under this section to provide an anti-bullying
13 or crisis intervention program.

14 (18) **THE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF**
15 **HEALTH AND HUMAN SERVICES TO PRIORITIZE ASSIGNING PATHWAYS TO**
16 **POTENTIAL SUCCESS COACHES TO ELEMENTARY SCHOOLS THAT HAVE A HIGH**
17 **PERCENTAGE OF PUPILS IN GRADES K TO 3 WHO ARE NOT READING AT GRADE**
18 **LEVEL.**

19 **SEC. 31C. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE**
20 **IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2015-2016**
21 **FOR PROGRAMS INTENDED TO IMPROVE PUBLIC SAFETY, REDUCE THE NUMBER**
22 **OF YOUTH INVOLVED IN GANG-RELATED ACTIVITY, AND INCREASE HIGH**
23 **SCHOOL GRADUATION RATES.**

24 (2) **THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS THAT FORM**
25 **PARTNERSHIPS WITH NONPROFIT ORGANIZATIONS, LAW ENFORCEMENT, AND**
26 **OTHER COMMUNITY RESOURCES TO PROVIDE PROGRAMS THAT DIVERT YOUNG**
27 **ADULTS FROM GANG-RELATED CRIMINAL ACTIVITY.**

1 (3) GRANTS AWARDED UNDER THIS SECTION MAY INCLUDE, BUT ARE NOT
2 LIMITED TO, GRANTS FOR ANY OF THE FOLLOWING ACTIVITIES:

3 (A) EMPLOYMENT TRAINING AND PLACEMENT PROGRAMS.

4 (B) COUNSELING SERVICES.

5 (C) ASSISTANCE TO PROGRAM PARTICIPANTS IN ACCESSING COMMUNITY
6 RESOURCES FOR CONTINUING EDUCATION, COURT ADVOCACY, AND HEALTH
7 CARE.

8 (D) OUTREACH PROGRAMS TO EDUCATE PARTICIPANTS AND THEIR
9 FAMILIES.

10 (4) EACH GRANT RECIPIENT UNDER THIS SECTION SHALL PARTNER WITH
11 A UNIVERSITY TO COLLECT DATA NECESSARY TO EVALUATE THE
12 EFFECTIVENESS OF PROGRAMS IN REDUCING VIOLENT CRIME AND GANG-
13 RELATED ACTIVITY IN THE COMMUNITY.

14 Sec. 31d. (1) From the appropriations in section 11, there is
15 allocated an amount not to exceed \$22,495,100.00 for ~~2014-2015~~
16 2015-2016 for the purpose of making payments to districts and other
17 eligible entities under this section.

18 (2) The amounts allocated from state sources under this
19 section shall be used to pay the amount necessary to reimburse
20 districts for 6.0127% of the necessary costs of the state mandated
21 portion of the school lunch programs provided by those districts.
22 The amount due to each district under this section shall be
23 computed by the department using the methods of calculation adopted
24 by the Michigan supreme court in the consolidated cases known as
25 Durant v State of Michigan, Michigan supreme court docket no.
26 104458-104492.

27 (3) The payments made under this section include all state

1 payments made to districts so that each district receives at least
2 6.0127% of the necessary costs of operating the state mandated
3 portion of the school lunch program in a fiscal year.

4 (4) The payments made under this section to districts and
5 other eligible entities that are not required under section 1272a
6 of the revised school code, MCL 380.1272a, to provide a school
7 lunch program shall be in an amount not to exceed \$10.00 per
8 eligible pupil plus 5 cents for each free lunch and 2 cents for
9 each reduced price lunch provided, as determined by the department.

10 (5) From the federal funds appropriated in section 11, there
11 is allocated for ~~2014-2015-2015-2016~~ all available federal funding,
12 estimated at \$510,000,000.00 for the national school lunch program
13 and all available federal funding, estimated at \$3,200,000.00 for
14 the emergency food assistance program.

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

18 (7) In purchasing food for a school lunch program funded under
19 this section, preference shall be given to food that is grown or
20 produced by Michigan businesses if it is competitively priced and
21 of comparable quality.

22 Sec. 31f. (1) From the appropriations in section 11, there is
23 allocated an amount not to exceed \$5,625,000.00 for ~~2014-2015-2015-~~
24 **2016** for the purpose of making payments to districts to reimburse
25 for the cost of providing breakfast.

26 (2) The funds allocated under this section for school
27 breakfast programs shall be made available to all eligible

1 applicant districts that meet all of the following criteria:

2 (a) The district participates in the federal school breakfast
3 program and meets all standards as prescribed by 7 CFR parts 220
4 and 245.

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

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

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

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

21 **SEC. 31H. FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS**
22 **ALLOCATED AN AMOUNT NOT TO EXCEED \$300,000.00 FOR 2015-2016 FOR THE**
23 **PURPOSE OF PROVIDING FUNDING TO A DISTRICT THAT EDUCATES HIGH**
24 **SCHOOL PUPILS FROM ANOTHER DISTRICT THAT VOLUNTARILY CLOSED ITS**
25 **HIGH SCHOOL PROGRAM IN 2013. THE FUNDING UNDER THIS SECTION IS**
26 **INTENDED TO BE FOR THE FIRST OF 2 YEARS, UNLESS IT IS DETERMINED**
27 **THAT THE FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT ALLOWS**

1 FEDERAL TITLE I FUNDS THAT PREVIOUSLY SUPPORTED THE HIGH SCHOOL
2 PUPILS IN THEIR RESIDENT DISTRICT TO INSTEAD BE PROVIDED TO THE
3 EDUCATING DISTRICT. FUNDING UNDER THIS SECTION SHALL BE USED TO
4 SUPPORT THE ADDITIONAL COSTS OF EDUCATING HIGH SCHOOL PUPILS IN A
5 MANNER THAT IS SIMILAR TO THE WAY TITLE I FUNDS PROVIDED ADDITIONAL
6 SUPPORT TO THE EDUCATION OF THOSE PUPILS WHEN THEY WERE EDUCATED IN
7 THEIR RESIDENT DISTRICT HIGH SCHOOL PROGRAM BEFORE ITS CLOSURE IN
8 2013.

9 Sec. 32d. (1) From the funds appropriated in section 11, there
10 is allocated to eligible intermediate districts and consortia of
11 intermediate districts for great start readiness programs an amount
12 not to exceed ~~\$214,275,000.00 for 2014-2015.~~ In addition, from the
13 ~~funds appropriated in section 11, there is allocated to the great~~
14 ~~start readiness reserve fund created under subsection (19) an~~
15 ~~amount not to exceed \$25,000,000.00 for 2014-2015.~~ **\$239,275,000.00**
16 **FOR 2015-2016.** Funds allocated under this section for great start
17 readiness programs shall be used to provide part-day, school-day,
18 or GSRP/head start blended comprehensive free compensatory
19 classroom programs designed to improve the readiness and subsequent
20 achievement of educationally disadvantaged children who meet the
21 participant eligibility and prioritization guidelines as defined by
22 the department. For a child to be eligible to participate in a
23 program under this section, the child shall be at least 4, but less
24 than 5, years of age as of the date specified for determining a
25 child's eligibility to attend school under section 1147 of the
26 revised school code, MCL 380.1147.

27 (2) Funds allocated under subsection (1) shall be allocated to

1 intermediate districts or consortia of intermediate districts based
2 on the formula in section 39. An intermediate district or
3 consortium of intermediate districts receiving funding under this
4 section shall act as the fiduciary for the great start readiness
5 programs. In order to be eligible to receive funds allocated under
6 this subsection from an intermediate district or consortium of
7 intermediate districts, a district, a consortium of districts, or a
8 public or private for-profit or nonprofit legal entity or agency
9 shall comply with this section and section 39.

10 (3) In addition to the allocation under subsection (1), from
11 the general fund money appropriated under section 11, there is
12 allocated an amount not to exceed \$300,000.00 for ~~2014-2015-2015-~~
13 **2016** for a competitive grant to continue a longitudinal evaluation
14 of children who have participated in great start readiness
15 programs.

16 (4) To be eligible for funding under this section, a program
17 shall prepare children for success in school through comprehensive
18 part-day, school-day, or GSRP/head start blended programs that
19 contain all of the following program components, as determined by
20 the department:

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

25 (b) An age-appropriate educational curriculum that is in
26 compliance with the early childhood standards of quality for
27 prekindergarten children adopted by the state board.

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

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

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

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

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

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

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

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

27 (5) An application for funding under this section shall

1 provide for the following, in a form and manner determined by the
2 department:

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

5 (b) Except as otherwise provided in this subdivision, ensure
6 that at least 90% of the children participating in an eligible
7 great start readiness program for whom the intermediate district is
8 receiving funds under this section are children who live with
9 families with a household income that is equal to or less than 250%
10 of the federal poverty level. If the intermediate district
11 determines that all eligible children are being served and that
12 there are no children on the waiting list under section 39(1)(d)
13 who live with families with a household income that is equal to or
14 less than 250% of the federal poverty level, the intermediate
15 district may then enroll children who live with families with a
16 household income that is equal to or less than 300% of the federal
17 poverty level. The enrollment process shall consider income and
18 risk factors, such that children determined with higher need are
19 enrolled before children with lesser need. For purposes of this
20 subdivision, all age-eligible children served in foster care or who
21 are experiencing homelessness or who have individualized education
22 plans recommending placement in an inclusive preschool setting
23 shall be considered to live with families with household income
24 equal to or less than 250% of the federal poverty level regardless
25 of actual family income.

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

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

15 (ii) Paraprofessionals possessing proper training in early
16 childhood development, including an associate's degree in early
17 childhood education or child development or the equivalent, or a
18 child development associate (CDA) credential. However, if an
19 applicant demonstrates to the department that it is unable to fully
20 comply with this subparagraph after making reasonable efforts to
21 comply, the applicant may use paraprofessionals who have completed
22 at least 1 course that earns college credit in early childhood
23 education or child development if the applicant provides to the
24 department, and the department approves, a plan for each
25 paraprofessional to come into compliance with the standards in this
26 subparagraph. A paraprofessional's compliance plan must be
27 completed within 2 years of the date of employment. Progress toward

1 completion of the compliance plan shall consist of at least 2
2 courses or 60 clock hours of training per calendar year.

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

14 (6) For a grant recipient that enrolls pupils in a school-day
15 program funded under this section, each child enrolled in the
16 school-day program shall be counted as 2 children served by the
17 program for purposes of determining the number of children to be
18 served and for determining the amount of the grant award. A grant
19 award shall not be increased solely on the basis of providing a
20 school-day program.

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

26 (8) An intermediate district or consortium of intermediate
27 districts receiving a grant under this section shall designate an

1 early childhood coordinator, and may provide services directly or
2 may contract with 1 or more districts or public or private for-
3 profit or nonprofit providers that meet all requirements of
4 subsection (4).

5 (9) Funds received under this section may be retained for
6 administrative services as follows:

7 (a) For the portion of the total grant amount for which
8 services are provided directly by an intermediate district or
9 consortium of intermediate districts, the intermediate district or
10 consortium of intermediate districts may retain an amount equal to
11 not more than 7% of that portion of the grant amount.

12 (b) For the portion of the total grant amount for which
13 services are contracted, the intermediate district or consortium of
14 intermediate districts receiving the grant may retain an amount
15 equal to not more than ~~2%—4%~~ of that portion of the grant amount
16 and the subrecipients engaged by the intermediate district to
17 provide program services may retain for administrative services an
18 amount equal to not more than ~~5%—4%~~ of that portion of the grant
19 amount.

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

23 (11) Each grant recipient shall enroll children identified
24 under subsection (5)(b) according to how far the child's household
25 income is below 250% of the federal poverty level by ranking each
26 applicant child's household income from lowest to highest and
27 dividing the applicant children into quintiles based on how far the

1 child's household income is below 250% of the federal poverty
2 level, and then enrolling children in the quintile with the lowest
3 household income before enrolling children in the quintile with the
4 next lowest household income until slots are completely filled. If
5 the grant recipient determines that all eligible children are being
6 served and that there are no children on the waiting list under
7 section 39(1)(d) who live with families with a household income
8 that is equal to or less than 250% of the federal poverty level,
9 the grant recipient may then enroll children who live with families
10 with a household income that is equal to or less than 300% of the
11 federal poverty level. The enrollment process shall consider income
12 and risk factors, such that children determined with higher need
13 are enrolled before children with lesser need. For purposes of this
14 subdivision, all age-eligible children served in foster care or who
15 are experiencing homelessness or who have individualized education
16 plans recommending placement in an inclusive preschool setting
17 shall be considered to live with families with household income
18 equal to or less than 250% of the federal poverty level regardless
19 of actual family income.

20 (12) An intermediate district or consortium of intermediate
21 districts receiving a grant under this section shall allow parents
22 of eligible children who are residents of the intermediate district
23 or within the consortium to choose a program operated by or
24 contracted with another intermediate district or consortium of
25 intermediate districts and shall pay to the educating intermediate
26 district or consortium the per-child amount attributable to each
27 child enrolled pursuant to this sentence, as determined under

1 section 39.

2 (13) An intermediate district or consortium of intermediate
3 districts receiving a grant under this section shall conduct a
4 local process to contract with interested and eligible public and
5 private for-profit and nonprofit community-based providers that
6 meet all requirements of subsection (4) for at least 30% of its
7 total slot allocation. The intermediate district or consortium
8 shall report to the department, in a manner prescribed by the
9 department, a detailed list of community-based providers by
10 provider type, including private for-profit, private nonprofit,
11 community college or university, head start grantee or delegate,
12 and district or intermediate district, and the number and
13 proportion of its total slot allocation allocated to each provider
14 as subrecipient. If the intermediate district or consortium is not
15 able to contract for at least 30% of its total slot allocation, the
16 grant recipient shall notify the department and, if the department
17 verifies that the intermediate district or consortium attempted to
18 contract for at least 30% of its total slot allocation and was not
19 able to do so, then the intermediate district or consortium may
20 retain and use all of its allocated slots as provided under this
21 section. To be able to use this exemption, the intermediate
22 district or consortium shall demonstrate to the department that the
23 intermediate district or consortium increased the percentage of its
24 total slot allocation for which it contracts with a community-based
25 provider and the intermediate district or consortium shall submit
26 evidence satisfactory to the department, and the department must be
27 able to verify this evidence, demonstrating that the intermediate

1 district or consortium took measures to contract for at least 30%
2 of its total slot allocation as required under this subsection,
3 including, but not limited to, at least all of the following
4 measures:

5 (a) The intermediate district or consortium notified each
6 licensed child care center located in the service area of the
7 intermediate district or consortium at least twice regarding the
8 center's eligibility to participate. One of these notifications may
9 be made electronically, but at least 1 of these notifications shall
10 be made via hard copy through the United States mail. At least 1 of
11 these notifications shall be made within 7 days after the
12 intermediate district or consortium receives notice from the
13 department of its slot allocations.

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

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

23 (14) If an intermediate district or consortium of intermediate
24 districts receiving a grant under this section fails to submit
25 satisfactory evidence to demonstrate its effort to contract for at
26 least 30% of its total slot allocation, as required under
27 subsection (1), the department shall reduce the slots allocated to

1 the intermediate district or consortium by a percentage equal to
2 the difference between the percentage of an intermediate district's
3 or consortium's total slot allocation awarded to community-based
4 providers and 30% of its total slot allocation.

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

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

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

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

26 (d) Not later than November 1 of each year, compile the
27 results of the information reported by each intermediate district

1 or consortium under subsection (10) and report to the legislature a
2 list by intermediate district or consortium with the number and
3 percentage of each intermediate district's or consortium's total
4 slot allocation allocated to community-based providers by provider
5 type, including private for-profit, private nonprofit, community
6 college or university, head start grantee or delegate, and district
7 or intermediate district.

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

21 (17) As used in this section:

22 (a) "GSRP/head start blended program" means a part-day program
23 funded under this section and a head start program, which are
24 combined for a school-day program.

25 (b) "Part-day program" means a program that operates at least
26 4 days per week, 30 weeks per year, for at least 3 hours of
27 teacher-child contact time per day but for fewer hours of teacher-

1 child contact time per day than a school-day program.

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

7 (18) An intermediate district or consortium of intermediate
8 districts receiving funds under this section shall establish a
9 sliding scale of tuition rates based upon household income for
10 children participating in an eligible great start readiness program
11 who live with families with a household income that is more than
12 250% of the federal poverty level to be used by all of its
13 providers, as approved by the department. A grant recipient shall
14 charge tuition according to that sliding scale of tuition rates on
15 a uniform basis for any child who does not meet the income
16 eligibility requirements under this section.

17 ~~—— (19) The great start readiness reserve fund is created as a~~
18 ~~separate account within the state school aid fund established by~~
19 ~~section 11 of article IX of the state constitution of 1963. Money~~
20 ~~available in the great start readiness reserve fund may not be~~
21 ~~expended for 2014-2015 unless transferred by the legislature not~~
22 ~~later than December 15, 2014 to the allocation under subsection (1)~~
23 ~~for great start readiness programs. Money in the great start~~
24 ~~readiness reserve fund shall be expended only for purposes for~~
25 ~~which state school aid fund money may be expended. The state~~
26 ~~treasurer shall direct the investment of the great start readiness~~
27 ~~reserve fund. The state treasurer shall credit to the great start~~

1 ~~readiness reserve fund interest and earnings from fund investments.~~
2 ~~Money in the great start readiness reserve fund at the close of a~~
3 ~~fiscal year shall remain in the great start readiness reserve fund~~
4 ~~and shall not lapse to the unreserved school aid fund balance or~~
5 ~~the general fund.~~

6 (19) ~~(20)~~ From the amount appropriated in subsection (1),
7 there is allocated an amount not to exceed \$10,000,000.00 for
8 reimbursement of transportation costs for children attending great
9 start readiness programs funded under this section. To receive
10 reimbursement under this subsection, not later than November 1,
11 ~~2014, 2015~~, a program funded under this section that provides
12 transportation shall submit to the intermediate district that is
13 the fiscal agent for the program a projected transportation budget.
14 The amount of the reimbursement for transportation under this
15 subsection shall be ~~the lesser of~~ **NO MORE THAN** the projected
16 transportation budget or \$150.00 multiplied by the number of slots
17 funded for the program under this section. If the amount allocated
18 under this subsection is insufficient to fully reimburse the
19 transportation costs for all programs that provide transportation
20 and submit the required information, the reimbursement shall be
21 prorated in an equal amount per slot funded. Payments shall be made
22 to the intermediate district that is the fiscal agent for each
23 program, and the intermediate district shall then reimburse the
24 program provider for transportation costs as prescribed under this
25 subsection.

26 Sec. 32p. (1) From the school aid fund appropriation in
27 section 11, there is allocated an amount not to exceed

1 ~~\$10,900,000.00~~ **\$13,400,000.00** to intermediate districts for ~~2014-~~
2 ~~2015-2016~~ **2015-2016** for the purpose of providing early childhood funding
3 to intermediate school districts ~~in block grants, supporting~~ **TO**
4 **SUPPORT** the activities under subsection (2) **AND SUBSECTION (4)**, and
5 ~~providing~~ **TO PROVIDE** early childhood programs for children from
6 birth through age 8. The funding provided to each intermediate
7 district under this section shall be determined by the distribution
8 formula established by the department's office of great start to
9 provide equitable funding statewide. In order to receive funding
10 under this section, each intermediate district shall provide an
11 application to the office of great start not later than September
12 15 of the immediately preceding fiscal year indicating the
13 activities planned to be provided.

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

21 (a) Children born healthy.

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

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

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

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

6 (a) Physical health.

7 (b) Social-emotional health.

8 (c) Family supports and basic needs.

9 (d) Parent education. ~~and child advocacy.~~

10 (e) Early education and care.

11 (4) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), AT LEAST
12 \$2,500,000.00 SHALL BE USED FOR THE PURPOSE OF PROVIDING HOME
13 VISITS TO AT-RISK CHILDREN AND THEIR FAMILIES. THE HOME VISITS
14 SHALL BE CONDUCTED AS PART OF A LOCALLY COORDINATED, FAMILY-
15 CENTERED, EVIDENCE-BASED, DATA-DRIVEN HOME VISIT STRATEGIC PLAN
16 THAT IS APPROVED BY THE DEPARTMENT. THE GOALS OF THE HOME VISITS
17 FUNDED UNDER THIS SUBSECTION SHALL BE TO IMPROVE SCHOOL READINESS,
18 REDUCE THE NUMBER OF PUPILS RETAINED IN GRADE LEVEL, AND REDUCE THE
19 NUMBER OF PUPILS REQUIRING SPECIAL EDUCATION SERVICES. THE
20 DEPARTMENT SHALL COORDINATE THE GOALS OF THE HOME VISIT STRATEGIC
21 PLANS APPROVED UNDER THIS SUBSECTION WITH OTHER STATE AGENCY HOME
22 VISIT PROGRAMS IN A WAY THAT STRENGTHENS MICHIGAN'S HOME VISITING
23 INFRASTRUCTURE AND MAXIMIZES FEDERAL FUNDS AVAILABLE FOR THE
24 PURPOSES OF AT-RISK FAMILY HOME VISITS.

25 (5) ~~(4)~~ Not later than December 1 of each year, each
26 intermediate district shall provide a report to the department
27 detailing the activities actually provided during the immediately

1 preceding school year and the families and children actually
2 served. AT A MINIMUM, THE REPORT SHALL INCLUDE AN EVALUATION OF THE
3 SERVICES PROVIDED WITH ADDITIONAL FUNDING UNDER SUBSECTION (4) FOR
4 HOME VISITS, USING THE GOALS IDENTIFIED IN SUBSECTION (4) AS THE
5 BASIS FOR THE EVALUATION, INCLUDING THE DEGREE TO WHICH SCHOOL
6 READINESS WAS IMPROVED, ANY CHANGE IN THE NUMBER OF PUPILS RETAINED
7 AT GRADE LEVEL, AND ANY CHANGE IN THE NUMBER OF PUPILS RECEIVING
8 SPECIAL EDUCATION SERVICES. The department shall compile and
9 summarize these reports and submit its summary to the house and
10 senate appropriations subcommittees on school aid and to the house
11 and senate fiscal agencies not later than February 15 of each year.

12 (6) ~~(5)~~—An intermediate district or consortium of intermediate
13 districts that receives funding under this section may carry over
14 any unexpended funds received under this section into the next
15 fiscal year and may expend those unused funds through June 30 of
16 the next fiscal year. A recipient of a grant shall return any
17 unexpended grant funds to the department in the manner prescribed
18 by the department not later than September 30 of the next fiscal
19 year after the fiscal year in which the funds are received.

20 SEC. 35. (1) THE FUNDS ALLOCATED UNDER SECTION 35A SHALL BE
21 USED FOR PROGRAMS TO ENSURE CHILDREN ARE READING AT GRADE LEVEL BY
22 THE END OF GRADE 3. THE SUPERINTENDENT SHALL DESIGNATE STAFF OR
23 CONTRACTED EMPLOYEES FUNDED UNDER SECTION 35A AS CRITICAL SHORTAGE.
24 PROGRAMS FUNDED UNDER SECTION 35A ARE INTENDED TO ENSURE THAT THIS
25 STATE WILL BE IN THE TOP 10 MOST IMPROVED STATES IN GRADE 4 READING
26 PROFICIENCY BY THE 2019 NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS
27 (NAEP) AND WILL BE IN THE TOP 10 STATES OVERALL IN GRADE 4 READING

1 PROFICIENCY BY 2025.

2 (2) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE
3 IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED
4 \$1,000,000.00 FOR 2015-2016 FOR IMPLEMENTATION COSTS ASSOCIATED
5 WITH PROGRAMS FUNDED UNDER SECTION 35A.

6 (3) FROM THE AMOUNT ALLOCATED UNDER SUBSECTION (2), THERE IS
7 ALLOCATED AN AMOUNT NOT TO EXCEED \$100,000.00 FOR THE PURPOSE OF
8 PERFORMING AN EVALUATION OF THE PILOT PROGRAMS UNDER SECTION 35A(2)
9 IN A MANNER APPROVED BY THE DEPARTMENT. THE EVALUATION REPORT SHALL
10 INCLUDE AT LEAST ALL OF THE FOLLOWING:

11 (A) A DESCRIPTION OF THE COMPONENTS OF THE PILOT PROGRAMS THAT
12 WERE EFFECTIVE IN HELPING PARENTS PREPARE THEIR CHILDREN FOR
13 SUCCESS IN SCHOOL.

14 (B) A DESCRIPTION OF ANY BARRIERS THAT PARENTS AND THEIR
15 CHILDREN ENCOUNTERED THAT PREVENTED THEM FROM PARTICIPATING IN THE
16 PILOT PROGRAMS.

17 (C) AN ASSESSMENT OF WHETHER THESE PILOT PROGRAMS SHOULD BE
18 EXPANDED TO OTHER LOCATIONS IN THE STATE.

19 SEC. 35A. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS
20 ALLOCATED FOR 2015-2016 FOR THE PURPOSES OF THIS SECTION AN AMOUNT
21 NOT TO EXCEED \$23,900,000.00 FROM THE STATE SCHOOL AID FUND
22 APPROPRIATION AND AN AMOUNT NOT TO EXCEED \$1,500,000.00 FROM THE
23 GENERAL FUND APPROPRIATION.

24 (2) FROM THE ALLOCATIONS UNDER SUBSECTION (1), THERE IS
25 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2015-2016 FOR
26 THE PURPOSE OF CONDUCTING PARENT EDUCATION PILOT PROGRAMS FOR
27 PARENTS OF CHILDREN LESS THAN 4 YEARS OF AGE SO THAT CHILDREN ARE

1 DEVELOPMENTALLY READY TO SUCCEED IN SCHOOL AT THE TIME OF SCHOOL
2 ENTRY. ALL OF THE FOLLOWING APPLY TO PROGRAMS FUNDED UNDER THIS
3 SUBSECTION:

4 (A) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION
5 PROCESS AND METHOD OF GRANT DISTRIBUTION CONSISTENT WITH THE
6 PROVISIONS OF THIS SUBSECTION. THE AMOUNT OF A GRANT AWARD TO A
7 PILOT PROGRAM SHALL BE AN AMOUNT EQUAL TO THE NUMBER OF CHILDREN
8 RESIDING IN THE DISTRICT OR CONSORTIUM OF DISTRICTS OPERATING THE
9 PROGRAM WHO ARE YOUNGER THAN 4 YEARS OF AGE AS OF THE DATE
10 SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL
11 UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147,
12 MULTIPLIED BY \$120.00 PER CHILD OR \$130,000.00, WHICHEVER IS LESS.
13 THE DEPARTMENT SHALL ENSURE THAT GRANTS ARE AWARDED IN EACH
14 PROSPERITY REGION OR SUBREGION.

15 (B) AN APPLICATION FOR A COMPETITIVE GRANT UNDER THIS
16 SUBSECTION SHALL BE SUBMITTED BY AN INTERMEDIATE DISTRICT ON BEHALF
17 OF A DISTRICT OR CONSORTIUM OF DISTRICTS WITHIN THE INTERMEDIATE
18 DISTRICT. THE APPLICATION SHALL BE SUBMITTED IN A FORM AND MANNER
19 APPROVED BY THE DEPARTMENT AND SHALL CONTAIN AT LEAST THE FOLLOWING
20 COMPONENTS:

21 (i) A DESCRIPTION OF THE PROGRAM DESIGN INCLUDING THE NAMES OF
22 THE DISTRICT OR CONSORTIUM OF DISTRICTS THAT WILL OPERATE THE
23 PROGRAM, THE PHYSICAL LOCATION OF THE PROGRAM, AND THE ANTICIPATED
24 NUMBER OF FAMILIES THAT WILL BE SERVED.

25 (ii) AN ASSURANCE THAT THE PROGRAM WILL BE SUPERVISED BY A
26 TEACHER WHO HAS A VALID TEACHING CERTIFICATE WITH AN EARLY
27 CHILDHOOD (ZA OR ZS) ENDORSEMENT, A VALID TEACHING CERTIFICATE IN

1 CAREER EDUCATION WITH BOTH A KH AND VH ENDORSEMENT, A BACHELOR'S
2 DEGREE IN CHILD DEVELOPMENT OR EARLY CHILD DEVELOPMENT, OR A
3 BACHELOR'S DEGREE RELATED TO ADULT LEARNING.

4 (iii) AN ESTIMATE OF THE NUMBER OF FAMILIES RESIDING IN THE
5 DISTRICT OR CONSORTIUM OF DISTRICTS THAT WILL OPERATE THE PILOT
6 PROGRAM THAT HAVE AT LEAST 1 CHILD LESS THAN 4 YEARS OF AGE AS OF
7 THE DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO ATTEND
8 SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147.

9 (iv) A DESCRIPTION OF THE PUBLIC AWARENESS AND OUTREACH
10 EFFORTS THAT WILL BE MADE.

11 (v) AN ASSURANCE THAT THE INTERMEDIATE DISTRICT AND THE
12 DISTRICT OR CONSORTIUM OF DISTRICTS OPERATING THE PROGRAM WILL
13 PROVIDE INFORMATION IN A FORM AND MANNER AS APPROVED BY THE
14 DEPARTMENT TO ALLOW FOR AN EVALUATION OF THE PILOT PROJECTS.

15 (vi) A DESCRIPTION OF THE SLIDING FEE SCALE THAT WILL BE
16 ESTABLISHED FOR TUITION, WITH FEES REDUCED OR WAIVED FOR THOSE
17 UNABLE TO PAY.

18 (vii) A BUDGET FOR THE PROGRAM. A PROGRAM MAY USE NOT MORE
19 THAN 5% OF A GRANT TO ADMINISTER THE PROGRAM.

20 (C) TO BE ELIGIBLE FOR A GRANT UNDER THIS SUBSECTION, A
21 PROGRAM SHALL PROVIDE AT LEAST 2 HOURS PER WEEK THROUGHOUT THE
22 SCHOOL YEAR FOR PARENTS AND THEIR ELIGIBLE CHILDREN TO PARTICIPATE
23 IN PARENT EDUCATION PROGRAMS AND MEET AT LEAST THE FOLLOWING
24 MINIMUM REQUIREMENTS:

25 (i) REQUIRE THAT PARENTS BE PHYSICALLY PRESENT IN CLASSES WITH
26 THEIR CHILDREN OR BE IN CONCURRENT CLASSES.

27 (ii) USE RESEARCH-BASED INFORMATION TO EDUCATE PARENTS ABOUT

1 THE PHYSICAL, COGNITIVE, SOCIAL, AND EMOTIONAL DEVELOPMENT OF
2 CHILDREN.

3 (iii) PROVIDE STRUCTURED LEARNING ACTIVITIES REQUIRING
4 INTERACTION BETWEEN CHILDREN AND THEIR PARENTS.

5 (iv) PROVIDE STRUCTURED LEARNING ACTIVITIES FOR CHILDREN THAT
6 PROMOTE POSITIVE INTERACTION WITH THEIR PEERS.

7 (D) FOR A CHILD TO BE ELIGIBLE TO PARTICIPATE IN A PROGRAM
8 UNDER THIS SUBSECTION, THE CHILD SHALL BE LESS THAN 4 YEARS OF AGE
9 AS OF THE DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO
10 ATTEND SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE, MCL
11 380.1147.

12 (3) FROM THE ALLOCATIONS UNDER SUBSECTION (1), THERE IS
13 ALLOCATED AN AMOUNT NOT TO EXCEED \$950,000.00 FOR 2015-2016 FOR
14 PROFESSIONAL DEVELOPMENT PURPOSES UNDER THIS SUBSECTION. THIS
15 ALLOCATION REPRESENTS THE FIRST OF 2 YEARS OF FUNDING FOR THE
16 PURPOSES OF THIS SUBSECTION. ALL OF THE FOLLOWING APPLY TO FUNDING
17 UNDER THIS SUBSECTION:

18 (A) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO SUPPORT
19 PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN A DEPARTMENT-APPROVED
20 RESEARCH-BASED TRAINING PROGRAM RELATED TO CURRENT STATE LITERACY
21 STANDARDS FOR PUPILS IN GRADES K TO 3. THE PROFESSIONAL DEVELOPMENT
22 SHALL ALSO INCLUDE TRAINING IN THE USE OF SCREENING AND DIAGNOSTIC
23 TOOLS, PROGRESS MONITORING, AND INTERVENTION METHODS USED TO
24 ADDRESS BARRIERS TO LEARNING AND DELAYS IN LEARNING THAT ARE
25 DIAGNOSED THROUGH THE USE OF THESE TOOLS. THE DEPARTMENT SHALL
26 DETERMINE THE AMOUNT OF THE GRANT AWARDS.

27 (B) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT

1 DELIVERY, THE DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN
2 VIRTUAL UNIVERSITY TO PROVIDE THIS TRAINING ONLINE TO ALL EDUCATORS
3 OF PUPILS IN GRADES K TO 3.

4 (C) THE FUNDS ALLOCATED UNDER THIS SUBSECTION ARE A WORK
5 PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE
6 CARRIED FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS
7 TO CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING
8 DESCRIBED IN THIS SUBSECTION. THE ESTIMATED COMPLETION DATE OF THE
9 WORK PROJECT IS SEPTEMBER 30, 2017.

10 (4) FROM THE ALLOCATIONS UNDER SUBSECTION (1), THERE IS
11 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,450,000.00 FOR 2015-2016 FOR
12 GRANTS UNDER THIS SUBSECTION. THIS ALLOCATION REPRESENTS THE FIRST
13 OF 2 YEARS OF FUNDING. ALL OF THE FOLLOWING APPLY TO GRANTS UNDER
14 THIS SUBSECTION:

15 (A) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO
16 ADMINISTER DEPARTMENT-APPROVED SCREENING AND DIAGNOSTIC TOOLS TO
17 MONITOR THE DEVELOPMENT OF EARLY LITERACY AND EARLY READING SKILLS
18 OF PUPILS IN GRADES K TO 3 AND TO SUPPORT RESEARCH-BASED
19 PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN ADMINISTERING SCREENING
20 AND DIAGNOSTIC TOOLS AND IN DATA INTERPRETATION OF THE RESULTS
21 OBTAINED THROUGH THE USE OF THOSE TOOLS FOR THE PURPOSE OF
22 IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT TO IMPROVE READING
23 PROFICIENCY AMONG PUPILS IN GRADES K TO 3. THE DEPARTMENT SHALL
24 AWARD GRANTS TO ELIGIBLE DISTRICTS IN AN AMOUNT DETERMINED BY THE
25 DEPARTMENT.

26 (B) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT
27 DELIVERY, THE DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN

1 VIRTUAL UNIVERSITY TO PROVIDE THIS TRAINING ONLINE TO ALL EDUCATORS
2 OF PUPILS IN GRADES K TO 3.

3 (C) THE FUNDS ALLOCATED UNDER THIS SUBSECTION ARE A WORK
4 PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE
5 CARRIED FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS
6 TO CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING
7 DESCRIBED IN THIS SUBSECTION. THE ESTIMATED COMPLETION DATE OF THE
8 WORK PROJECT IS SEPTEMBER 30, 2017.

9 (5) FROM THE ALLOCATIONS UNDER SUBSECTION (1), THERE IS
10 ALLOCATED AN AMOUNT NOT TO EXCEED \$3,000,000.00 FOR THE PURPOSE OF
11 PROVIDING EARLY LITERACY COACHES AT INTERMEDIATE DISTRICTS TO
12 ASSIST TEACHERS IN DEVELOPING AND IMPLEMENTING INSTRUCTIONAL
13 STRATEGIES FOR PUPILS IN GRADES K TO 3 SO THAT PUPILS ARE READING
14 AT GRADE LEVEL BY THE END OF GRADE 3. ALL OF THE FOLLOWING APPLY TO
15 FUNDING UNDER THIS SUBSECTION:

16 (A) THE DEPARTMENT SHALL DEVELOP AN APPLICATION PROCESS
17 CONSISTENT WITH THE PROVISIONS OF THIS SUBSECTION. AN APPLICATION
18 SHALL PROVIDE ASSURANCES THAT LITERACY COACHES FUNDED UNDER THIS
19 SUBSECTION ARE KNOWLEDGEABLE ABOUT AT LEAST THE FOLLOWING:

20 (i) CURRENT STATE LITERACY STANDARDS FOR PUPILS IN GRADES K TO
21 3.

22 (ii) IMPLEMENTING AN INSTRUCTIONAL DELIVERY MODEL BASED ON
23 FREQUENT USE OF FORMATIVE, SCREENING, AND DIAGNOSTIC TOOLS, KNOWN
24 AS A MULTI-TIERED SYSTEM OF SUPPORT, TO DETERMINE INDIVIDUAL
25 PROGRESS FOR PUPILS IN GRADES K TO 3 SO THAT PUPILS ARE READING AT
26 GRADE LEVEL BY THE END OF GRADE 3.

27 (iii) THE USE OF DATA FROM DIAGNOSTIC TOOLS TO DETERMINE THE

1 NECESSARY ADDITIONAL SUPPORTS AND INTERVENTIONS NEEDED BY
2 INDIVIDUAL PUPILS IN GRADES K TO 3 IN ORDER TO BE READING AT GRADE
3 LEVEL.

4 (B) FROM THE ALLOCATION UNDER THIS SUBSECTION, THE DEPARTMENT
5 SHALL AWARD GRANTS TO INTERMEDIATE DISTRICTS FOR THE SUPPORT OF
6 EARLY LITERACY COACHES. AN INTERMEDIATE DISTRICT MUST PROVIDE
7 MATCHING FUNDS FOR AT LEAST 50% OF THE COST OF THE LITERACY COACH.
8 THE DEPARTMENT SHALL PROVIDE THIS FUNDING IN THE FOLLOWING MANNER:

9 (i) EACH INTERMEDIATE DISTRICT SHALL BE AWARDED GRANT FUNDING
10 TO SUPPORT THE COST OF 1 EARLY LITERACY COACH IN AN EQUAL AMOUNT
11 PER EARLY LITERACY COACH, NOT TO EXCEED \$37,500.00.

12 (ii) AFTER DISTRIBUTION OF THE GRANT FUNDING UNDER
13 SUBPARAGRAPH (i), THE DEPARTMENT SHALL DISTRIBUTE THE REMAINDER OF
14 GRANT FUNDING FOR ADDITIONAL EARLY LITERACY COACHES IN AN AMOUNT
15 NOT TO EXCEED \$37,500.00 PER EARLY LITERACY COACH. THE NUMBER OF
16 FUNDED EARLY LITERACY COACHES FOR EACH INTERMEDIATE DISTRICT SHALL
17 BE BASED ON THE PERCENTAGE OF THE TOTAL STATEWIDE NUMBER OF PUPILS
18 IN GRADES K TO 3 WHO MEET THE INCOME ELIGIBILITY STANDARDS FOR THE
19 FEDERAL FREE AND REDUCED-PRICE LUNCH PROGRAMS WHO ARE ENROLLED IN
20 DISTRICTS IN THE INTERMEDIATE DISTRICT. FOR EACH ADDITIONAL EARLY
21 LITERACY COACH FUNDED UNDER THIS SUBPARAGRAPH, THE DEPARTMENT SHALL
22 NOT MAKE AN AWARD TO AN INTERMEDIATE DISTRICT UNDER THIS
23 SUBPARAGRAPH IN AN AMOUNT THAT IS LESS THAN THE AMOUNT NECESSARY TO
24 PAY 1/2 OF THE TOTAL COST OF THAT ADDITIONAL EARLY LITERACY COACH.

25 (C) THE FUNDS ALLOCATED UNDER THIS SUBSECTION ARE A WORK
26 PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE
27 CARRIED FORWARD INTO 2016-2017. THE PURPOSE OF THE WORK PROJECT IS

1 TO CONTINUE TO PROVIDE EARLY LITERACY COACHES AS DESCRIBED IN THIS
2 SUBSECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS
3 SEPTEMBER 30, 2017.

4 (6) FROM THE ALLOCATIONS UNDER SUBSECTION (1), THERE IS
5 ALLOCATED AN AMOUNT NOT TO EXCEED \$17,500,000.00 FOR 2015-2016 TO
6 DISTRICTS THAT PROVIDE ADDITIONAL INSTRUCTIONAL TIME TO THOSE
7 PUPILS IN GRADES K TO 3 WHO HAVE BEEN IDENTIFIED BY USING
8 DEPARTMENT-APPROVED SCREENING AND DIAGNOSTIC TOOLS AS NEEDING
9 ADDITIONAL SUPPORTS AND INTERVENTIONS IN ORDER TO BE READING AT
10 GRADE LEVEL BY THE END OF GRADE 3. ADDITIONAL INSTRUCTIONAL TIME
11 MAY BE PROVIDED BEFORE, DURING, AND AFTER REGULAR SCHOOL HOURS OR
12 AS PART OF A YEAR-ROUND BALANCED SCHOOL CALENDAR. ALL OF THE
13 FOLLOWING APPLY TO FUNDING UNDER THIS SUBSECTION:

14 (A) IN ORDER TO BE ELIGIBLE TO RECEIVE FUNDING, A DISTRICT
15 SHALL DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT THAT THE
16 DISTRICT HAS DONE ALL OF THE FOLLOWING:

17 (i) IMPLEMENTED A MULTI-TIERED SYSTEM OF SUPPORT INSTRUCTIONAL
18 DELIVERY MODEL THAT IS AN EVIDENCE-BASED MODEL THAT USES DATA-
19 DRIVEN PROBLEM SOLVING TO INTEGRATE ACADEMIC AND BEHAVIORAL
20 INSTRUCTION AND THAT USES INTERVENTION DELIVERED TO ALL PUPILS IN
21 VARYING INTENSITIES BASED ON PUPIL NEEDS. THE MULTI-TIERED SYSTEM
22 OF SUPPORTS MUST PROVIDE AT LEAST ALL OF THE FOLLOWING ESSENTIAL
23 ELEMENTS:

24 (A) IMPLEMENTS EFFECTIVE INSTRUCTION FOR ALL LEARNERS.

25 (B) INTERVENES EARLY.

26 (C) PROVIDES A MULTI-TIERED MODEL OF INSTRUCTION AND
27 INTERVENTION THAT PROVIDES THE FOLLOWING: A CORE CURRICULUM AND

1 CLASSROOM INTERVENTIONS AVAILABLE TO ALL PUPILS THAT MEET THE NEEDS
2 OF MOST PUPILS; TARGETED GROUP INTERVENTIONS; AND INTENSE
3 INDIVIDUAL INTERVENTIONS.

4 (D) MONITORS PUPIL PROGRESS TO INFORM INSTRUCTION.

5 (E) USES DATA TO MAKE INSTRUCTIONAL DECISIONS.

6 (F) USES ASSESSMENTS INCLUDING UNIVERSAL SCREENING,
7 DIAGNOSTICS, AND PROGRESS MONITORING.

8 (G) ENGAGES FAMILIES AND THE COMMUNITY.

9 (H) IMPLEMENTS EVIDENCE-BASED, SCIENTIFICALLY VALIDATED,
10 INSTRUCTION AND INTERVENTION.

11 (I) IMPLEMENTS INSTRUCTION AND INTERVENTION PRACTICES WITH
12 FIDELITY.

13 (J) USES A COLLABORATIVE PROBLEM-SOLVING MODEL.

14 (ii) USED DEPARTMENT-APPROVED RESEARCH-BASED DIAGNOSTIC TOOLS
15 TO IDENTIFY INDIVIDUAL PUPILS IN NEED OF ADDITIONAL INSTRUCTIONAL
16 TIME.

17 (iii) USED A READING INSTRUCTION METHOD THAT FOCUSES ON THE 5
18 FUNDAMENTAL BUILDING BLOCKS OF READING: PHONICS, PHONEMIC
19 AWARENESS, FLUENCY, VOCABULARY, AND COMPREHENSION AND CONTENT
20 KNOWLEDGE.

21 (iv) PROVIDED TEACHERS OF PUPILS IN GRADES K TO 3 WITH
22 RESEARCH-BASED PROFESSIONAL DEVELOPMENT IN DIAGNOSTIC DATA
23 INTERPRETATION.

24 (B) FUNDING ALLOCATED UNDER THIS SUBSECTION SHALL BE
25 DISTRIBUTED TO ELIGIBLE DISTRICTS BY MULTIPLYING THE NUMBER OF
26 FULL-TIME-EQUIVALENT PUPILS IN GRADE 1 IN THE DISTRICT BY \$165.00.

27 (C) IF THE FUNDS ALLOCATED UNDER THIS SUBSECTION ARE

1 INSUFFICIENT TO FULLY FUND THE PAYMENTS UNDER THIS SUBSECTION,
2 PAYMENTS UNDER THIS SUBSECTION SHALL BE PRORATED ON AN EQUAL PER-
3 PUPIL BASIS BASED ON GRADE 1 PUPILS.

4 (7) FROM THE GENERAL FUND MONEY ALLOCATED IN SUBSECTION (1),
5 THE DEPARTMENT SHALL ALLOCATE THE AMOUNT OF \$1,000,000.00 FOR 2015-
6 2016 TO THE MICHIGAN EDUCATION CORPS. ALL OF THE FOLLOWING APPLY TO
7 FUNDING UNDER THIS SUBSECTION:

8 (A) BY AUGUST 1, 2016, THE MICHIGAN EDUCATION CORPS SHALL
9 PROVIDE A REPORT CONCERNING ITS USE OF THE FUNDING TO THE SENATE
10 AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL AID, THE
11 SENATE AND HOUSE FISCAL AGENCIES, AND THE SENATE AND HOUSE CAUCUS
12 POLICY OFFICES ON OUTCOMES AND PERFORMANCE MEASURES OF THE MICHIGAN
13 EDUCATION CORPS, INCLUDING, BUT NOT LIMITED TO, THE DEGREE TO WHICH
14 THE MICHIGAN EDUCATION CORPS'S REPLICATION OF THE MICHIGAN READING
15 CORPS PROGRAM IS DEMONSTRATING SUFFICIENT EFFICACY AND IMPACT. THE
16 REPORT MUST INCLUDE DATA PERTAINING TO AT LEAST ALL OF THE
17 FOLLOWING:

18 (i) THE CURRENT IMPACT OF THE MICHIGAN READING CORPS ON THIS
19 STATE IN TERMS OF NUMBERS OF CHILDREN AND PROGRAMS RECEIVING
20 SUPPORT. THIS PORTION OF THE REPORT SHALL SPECIFY THE NUMBER OF
21 CHILDREN TUTORED, INCLUDING DOSAGE AND COMPLETION, AND THE
22 DEMOGRAPHICS OF THOSE CHILDREN.

23 (ii) WHETHER THE ASSESSMENTS AND INTERVENTIONS ARE IMPLEMENTED
24 WITH FIDELITY. THIS PORTION OF THE REPORT SHALL INCLUDE DETAILS ON
25 THE TOTAL NUMBER OF ASSESSMENTS AND INTERVENTIONS COMPLETED AND THE
26 RANGE, MEDIAN, MEAN, AND STANDARD DEVIATION FOR ALL ASSESSMENTS.

27 (iii) WHETHER THE LITERACY IMPROVEMENT OF CHILDREN

1 PARTICIPATING IN THE MICHIGAN READING CORPS IS CONSISTENT WITH
2 EXPECTATIONS. THIS PORTION OF THE REPORT SHALL DETAIL AT LEAST ALL
3 OF THE FOLLOWING:

4 (A) GROWTH RATE BY GRADE LEVEL, IN COMPARISON TO TARGETED
5 GROWTH RATE.

6 (B) AVERAGE LINEAR GROWTH RATES.

7 (C) EXIT RATES.

8 (D) PERCENTAGE OF CHILDREN WHO EXIT WHO ALSO MEET OR EXCEED
9 SPRING BENCHMARKS.

10 (iv) THE IMPACT OF THE MICHIGAN READING CORPS ON ORGANIZATIONS
11 AND STAKEHOLDERS, INCLUDING, BUT NOT LIMITED TO, SCHOOL
12 ADMINISTRATORS, INTERNAL COACHES, AND AMERICORPS MEMBERS.

13 (B) IF THE DEPARTMENT DETERMINES THAT THE MICHIGAN EDUCATION
14 CORPS HAS MISUSED THE FUNDS ALLOCATED UNDER THIS SUBSECTION, THE
15 MICHIGAN EDUCATION CORPS SHALL REIMBURSE THIS STATE FOR THE AMOUNT
16 OF STATE FUNDING MISUSED.

17 (8) FROM THE GENERAL FUND MONEY ALLOCATED UNDER SUBSECTION
18 (1), THERE IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED
19 \$500,000.00 FOR 2015-2016 FOR THE ADOPTION OF A CERTIFICATION TEST
20 TO ENSURE THAT ALL NEWLY CERTIFICATED ELEMENTARY TEACHERS HAVE THE
21 SKILLS TO DELIVER EVIDENCE-BASED LITERACY INSTRUCTION.

22 Sec. 39. (1) An eligible applicant receiving funds under
23 section 32d shall submit an application, in a form and manner
24 prescribed by the department, by a date specified by the department
25 in the immediately preceding state fiscal year. The application
26 shall include a comprehensive needs assessment using aggregated
27 data from the applicant's entire service area and a community

1 collaboration plan that is endorsed by the local great start
2 collaborative and is part of the community's great start strategic
3 plan that includes, but is not limited to, great start readiness
4 program and head start providers, and shall identify all of the
5 following:

6 (a) The estimated total number of children in the community
7 who meet the criteria of section 32d and how that calculation was
8 made.

9 (b) The estimated number of children in the community who meet
10 the criteria of section 32d and are being served by other early
11 childhood development programs operating in the community, and how
12 that calculation was made.

13 (c) The number of children the applicant will be able to serve
14 who meet the criteria of section 32d including a verification of
15 physical facility and staff resources capacity.

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

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

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

13 (4) The initial allocation for each fiscal year to each
14 eligible applicant under section 32d shall be determined by
15 multiplying the number of children determined by the formula under
16 subsection (3) or the number of children the applicant indicates it
17 will be able to serve under subsection (1)(c), whichever is less,
18 by \$3,625.00 and shall be distributed among applicants in
19 decreasing order of concentration of eligible children as
20 determined by the formula under subsection (3). If the number of
21 children an applicant indicates it will be able to serve under
22 subsection (1)(c) includes children able to be served in a school-
23 day program, then the number able to be served in a school-day
24 program shall be doubled for the purposes of making this
25 calculation of the lesser of the number of children determined by
26 the formula under subsection (3) and the number of children the
27 applicant indicates it will be able to serve under subsection

1 (1)(c) and determining the amount of the initial allocation to the
2 applicant under section 32d. A district may contract with a head
3 start agency to serve children enrolled in head start with a
4 school-day program by blending head start funds with a part-day
5 great start readiness program allocation. All head start and great
6 start readiness program policies and regulations apply to the
7 blended program.

8 (5) If funds allocated for eligible applicants ~~or to the great~~
9 ~~start readiness reserve fund~~ under section 32d remain after the
10 initial allocation under subsection (4), the allocation under this
11 subsection shall be distributed to each eligible applicant under
12 section 32d in decreasing order of concentration of eligible
13 children as determined by the formula under subsection (3). The
14 allocation shall be determined by multiplying the number of
15 children **IN** each district within the applicant's service area
16 served in the immediately preceding fiscal year or the number of
17 children the applicant indicates it will be able to serve under
18 subsection (1)(c), whichever is less, minus the number of children
19 for which the applicant received funding in subsection (4) by
20 \$3,625.00.

21 (6) If funds allocated for eligible applicants ~~or to the great~~
22 ~~start readiness reserve fund~~ under section 32d remain after the
23 allocations under subsections (4) and (5), remaining funds shall be
24 distributed to each eligible applicant under section 32d in
25 decreasing order of concentration of eligible children as
26 determined by the formula under subsection (3). If the number of
27 children the applicant indicates it will be able to serve under

1 subsection (1)(c) exceeds the number of children for which funds
2 have been received under subsections (4) and (5), the allocation
3 under this subsection shall be determined by multiplying the number
4 of children the applicant indicates it will be able to serve under
5 subsection (1)(c) less the number of children for which funds have
6 been received under subsections (4) and (5) by \$3,625.00 until the
7 funds allocated for eligible applicants in section 32d are
8 distributed.

9 (7) An applicant that offers supplementary child care funded
10 by funds other than those received under section 32d and therefore
11 offers full-day programs as part of its early childhood development
12 program shall receive priority in the allocation of funds under
13 section 32d over other eligible applicants. As used in this
14 subsection, "full-day program" means a program that provides
15 supplementary child care that totals at least 10 hours of
16 programming per day.

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

24 Sec. 39a. (1) From the federal funds appropriated in section
25 11, there is allocated for ~~2014-2015-2015-2016~~ to districts,
26 intermediate districts, and other eligible entities all available
27 federal funding, estimated at ~~\$807,969,900.00~~ **\$779,076,400.00** for

1 the federal programs under the no child left behind act of 2001,
2 Public Law 107-110. These funds are allocated as follows:

3 (a) An amount estimated at ~~\$8,000,000.00~~ **\$5,000,000.00** to
4 provide students with drug- and violence-prevention programs and to
5 implement strategies to improve school safety, funded from DED-
6 OESE, drug-free schools and communities funds.

7 (b) An amount estimated at \$111,111,900.00 for the purpose of
8 preparing, training, and recruiting high-quality teachers and class
9 size reduction, funded from DED-OESE, improving teacher quality
10 funds.

11 (c) An amount estimated at \$12,200,000.00 for programs to
12 teach English to limited English proficient (LEP) children, funded
13 from DED-OESE, language acquisition state grant funds.

14 (d) An amount estimated at \$10,286,500.00 for the Michigan
15 charter school subgrant program, funded from DED-OESE, charter
16 school funds.

17 (e) An amount estimated at ~~\$2,393,500.00~~ **\$3,000,000.00** for
18 rural and low income schools, funded from DED-OESE, rural and low
19 income school funds.

20 (f) An amount estimated at ~~\$591,500,000.00~~ **\$565,000,000.00** to
21 provide supplemental programs to enable educationally disadvantaged
22 children to meet challenging academic standards, funded from DED-
23 OESE, title I, disadvantaged children funds.

24 (g) An amount estimated at \$8,878,000.00 for the purpose of
25 identifying and serving migrant children, funded from DED-OESE,
26 title I, migrant education funds.

27 (h) An amount estimated at \$39,000,000.00 for the purpose of

1 providing high-quality extended learning opportunities, after
2 school and during the summer, for children in low-performing
3 schools, funded from DED-OESE, twenty-first century community
4 learning center funds.

5 (i) An amount estimated at \$24,600,000.00 to help support
6 local school improvement efforts, funded from DED-OESE, title I,
7 local school improvement grants.

8 (2) From the federal funds appropriated in section 11, there
9 is allocated for ~~2014-2015-2015-2016~~ to districts, intermediate
10 districts, and other eligible entities all available federal
11 funding, estimated at ~~\$31,300,000.00~~ **\$30,800,000.00** for the
12 following programs that are funded by federal grants:

13 (a) An amount estimated at \$200,000.00 for acquired
14 immunodeficiency syndrome education grants, funded from HHS -
15 ~~center for disease control,~~ **CENTERS FOR DISEASE CONTROL AND**
16 **PREVENTION**, AIDS funding.

17 (b) An amount estimated at \$2,600,000.00 to provide services
18 to homeless children and youth, funded from DED-OVAE, homeless
19 children and youth funds.

20 **(C) AN AMOUNT ESTIMATED AT \$4,000,000.00 TO PROVIDE MENTAL**
21 **HEALTH, SUBSTANCE ABUSE, OR VIOLENCE PREVENTION SERVICES TO**
22 **STUDENTS, FUNDED FROM HHS-SAMHSA.**

23 **(D) ~~(e)~~An amount estimated at ~~\$28,500,000.00~~ **\$24,000,000.00****
24 for providing career and technical education services to pupils,
25 funded from DED-OVAE, basic grants to states.

26 (3) All federal funds allocated under this section shall be
27 distributed in accordance with federal law and with flexibility

1 provisions outlined in Public Law 107-116, and in the education
 2 flexibility partnership act of 1999, Public Law 106-25.
 3 Notwithstanding section 17b, payments of federal funds to
 4 districts, intermediate districts, and other eligible entities
 5 under this section shall be paid on a schedule determined by the
 6 department.

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

12 (5) As used in this section:

13 (a) "DED" means the United States ~~department of~~
 14 ~~education.~~ **DEPARTMENT OF EDUCATION.**

15 (b) "DED-OESE" means the DED ~~office of elementary and~~
 16 ~~secondary education.~~ **OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

17 (c) "DED-OVAE" means the DED ~~office of vocational and adult~~
 18 ~~education.~~ **OFFICE OF VOCATIONAL AND ADULT EDUCATION.**

19 (d) "HHS" means the United States ~~department of health and~~
 20 ~~human services.~~ **DEPARTMENT OF HEALTH AND HUMAN SERVICES.**

21 ~~(e) "HHS ACF" means the HHS administration for children and~~
 22 ~~families.~~

23 **(E) "HHS-SAMHSA" MEANS THE HHS SUBSTANCE ABUSE AND MENTAL**
 24 **HEALTH SERVICES ADMINISTRATION.**

25 Sec. 41. From the appropriation in section 11, there is
 26 allocated an amount not to exceed \$1,200,000.00 ~~each fiscal year~~
 27 ~~for 2013-2014 and for 2014-2015~~ **FOR 2015-2016** to applicant

1 districts and intermediate districts offering programs of
2 instruction for pupils of limited English-speaking ability under
3 section 1153 of the revised school code, MCL 380.1153.
4 Reimbursement shall be on a per-pupil basis and shall be based on
5 the number of pupils of limited English-speaking ability in
6 membership on the pupil membership count day. Funds allocated under
7 this section shall be used solely for instruction in speaking,
8 reading, writing, or comprehension of English. A pupil shall not be
9 counted under this section or instructed in a program under this
10 section for more than 3 years.

11 Sec. 43. From the general fund money appropriated in section
12 11, there is allocated to the department for ~~2014-2015-2015-2016~~ an
13 amount not to exceed \$1,800,000.00 for updating teacher
14 certification tests. The department shall use these funds to update
15 the set of teacher certification tests, including content-specific
16 and subject-relevant tests, to reflect current education standards
17 by not later than September 30, 2016. **THIS IS THE SECOND YEAR OF 2**
18 **YEARS OF FUNDING.**

19 Sec. 51a. (1) From the appropriation in section 11, there is
20 allocated an amount not to exceed ~~\$914,946,100.00~~ **\$901,946,100.00**
21 for 2014-2015 **AND AN AMOUNT NOT TO EXCEED \$918,546,100.00 FOR 2015-**
22 **2016** from state sources and all available federal funding under
23 sections 611 to 619 of part B of the individuals with disabilities
24 education act, 20 USC 1411 to 1419, estimated at \$370,000,000.00
25 **EACH FISCAL YEAR for ~~2014-2015, 2014-2015~~ AND FOR 2015-2016,** plus
26 any carryover federal funds from previous year appropriations. The
27 allocations under this subsection are for the purpose of

1 reimbursing districts and intermediate districts for special
2 education programs, services, and special education personnel as
3 prescribed in article 3 of the revised school code, MCL 380.1701 to
4 380.1766; net tuition payments made by intermediate districts to
5 the Michigan schools for the deaf and blind; and special education
6 programs and services for pupils who are eligible for special
7 education programs and services according to statute or rule. For
8 meeting the costs of special education programs and services not
9 reimbursed under this article, a district or intermediate district
10 may use money in general funds or special education funds, not
11 otherwise restricted, or contributions from districts to
12 intermediate districts, tuition payments, gifts and contributions
13 from individuals or other entities, or federal funds that may be
14 available for this purpose, as determined by the intermediate
15 district plan prepared pursuant to article 3 of the revised school
16 code, MCL 380.1701 to 380.1766. Notwithstanding section 17b,
17 payments of federal funds to districts, intermediate districts, and
18 other eligible entities under this section shall be paid on a
19 schedule determined by the department.

20 (2) From the funds allocated under subsection (1), there is
21 allocated the amount necessary, estimated at ~~\$251,800,000.00~~
22 **\$248,100,000.00** for 2014-2015 **AND ESTIMATED AT \$251,800,000.00 FOR**
23 **2015-2016**, for payments toward reimbursing districts and
24 intermediate districts for 28.6138% of total approved costs of
25 special education, excluding costs reimbursed under section 53a,
26 and 70.4165% of total approved costs of special education
27 transportation. Allocations under this subsection shall be made as

1 follows:

2 (a) The initial amount allocated to a district under this
3 subsection toward fulfilling the specified percentages shall be
4 calculated by multiplying the district's special education pupil
5 membership, excluding pupils described in subsection (11), times
6 the foundation allowance under section 20 of the pupil's district
7 of residence, not to exceed the basic foundation allowance under
8 section 20 for the current fiscal year, or, for a special education
9 pupil in membership in a district that is a public school academy,
10 times an amount equal to the amount per membership pupil calculated
11 under section 20(6) or, for a pupil described in this subsection
12 who is counted in membership in the education achievement system,
13 times an amount equal to the amount per membership pupil under
14 section 20(7). For an intermediate district, the amount allocated
15 under this subdivision toward fulfilling the specified percentages
16 shall be an amount per special education membership pupil,
17 excluding pupils described in subsection (11), and shall be
18 calculated in the same manner as for a district, using the
19 foundation allowance under section 20 of the pupil's district of
20 residence, not to exceed the basic foundation allowance under
21 section 20 for the current fiscal year.

22 (b) After the allocations under subdivision (a), districts and
23 intermediate districts for which the payments calculated under
24 subdivision (a) do not fulfill the specified percentages shall be
25 paid the amount necessary to achieve the specified percentages for
26 the district or intermediate district.

27 (3) From the funds allocated under subsection (1), there is

1 allocated for 2014-2015 an amount not to exceed \$1,000,000.00 **AND**
2 **THERE IS ALLOCATED FOR 2015-2016 AN AMOUNT NOT TO EXCEED**
3 **\$1,300,000.00** to make payments to districts and intermediate
4 districts under this subsection. If the amount allocated to a
5 district or intermediate district for a fiscal year under
6 subsection (2)(b) is less than the sum of the amounts allocated to
7 the district or intermediate district for 1996-97 under sections 52
8 and 58, there is allocated to the district or intermediate district
9 for the fiscal year an amount equal to that difference, adjusted by
10 applying the same proration factor that was used in the
11 distribution of funds under section 52 in 1996-97 as adjusted to
12 the district's or intermediate district's necessary costs of
13 special education used in calculations for the fiscal year. This
14 adjustment is to reflect reductions in special education program
15 operations or services between 1996-97 and subsequent fiscal years.
16 Adjustments for reductions in special education program operations
17 or services shall be made in a manner determined by the department
18 and shall include adjustments for program or service shifts.

19 (4) If the department determines that the sum of the amounts
20 allocated for a fiscal year to a district or intermediate district
21 under subsection (2)(a) and (b) is not sufficient to fulfill the
22 specified percentages in subsection (2), then the shortfall shall
23 be paid to the district or intermediate district during the fiscal
24 year beginning on the October 1 following the determination and
25 payments under subsection (3) shall be adjusted as necessary. If
26 the department determines that the sum of the amounts allocated for
27 a fiscal year to a district or intermediate district under

1 subsection (2)(a) and (b) exceeds the sum of the amount necessary
2 to fulfill the specified percentages in subsection (2), then the
3 department shall deduct the amount of the excess from the
4 district's or intermediate district's payments under this article
5 for the fiscal year beginning on the October 1 following the
6 determination and payments under subsection (3) shall be adjusted
7 as necessary. However, if the amount allocated under subsection
8 (2)(a) in itself exceeds the amount necessary to fulfill the
9 specified percentages in subsection (2), there shall be no
10 deduction under this subsection.

11 (5) State funds shall be allocated on a total approved cost
12 basis. Federal funds shall be allocated under applicable federal
13 requirements, except that an amount not to exceed \$3,500,000.00 may
14 be allocated by the department **EACH FISCAL YEAR** for 2014-2015 **AND**
15 **FOR 2015-2016** to districts, intermediate districts, or other
16 eligible entities on a competitive grant basis for programs,
17 equipment, and services that the department determines to be
18 designed to benefit or improve special education on a statewide
19 scale.

20 (6) From the amount allocated in subsection (1), there is
21 allocated an amount not to exceed \$2,200,000.00 **EACH FISCAL YEAR**
22 for 2014-2015 **AND FOR 2015-2016** to reimburse 100% of the net
23 increase in necessary costs incurred by a district or intermediate
24 district in implementing the revisions in the administrative rules
25 for special education that became effective on July 1, 1987. As
26 used in this subsection, "net increase in necessary costs" means
27 the necessary additional costs incurred solely because of new or

1 revised requirements in the administrative rules minus cost savings
2 permitted in implementing the revised rules. Net increase in
3 necessary costs shall be determined in a manner specified by the
4 department.

5 (7) For purposes of sections 51a to 58, all of the following
6 apply:

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

1 (b) Beginning with the 2004-2005 fiscal year, a district or
2 intermediate district that employed special education support
3 services staff to provide special education support services in
4 2003-2004 or in a subsequent fiscal year and that in a fiscal year
5 after 2003-2004 receives the same type of support services from
6 another district or intermediate district shall report the cost of
7 those support services for special education reimbursement purposes
8 under this article. This subdivision does not prohibit the transfer
9 of special education classroom teachers and special education
10 classroom aides if the pupils counted in membership associated with
11 those special education classroom teachers and special education
12 classroom aides are transferred and counted in membership in the
13 other district or intermediate district in conjunction with the
14 transfer of those 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
24 reimbursement for that district or intermediate district shall be
25 calculated in the same manner as it was for 2003-2004. If the
26 amount of the excess allocations under subsections (2), (3), (6),
27 and (11) and sections 53a, 54, and 56 is not sufficient to fully

1 fund the calculation of reimbursement to those districts and
2 intermediate districts under this subdivision, then the
3 calculations and resulting reimbursement under this subdivision
4 shall be prorated on an equal percentage basis. ~~This reimbursement~~
5 ~~shall not be made after 2014-2015.~~ **BEGINNING IN 2015-2016, THE**
6 **AMOUNT OF REIMBURSEMENT UNDER THIS SUBDIVISION FOR A FISCAL YEAR**
7 **SHALL NOT EXCEED \$2,000,000.00 FOR ANY DISTRICT OR INTERMEDIATE**
8 **DISTRICT.**

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

21 (e) Beginning with calculations for 2004-2005, if an
22 intermediate district purchases a special education pupil
23 transportation service from a constituent district that was
24 previously purchased from a private entity; if the purchase from
25 the constituent district is at a lower cost, adjusted for changes
26 in fuel costs; and if the cost shift from the intermediate district
27 to the constituent does not result in any net change in the revenue

1 the constituent district receives from payments under sections 22b
2 and 51c, then upon application by the intermediate district, the
3 department shall direct the intermediate district to continue to
4 report the cost associated with the specific identified special
5 education pupil transportation service and shall adjust the costs
6 reported by the constituent district to remove the cost associated
7 with that specific service.

8 (8) A pupil who is enrolled in a full-time special education
9 program conducted or administered by an intermediate district or a
10 pupil who is enrolled in the Michigan schools for the deaf and
11 blind shall not be included in the membership count of a district,
12 but shall be counted in membership in the intermediate district of
13 residence.

14 (9) Special education personnel transferred from 1 district to
15 another to implement the revised school code shall be entitled to
16 the rights, benefits, and tenure to which the person would
17 otherwise be entitled had that person been employed by the
18 receiving district originally.

19 (10) If a district or intermediate district uses money
20 received under this section for a purpose other than the purpose or
21 purposes for which the money is allocated, the department may
22 require the district or intermediate district to refund the amount
23 of money received. Money that is refunded shall be deposited in the
24 state treasury to the credit of the state school aid fund.

25 (11) From the funds allocated in subsection (1), there is
26 allocated the amount necessary, estimated at ~~\$4,000,000.00~~
27 **\$3,400,000.00** for 2014-2015 **AND ESTIMATED AT \$3,300,000.00 FOR**

1 2015-2016, to pay the foundation allowances for pupils described in
2 this subsection. The allocation to a district under this subsection
3 shall be calculated by multiplying the number of pupils described
4 in this subsection who are counted in membership in the district
5 times the foundation allowance under section 20 of the pupil's
6 district of residence, not to exceed the basic foundation allowance
7 under section 20 for the current fiscal year, or, for a pupil
8 described in this subsection who is counted in membership in a
9 district that is a public school academy, times an amount equal to
10 the amount per membership pupil under section 20(6) or, for a pupil
11 described in this subsection who is counted in membership in the
12 education achievement system, times an amount equal to the amount
13 per membership pupil under section 20(7). The allocation to an
14 intermediate district under this subsection shall be calculated in
15 the same manner as for a district, using the foundation allowance
16 under section 20 of the pupil's district of residence, not to
17 exceed the basic foundation allowance under section 20 for the
18 current fiscal year. This subsection applies to all of the
19 following pupils:

20 (a) Pupils described in section 53a.

21 (b) Pupils counted in membership in an intermediate district
22 who are not special education pupils and are served by the
23 intermediate district in a juvenile detention or child caring
24 facility.

25 (c) Pupils with an emotional impairment counted in membership
26 by an intermediate district and provided educational services by
27 the department of ~~community~~ health **AND HUMAN SERVICES**.

1 (12) If it is determined that funds allocated under subsection
2 (2) or (11) or under section 51c will not be expended, funds up to
3 the amount necessary and available may be used to supplement the
4 allocations under subsection (2) or (11) or under section 51c in
5 order to fully fund those allocations. After payments under
6 subsections (2) and (11) and section 51c, the remaining
7 expenditures from the allocation in subsection (1) shall be made in
8 the following order:

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

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

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

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

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

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

18 (14) If a public school academy enrolls pursuant to this
19 section a pupil who resides outside of the intermediate district in
20 which the public school academy is located and who is eligible for
21 special education programs and services according to statute or
22 rule, or who is a child with disabilities, as defined under the
23 individuals with disabilities education act, Public Law 108-446,
24 the provision of special education programs and services and the
25 payment of the added costs of special education programs and
26 services for the pupil are the responsibility of the district and
27 intermediate district in which the pupil resides unless the

1 enrolling district or intermediate district has a written agreement
2 with the district or intermediate district in which the pupil
3 resides or the public school academy for the purpose of providing
4 the pupil with a free appropriate public education and the written
5 agreement includes at least an agreement on the responsibility for
6 the payment of the added costs of special education programs and
7 services for the pupil.

8 (15) IT IS THE INTENT OF THE LEGISLATURE THAT, BEGINNING IN
9 2016-2017, A DISTRICT, PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE
10 DISTRICT THAT FAILS TO COMPLY WITH SUBSECTION (14) OR WITH THE
11 REQUIREMENTS OF FEDERAL REGULATIONS REGARDING THE TREATMENT OF
12 PUBLIC SCHOOL ACADEMIES AND PUBLIC SCHOOL ACADEMY PUPILS FOR THE
13 PURPOSES OF SPECIAL EDUCATION, 34 CFR 300.209, FORFEITS FROM ITS
14 TOTAL STATE AID AN AMOUNT EQUAL TO 10% OF ITS TOTAL STATE AID.

15 Sec. 51c. As required by the court in the consolidated cases
16 known as Durant v State of Michigan, Michigan supreme court docket
17 no. 104458-104492, from the allocation under section 51a(1), there
18 is allocated **EACH FISCAL YEAR** for 2014-2015 **AND FOR 2015-2016** the
19 amount necessary, estimated at ~~\$606,000,000.00~~, **\$597,300,000.00 FOR**
20 **2014-2015 AND ESTIMATED AT \$610,000,000.00 FOR 2015-2016**, for
21 payments to reimburse districts for 28.6138% of total approved
22 costs of special education excluding costs reimbursed under section
23 53a, and 70.4165% of total approved costs of special education
24 transportation. Funds allocated under this section that are not
25 expended in the state fiscal year for which they were allocated, as
26 determined by the department, may be used to supplement the
27 allocations under sections 22a and 22b in order to fully fund those

1 calculated allocations for the same fiscal year.

2 Sec. 51d. (1) From the federal funds appropriated in section
3 11, there is allocated for ~~2014-2015,~~ **2015-2016**, all available
4 federal funding, estimated at ~~\$74,000,000.00,~~ **\$71,000,000.00**, for
5 special education programs and services that are funded by federal
6 grants. All federal funds allocated under this section shall be
7 distributed in accordance with federal law. Notwithstanding section
8 17b, payments of federal funds to districts, intermediate
9 districts, and other eligible entities under this section shall be
10 paid on a schedule determined by the department.

11 (2) From the federal funds allocated under subsection (1), the
12 following amounts are allocated for ~~2014-2015:~~ **2015-2016:**

13 (a) An amount estimated at ~~\$15,000,000.00~~ **\$14,000,000.00** for
14 handicapped infants and toddlers, funded from DED-OSERS,
15 handicapped infants and toddlers funds.

16 (b) An amount estimated at ~~\$14,000,000.00~~ **\$12,000,000.00** for
17 preschool grants (Public Law 94-142), funded from DED-OSERS,
18 handicapped preschool incentive funds.

19 (c) An amount estimated at \$45,000,000.00 for special
20 education programs funded by DED-OSERS, handicapped program,
21 individuals with disabilities act funds.

22 (3) As used in this section, "DED-OSERS" means the United
23 States ~~department of education office of special education and~~
24 ~~rehabilitative services.~~ **DEPARTMENT OF EDUCATION OFFICE OF SPECIAL**
25 **EDUCATION AND REHABILITATIVE SERVICES.**

26 Sec. 53a. (1) For districts, reimbursement for pupils
27 described in subsection (2) shall be 100% of the total approved

1 costs of operating special education programs and services approved
2 by the department and included in the intermediate district plan
3 adopted pursuant to article 3 of the revised school code, MCL
4 380.1701 to 380.1766, minus the district's foundation allowance
5 calculated under section 20. For intermediate districts,
6 reimbursement for pupils described in subsection (2) shall be
7 calculated in the same manner as for a district, using the
8 foundation allowance under section 20 of the pupil's district of
9 residence, not to exceed the basic foundation allowance under
10 section 20 for the current fiscal year.

11 (2) Reimbursement under subsection (1) is for the following
12 special education pupils:

13 (a) Pupils assigned to a district or intermediate district
14 through the community placement program of the courts or a state
15 agency, if the pupil was a resident of another intermediate
16 district at the time the pupil came under the jurisdiction of the
17 court or a state agency.

18 (b) Pupils who are residents of institutions operated by the
19 department of ~~community~~ health **AND HUMAN SERVICES**.

20 (c) Pupils who are former residents of department of community
21 health institutions for the developmentally disabled who are placed
22 in community settings other than the pupil's home.

23 (d) Pupils enrolled in a department-approved on-grounds
24 educational program longer than 180 days, but not longer than 233
25 days, at a residential child care institution, if the child care
26 institution offered in 1991-92 an on-grounds educational program
27 longer than 180 days but not longer than 233 days.

1 (e) Pupils placed in a district by a parent for the purpose of
2 seeking a suitable home, if the parent does not reside in the same
3 intermediate district as the district in which the pupil is placed.

4 (3) Only those costs that are clearly and directly
5 attributable to educational programs for pupils described in
6 subsection (2), and that would not have been incurred if the pupils
7 were not being educated in a district or intermediate district, are
8 reimbursable under this section.

9 (4) The costs of transportation shall be funded under this
10 section and shall not be reimbursed under section 58.

11 (5) Not more than \$10,500,000.00 of the allocation for ~~2014-~~
12 ~~2015-~~2015-2016 in section 51a(1) shall be allocated under this
13 section.

14 Sec. 54. Each intermediate district shall receive an amount
15 per-pupil for each pupil in attendance at the Michigan schools for
16 the deaf and blind. The amount shall be proportionate to the total
17 instructional cost at each school. Not more than \$1,688,000.00 of
18 the allocation for ~~2014-2015-~~2015-2016 in section 51a(1) shall be
19 allocated under this section.

20 **SEC. 55. (1) FROM THE MONEY APPROPRIATED IN SECTION 11, THERE**
21 **IS ALLOCATED AN AMOUNT NOT TO EXCEED \$150,000.00 FOR 2015-2016 TO**
22 **MICHIGAN STATE UNIVERSITY, DEPARTMENT OF EPIDEMIOLOGY, FOR A STUDY**
23 **OF THE CONDUCTIVE LEARNING CENTER LOCATED AT AQUINAS COLLEGE. THIS**
24 **FUNDING SHALL BE USED TO DEVELOP AND IMPLEMENT AN EVALUATION OF THE**
25 **EFFECTIVENESS OF CONDUCTIVE EDUCATION FOR CHILDREN WITH CEREBRAL**
26 **PALSY. THE EVALUATION SHALL BE MULTIDIMENSIONAL AND SHALL INCLUDE A**
27 **CONTROL GROUP OF CHILDREN WITH CEREBRAL PALSY NOT ENROLLED IN**

1 CONDUCTIVE EDUCATION. IT SHOULD INCLUDE AN ASSESSMENT OF THE MOTOR
2 SYSTEM ITSELF AS WELL AS THE IMPACT OF CONDUCTIVE EDUCATION ON EACH
3 OF THE FOLLOWING:

4 (A) THE ACQUISITION OF SKILLS PERMITTING COMPLEX MOTOR
5 FUNCTIONS.

6 (B) THE PERFORMANCE OF TASKS ESSENTIAL TO DAILY LIVING.

7 (C) THE ATTITUDES AND FEELINGS OF BOTH CHILDREN AND PARENTS.

8 (D) THE LONG-TERM NEED FOR SPECIAL EDUCATION FOR CHILDREN WITH
9 CEREBRAL PALSY.

10 (2) IT IS THE INTENT OF THE LEGISLATURE THAT THIS FUNDING IS
11 FOR THE FIRST OF 2 YEARS OF FUNDING FOR THIS PURPOSE.

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

13 (a) "Membership" means for a particular fiscal year the total
14 membership for the immediately preceding fiscal year of the
15 intermediate district and the districts constituent to the
16 intermediate district.

17 (b) "Millage levied" means the millage levied for special
18 education pursuant to part 30 of the revised school code, MCL
19 380.1711 to 380.1743, including a levy for debt service
20 obligations.

21 (c) "Taxable value" means the total taxable value of the
22 districts constituent to an intermediate district, except that if a
23 district has elected not to come under part 30 of the revised
24 school code, MCL 380.1711 to 380.1743, membership and taxable value
25 of the district shall not be included in the membership and taxable
26 value of the intermediate district.

27 (2) From the allocation under section 51a(1), there is

1 allocated an amount not to exceed \$37,758,100.00 for ~~2014-2015~~
2 **2015-2016** to reimburse intermediate districts levying millages for
3 special education pursuant to part 30 of the revised school code,
4 MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the
5 reimbursement shall be limited as if the funds were generated by
6 these millages and governed by the intermediate district plan
7 adopted pursuant to article 3 of the revised school code, MCL
8 380.1701 to 380.1766. As a condition of receiving funds under this
9 section, an intermediate district distributing any portion of
10 special education millage funds to its constituent districts shall
11 submit for departmental approval and implement a distribution plan.

12 (3) Reimbursement for those millages levied in ~~2013-2014-2014-~~
13 **2015** shall be made in ~~2014-2015-2015-2016~~ at an amount per ~~2013-~~
14 ~~2014-2014-2015~~ membership pupil computed by subtracting from
15 ~~\$172,200.00~~ **\$174,400.00** the ~~2013-2014-2014-2015~~ taxable value
16 behind each membership pupil and multiplying the resulting
17 difference by the ~~2013-2014-2014-2015~~ millage levied.

18 (4) The amount paid to a single intermediate district under
19 this section shall not exceed 62.9% of the total amount allocated
20 under subsection (2).

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

25 Sec. 61a. (1) From the appropriation in section 11, there is
26 allocated an amount not to exceed ~~\$26,611,300.00~~ **\$36,611,300.00** for
27 ~~2014-2015-2015-2016~~ to reimburse on an added cost basis districts,

1 except for a district that served as the fiscal agent for a
2 vocational education consortium in the 1993-94 school year, and
3 secondary area vocational-technical education centers for
4 secondary-level career and technical education programs according
5 to rules approved by the superintendent. Applications for
6 participation in the programs shall be submitted in the form
7 prescribed by the department. The department shall determine the
8 added cost for each career and technical education program area.
9 The allocation of added cost funds shall be **PRIORITIZED** based on
10 the ~~type of~~ **CAPITAL AND PROGRAM EXPENDITURES NEEDED TO OPERATE THE**
11 **career and technical education programs provided; ,—the number of**
12 **pupils enrolled; ,—THE ADVANCEMENT OF PUPILS THROUGH THE**
13 **INSTRUCTIONAL PROGRAM; THE EXISTENCE OF AN ARTICULATION AGREEMENT**
14 **WITH AT LEAST 1 POSTSECONDARY INSTITUTION THAT PROVIDES PUPILS WITH**
15 **OPPORTUNITIES TO EARN POSTSECONDARY CREDIT DURING THE PUPIL'S**
16 **PARTICIPATION IN THE CAREER AND TECHNICAL EDUCATION PROGRAM AND**
17 **TRANSFERS THOSE CREDITS TO THE POSTSECONDARY INSTITUTION UPON**
18 **COMPLETION OF THE CAREER AND TECHNICAL EDUCATION PROGRAM; THE**
19 **PROGRAM RANK IN STUDENT PLACEMENT, JOB OPENINGS, AND WAGES; and the**
20 **length of the training period provided, and shall not exceed 75% of**
21 **the added cost of any program. NOTWITHSTANDING ANY RULE OR**
22 **DEPARTMENT DETERMINATION TO THE CONTRARY, WHEN DETERMINING A**
23 **DISTRICT'S ALLOCATION OR THE FORMULA FOR MAKING ALLOCATIONS UNDER**
24 **THIS SECTION, THE DEPARTMENT SHALL INCLUDE THE PARTICIPATION OF**
25 **PUPILS IN GRADE 9 IN ALL OF THOSE DETERMINATIONS AND IN ALL**
26 **PORTIONS OF THE FORMULA.** With the approval of the department, the
27 board of a district maintaining a secondary career and technical

1 education program may offer the program for the period from the
2 close of the school year until September 1. The program shall use
3 existing facilities and shall be operated as prescribed by rules
4 promulgated by the superintendent.

5 (2) Except for a district that served as the fiscal agent for
6 a vocational education consortium in the 1993-94 school year,
7 districts and intermediate districts shall be reimbursed for local
8 career and technical education administration, shared time career
9 and technical education administration, and career education
10 planning district career and technical education administration.
11 The definition of what constitutes administration and reimbursement
12 shall be pursuant to guidelines adopted by the superintendent. Not
13 more than \$800,000.00 of the allocation in subsection (1) shall be
14 distributed under this subsection.

15 ~~—— (3) In addition to the funds allocated in subsection (1), from~~
16 ~~the appropriation in section 11, there is allocated an amount not~~
17 ~~to exceed \$1,000,000.00 for 2014-2015 to districts or intermediate~~
18 ~~districts for area career and technical education centers for the~~
19 ~~purpose of integrating the Michigan merit curriculum content~~
20 ~~standards under sections 1278a and 1278b of the revised school~~
21 ~~code, MCL 380.1278a and 380.1278b, into state approved career and~~
22 ~~technical education instructional programs for the purpose of~~
23 ~~awarding academic credit. The department shall determine the~~
24 ~~allocation to each career and technical education center in a~~
25 ~~manner that provides for maximum integration of Michigan merit~~
26 ~~curriculum content standards statewide.~~

27 (3) A CAREER AND TECHNICAL EDUCATION PROGRAM FUNDED UNDER THIS

1 SECTION MAY PROVIDE AN OPPORTUNITY FOR PARTICIPANTS WHO ARE
2 ELIGIBLE TO BE FUNDED UNDER SECTION 107 TO ENROLL IN THE CAREER AND
3 TECHNICAL EDUCATION PROGRAM FUNDED UNDER THIS SECTION IF THE
4 PARTICIPATION DOES NOT OCCUR DURING REGULAR SCHOOL HOURS.

5 SEC. 61B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
6 ALLOCATED AN AMOUNT NOT TO EXCEED \$10,000,000.00 FOR 2015-2016 FOR
7 CTE EARLY/MIDDLE COLLEGE PROGRAMS AUTHORIZED UNDER THIS SECTION.
8 THE PURPOSE OF THESE PROGRAMS IS TO INCREASE THE NUMBER OF MICHIGAN
9 RESIDENTS WITH HIGH-QUALITY DEGREES OR CREDENTIALS, AND TO INCREASE
10 THE NUMBER OF STUDENTS WHO ARE COLLEGE AND CAREER READY UPON HIGH
11 SCHOOL GRADUATION.

12 (2) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), AN AMOUNT
13 AS DETERMINED UNDER THIS SUBSECTION SHALL BE ALLOCATED TO EACH
14 INTERMEDIATE DISTRICT SERVING AS A FISCAL AGENT FOR STATE-APPROVED
15 CTE EARLY/MIDDLE COLLEGE PROGRAMS IN EACH OF THE PROSPERITY REGIONS
16 AND SUBREGIONS IDENTIFIED BY THE DEPARTMENT. AN INTERMEDIATE
17 DISTRICT SHALL NOT USE MORE THAN 5% OF THE FUNDS ALLOCATED UNDER
18 THIS SUBSECTION FOR ADMINISTRATIVE COSTS FOR SERVING AS THE FISCAL
19 AGENT.

20 (3) TO BE AN ELIGIBLE FISCAL AGENT, AN INTERMEDIATE DISTRICT
21 MUST AGREE TO DO ALL OF THE FOLLOWING IN A FORM AND MANNER
22 DETERMINED BY THE DEPARTMENT:

23 (A) DISTRIBUTE FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE
24 PROGRAMS IN A PROSPERITY REGION OR SUBREGION AS DESCRIBED IN THIS
25 SECTION.

26 (B) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT
27 IS LOCATED IN THE PROSPERITY REGION OR SUBREGION TO DEVELOP A

1 REGIONAL STRATEGIC PLAN UNDER SUBSECTION (4) THAT ALIGNS CTE
2 PROGRAMS AND SERVICES INTO AN EFFICIENT AND EFFECTIVE DELIVERY
3 SYSTEM FOR HIGH SCHOOL STUDENTS.

4 (C) IMPLEMENT A REGIONAL PROCESS TO RANK CAREER CLUSTERS IN
5 THE PROSPERITY REGION OR SUBREGION AS DESCRIBED UNDER SUBSECTION
6 (4). REGIONAL PROCESSES SHALL BE APPROVED BY THE DEPARTMENT BEFORE
7 THE RANKING OF CAREER CLUSTERS.

8 (D) REPORT CTE EARLY/MIDDLE COLLEGE PROGRAM AND STUDENT DATA
9 AND INFORMATION AS PRESCRIBED BY THE DEPARTMENT.

10 (4) A REGIONAL STRATEGIC PLAN MUST BE APPROVED BY THE TALENT
11 DISTRICT CAREER COUNCIL BEFORE SUBMISSION TO THE DEPARTMENT. A
12 REGIONAL STRATEGIC PLAN SHALL INCLUDE, BUT NOT BE LIMITED TO, THE
13 FOLLOWING:

14 (A) AN IDENTIFICATION OF REGIONAL EMPLOYER NEED BASED ON A
15 RANKING OF ALL CAREER CLUSTERS IN THE PROSPERITY REGION OR
16 SUBREGION RANKED BY 10-YEAR JOB OPENINGS PROJECTIONS AND MEDIAN
17 WAGE FOR EACH STANDARD OCCUPATIONAL CODE IN EACH CAREER CLUSTER AS
18 OBTAINED FROM THE UNITED STATES BUREAU OF LABOR STATISTICS.
19 STANDARD OCCUPATIONAL CODES WITHIN HIGH-RANKING CLUSTERS ALSO MAY
20 BE FURTHER RANKED BY MEDIAN WAGE. THE RANKINGS SHALL BE REVIEWED BY
21 THE TALENT DISTRICT CAREER COUNCIL LOCATED IN THE PROSPERITY REGION
22 OR SUBREGION AND MODIFIED IF NECESSARY TO ACCURATELY REFLECT
23 EMPLOYER DEMAND FOR TALENT IN THE PROSPERITY REGION OR SUBREGION.
24 THESE CAREER CLUSTER RANKINGS SHALL BE DETERMINED AND UPDATED ONCE
25 EVERY 3 YEARS.

26 (B) AN IDENTIFICATION OF EDUCATIONAL ENTITIES IN THE
27 PROSPERITY REGION OR SUBREGION THAT WILL PROVIDE ELIGIBLE CTE

1 EARLY/MIDDLE COLLEGE PROGRAMS INCLUDING DISTRICTS, INTERMEDIATE
2 DISTRICTS, POSTSECONDARY INSTITUTIONS, AND NONCREDIT OCCUPATIONAL
3 TRAINING PROGRAMS LEADING TO AN INDUSTRY-RECOGNIZED CREDENTIAL.

4 (C) A STRATEGY TO INFORM PARENTS AND STUDENTS OF CTE
5 EARLY/MIDDLE COLLEGE PROGRAMS IN THE PROSPERITY REGION OR
6 SUBREGION.

7 (D) ANY OTHER REQUIREMENTS AS DEFINED BY THE DEPARTMENT.

8 (5) AN ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAM IS A 5-YEAR
9 HIGH SCHOOL PROGRAM THAT MEETS ALL OF THE FOLLOWING:

10 (A) HAS BEEN IDENTIFIED IN THE HIGHEST 5 CAREER CLUSTER
11 RANKINGS IN ANY OF THE 10 REGIONAL STRATEGIC PLANS JOINTLY APPROVED
12 BY THE MICHIGAN TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF
13 TALENT AND ECONOMIC DEVELOPMENT AND THE DEPARTMENT.

14 (B) HAS A COHERENT SEQUENCE OF COURSES THAT WILL ALLOW A
15 STUDENT TO EARN A HIGH SCHOOL DIPLOMA AND ACHIEVE AT LEAST 1 OF THE
16 FOLLOWING IN A SPECIFIC CAREER CLUSTER:

17 (i) AN ASSOCIATE DEGREE.

18 (ii) AN INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATION APPROVED
19 BY THE MICHIGAN TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF
20 TALENT AND ECONOMIC DEVELOPMENT.

21 (iii) UP TO 60 TRANSFERABLE COLLEGE CREDITS.

22 (iv) PARTICIPATION IN A REGISTERED APPRENTICESHIP.

23 (C) IS ALIGNED WITH THE MICHIGAN MERIT CURRICULUM.

24 (D) HAS AN ARTICULATION AGREEMENT WITH AT LEAST 1
25 POSTSECONDARY INSTITUTION THAT PROVIDES STUDENTS WITH OPPORTUNITIES
26 TO RECEIVE POSTSECONDARY CREDITS DURING THE STUDENT'S PARTICIPATION
27 IN THE CTE EARLY/MIDDLE COLLEGE PROGRAM AND TRANSFERS THOSE CREDITS

1 TO THE POSTSECONDARY INSTITUTION UPON COMPLETION OF THE CTE
2 EARLY/MIDDLE COLLEGE PROGRAM.

3 (E) PROVIDES INSTRUCTION THAT IS SUPERVISED, DIRECTED, OR
4 COORDINATED BY AN APPROPRIATELY CERTIFICATED CTE TEACHER OR, FOR
5 CONCURRENT ENROLLMENT COURSES, A POSTSECONDARY FACULTY MEMBER.

6 (F) PROVIDES FOR HIGHLY INTEGRATED STUDENT SUPPORT SERVICES
7 THAT INCLUDE AT LEAST THE FOLLOWING:

8 (i) TEACHERS AS ACADEMIC ADVISORS.

9 (ii) SUPERVISED COURSE SELECTION.

10 (iii) MONITORING OF STUDENT PROGRESS AND COMPLETION.

11 (iv) CAREER PLANNING SERVICES PROVIDED BY A LOCAL ONE-STOP
12 SERVICE CENTER AS DESCRIBED IN THE MICHIGAN WORKS ONE-STOP SERVICE
13 CENTER SYSTEM ACT, 2006 PA 491, MCL 408.111 TO 408.135, OR BY A
14 HIGH SCHOOL COUNSELOR OR ADVISOR.

15 (G) HAS COURSES THAT ARE TAUGHT ON A COLLEGE CAMPUS, ARE
16 COLLEGE COURSES OFFERED AT THE HIGH SCHOOL AND TAUGHT BY COLLEGE
17 FACULTY, OR ARE COURSES TAUGHT IN COMBINATION WITH ONLINE
18 INSTRUCTION.

19 (6) FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAMS SHALL
20 BE DISTRIBUTED AS FOLLOWS:

21 (A) THE DEPARTMENT SHALL CALCULATE STATEWIDE AVERAGE CTE COSTS
22 PER FULL-TIME EQUATED PUPIL FOR EACH CAREER CLUSTER BY DIVIDING
23 TOTAL PRIOR YEAR STATEWIDE COSTS FOR EACH CAREER CLUSTER BY PRIOR
24 YEAR FULL-TIME EQUATED PUPILS FOR EACH CAREER CLUSTER.

25 (B) DISTRIBUTION TO EACH ELIGIBLE CTE EARLY/MIDDLE COLLEGE
26 PROGRAM SHALL BE THE PRODUCT OF 50% OF CTE COSTS PER FULL-TIME
27 EQUATED PUPIL TIMES THE CURRENT YEAR FULL-TIME EQUATED PUPIL

1 ENROLLMENT OF EACH CAREER CLUSTER IN AN ELIGIBLE CTE EARLY/MIDDLE
2 COLLEGE PROGRAM.

3 (7) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A CTE
4 EARLY/MIDDLE COLLEGE PROGRAM SHALL FURNISH TO THE INTERMEDIATE
5 DISTRICT THAT IS THE FISCAL AGENT IDENTIFIED IN SUBSECTION (1), IN
6 A FORM AND MANNER DETERMINED BY THE DEPARTMENT, ALL INFORMATION
7 NEEDED TO ADMINISTER THIS PROGRAM AND MEET FEDERAL REPORTING
8 REQUIREMENTS; SHALL ALLOW THE DEPARTMENT OR THE DEPARTMENT'S
9 DESIGNEE TO REVIEW ALL RECORDS RELATED TO THE PROGRAM FOR WHICH IT
10 RECEIVES FUNDS; AND SHALL REIMBURSE THE STATE FOR ALL DISALLOWANCES
11 FOUND IN THE REVIEW, AS DETERMINED BY THE DEPARTMENT.

12 (8) FUNDS DISTRIBUTED UNDER THIS SECTION MAY BE USED TO FUND
13 PROGRAM EXPENDITURES THAT WOULD OTHERWISE BE PAID FROM FOUNDATION
14 ALLOWANCES. A PROGRAM PROVIDER SHALL NOT USE MORE THAN 5% OF THE
15 FUNDS ALLOCATED UNDER THIS SECTION TO THE PROGRAM FOR
16 ADMINISTRATIVE COSTS.

17 (9) IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO
18 FULLY FUND PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION, THE
19 DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SECTION ON AN EQUAL
20 PERCENTAGE BASIS.

21 (10) IF PUPILS ENROLLED IN A CAREER CLUSTER IN AN ELIGIBLE CTE
22 EARLY/MIDDLE COLLEGE PROGRAM QUALIFY TO BE REIMBURSED UNDER THIS
23 SECTION, THOSE PUPILS CONTINUE TO QUALIFY FOR REIMBURSEMENT UNTIL
24 GRADUATION, EVEN IF THE CAREER CLUSTER IS NO LONGER IDENTIFIED AS
25 BEING IN THE HIGHEST 5 CAREER CLUSTER RANKINGS.

26 (11) AS USED IN THIS SECTION:

27 (A) "ALLOWABLE COSTS" MEANS THOSE COSTS DIRECTLY ATTRIBUTABLE

1 TO THE PROGRAM AS JOINTLY DETERMINED BY THE MICHIGAN TALENT
2 INVESTMENT AGENCY AND THE DEPARTMENT.

3 (B) "CTE" MEANS CAREER AND TECHNICAL EDUCATION.

4 (C) "TALENT DISTRICT CAREER COUNCIL" MEANS AN ADVISORY COUNCIL
5 TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY
6 REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR, AND PARENT
7 REPRESENTATIVES.

8 Sec. 62. (1) For the purposes of this section:

9 (a) "Membership" means for a particular fiscal year the total
10 membership for the immediately preceding fiscal year of the
11 intermediate district and the districts constituent to the
12 intermediate district or the total membership for the immediately
13 preceding fiscal year of the area vocational-technical program.

14 (b) "Millage levied" means the millage levied for area
15 vocational-technical education pursuant to sections 681 to 690 of
16 the revised school code, MCL 380.681 to 380.690, including a levy
17 for debt service obligations incurred as the result of borrowing
18 for capital outlay projects and in meeting capital projects fund
19 requirements of area vocational-technical education.

20 (c) "Taxable value" means the total taxable value of the
21 districts constituent to an intermediate district or area
22 vocational-technical education program, except that if a district
23 has elected not to come under sections 681 to 690 of the revised
24 school code, MCL 380.681 to 380.690, the membership and taxable
25 value of that district shall not be included in the membership and
26 taxable value of the intermediate district. However, the membership
27 and taxable value of a district that has elected not to come under

1 sections 681 to 690 of the revised school code, MCL 380.681 to
2 380.690, shall be included in the membership and taxable value of
3 the intermediate district if the district meets both of the
4 following:

5 (i) The district operates the area vocational-technical
6 education program pursuant to a contract with the intermediate
7 district.

8 (ii) The district contributes an annual amount to the
9 operation of the program that is commensurate with the revenue that
10 would have been raised for operation of the program if millage were
11 levied in the district for the program under sections 681 to 690 of
12 the revised school code, MCL 380.681 to 380.690.

13 (2) From the appropriation in section 11, there is allocated
14 an amount not to exceed \$9,190,000.00 for ~~2014-2015-2015-2016~~ to
15 reimburse intermediate districts and area vocational-technical
16 education programs established under section 690(3) of the revised
17 school code, MCL 380.690, levying millages for area vocational-
18 technical education pursuant to sections 681 to 690 of the revised
19 school code, MCL 380.681 to 380.690. The purpose, use, and
20 expenditure of the reimbursement shall be limited as if the funds
21 were generated by those millages.

22 (3) Reimbursement for the millages levied in ~~2013-2014-2014-~~
23 ~~2015~~ shall be made in ~~2014-2015-2015-2016~~ at an amount per ~~2013-~~
24 ~~2014-2014-2015~~ membership pupil computed by subtracting from
25 ~~\$188,100.00~~ **\$189,400.00** the ~~2013-2014-2014-2015~~ taxable value
26 behind each membership pupil and multiplying the resulting
27 difference by the ~~2013-2014-2014-2015~~ millage levied.

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

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

8 Sec. 64b. (1) From the appropriation in section 11, there is
9 allocated an amount not to exceed \$1,750,000.00 for ~~2014-2015-2015-~~
10 **2016** for supplemental payments to districts that support the
11 attendance of district pupils in grades 9 to 12 under the
12 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
13 388.524, or under the career and technical preparation act, 2000 PA
14 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that
15 support the attendance of district pupils in a concurrent
16 enrollment program if the district meets the requirements under
17 subsection (3). **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO**
18 **INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY**
19 **UPON HIGH SCHOOL GRADUATION.**

20 (2) To be eligible for payments under this section for
21 supporting the attendance of district pupils under the
22 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
23 388.524, or under the career and technical preparation act, 2000 PA
24 258, MCL 388.1901 to 388.1913, a district shall do all of the
25 following:

26 (a) Provide information to all high school pupils on
27 postsecondary enrollment options, including enrollment eligibility,

1 the institutions and types of courses that are eligible for
2 participation, the decision-making process for granting academic
3 credit, and an explanation of eligible charges that will be paid by
4 the district.

5 (b) Enter into a written agreement with a postsecondary
6 institution before the enrollment of district pupils.

7 (c) Agree to pay all eligible charges pursuant to section 21b.

8 (d) Award high school credit for the postsecondary course if
9 the pupil successfully completes the course.

10 (3) To be eligible for payments under this section for pupils
11 enrolled in a concurrent enrollment program, a district shall do
12 all of the following:

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

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

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

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

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

6 (f) Ensure that the pupil is awarded both high school and
7 college credit **AT ANY COMMUNITY COLLEGE OR STATE PUBLIC UNIVERSITY**
8 **IN THIS STATE** upon successful completion of the course as outlined
9 in the agreement with the postsecondary institution.

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

12 (a) A payment of \$10.00 per credit, for up to 3 credits, for a
13 credit-bearing course in which a pupil enrolls during the ~~2014-2015~~
14 **2015-2016** school year as described under either subsection (2) or
15 (3).

16 (b) An additional payment of \$30.00 per-pupil per course
17 identified in subdivision (a), if the pupil successfully completes,
18 and is awarded both high school and postsecondary credit for, the
19 course during the ~~2014-2015-2015-2016~~ school year.

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

25 **SEC. 65. (1) FROM THE GENERAL FUND MONEY APPROPRIATED UNDER**
26 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$340,000.00**
27 **FOR 2015-2016 FOR A PRE-COLLEGE ENGINEERING K-12 EDUCATIONAL**

1 PROGRAM THAT IS FOCUSED ON THE DEVELOPMENT OF A DIVERSE FUTURE
2 MICHIGAN WORKFORCE, THAT SERVES MULTIPLE COMMUNITIES WITHIN
3 SOUTHEAST MICHIGAN, THAT ENROLLS PUPILS FROM MULTIPLE DISTRICTS,
4 AND THAT RECEIVED FUNDS APPROPRIATED FOR THIS PURPOSE IN THE
5 APPROPRIATIONS ACT THAT PROVIDED THE MICHIGAN STRATEGIC FUND BUDGET
6 FOR 2014-2015.

7 (2) TO BE ELIGIBLE FOR FUNDING UNDER THIS SECTION, A PROGRAM
8 MUST HAVE THE ABILITY TO EXPOSE PUPILS TO, AND MOTIVATE AND PREPARE
9 PUPILS FOR, SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS
10 CAREERS AND POSTSECONDARY EDUCATION WITH SPECIAL ATTENTION GIVEN TO
11 GROUPS OF PUPILS WHO ARE AT-RISK AND UNDERREPRESENTED IN TECHNICAL
12 PROFESSIONS AND CAREERS.

13 SEC. 67. (1) FROM THE GENERAL FUND AMOUNT APPROPRIATED IN
14 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
15 \$3,600,000.00 FOR 2015-2016 FOR COLLEGE AND CAREER PREPARATION
16 ACTIVITIES. THE PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO
17 INFORM STUDENTS OF COLLEGE AND CAREER OPTIONS AND TO PROVIDE A WIDE
18 ARRAY OF TOOLS AND RESOURCES INTENDED TO INCREASE THE NUMBER OF
19 PUPILS WHO ARE ADEQUATELY PREPARED WITH THE INFORMATION NEEDED TO
20 MAKE INFORMED DECISIONS ON COLLEGE AND CAREER. THE FUNDS
21 APPROPRIATED UNDER THIS SECTION ARE INTENDED TO BE USED TO INCREASE
22 THE NUMBER OF MICHIGAN RESIDENTS WITH HIGH-QUALITY DEGREES OR
23 CREDENTIALS. FUNDS APPROPRIATED UNDER THIS SECTION SHALL NOT BE
24 USED TO SUPPLANT FUNDING FOR COUNSELORS ALREADY FUNDED BY
25 DISTRICTS.

26 (2) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT
27 TO EXCEED \$3,000,000.00 SHALL BE USED FOR THE COLLEGE ACCESS

1 PROGRAM. THE TALENT INVESTMENT AGENCY OF THE DEPARTMENT OF TALENT
2 AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE FUNDS IN
3 COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK. THESE FUNDS
4 MAY BE USED FOR ANY OF THE FOLLOWING PURPOSES:

5 (A) MICHIGAN COLLEGE ACCESS NETWORK OPERATIONS, PROGRAMMING,
6 AND SERVICES TO LOCAL COLLEGE ACCESS NETWORKS.

7 (B) LOCAL COLLEGE ACCESS NETWORKS, WHICH ARE COMMUNITY-BASED
8 COLLEGE ACCESS/SUCCESS PARTNERSHIPS COMMITTED TO INCREASING THE
9 COLLEGE PARTICIPATION AND COMPLETION RATES WITHIN GEOGRAPHICALLY
10 DEFINED COMMUNITIES THROUGH A COORDINATED STRATEGY.

11 (C) THE MICHIGAN COLLEGE ADVISING PROGRAM, A PROGRAM INTENDED
12 TO PLACE TRAINED, RECENTLY GRADUATED COLLEGE ADVISORS IN HIGH
13 SCHOOLS THAT SERVE SIGNIFICANT NUMBERS OF LOW-INCOME AND FIRST-
14 GENERATION COLLEGE-GOING PUPILS. STATE FUNDS USED FOR THIS PURPOSE
15 MAY NOT EXCEED 33% OF THE TOTAL FUNDS AVAILABLE UNDER THIS
16 SUBSECTION.

17 (D) SUBGRANTS OF UP TO \$5,000.00 TO DISTRICTS WITH
18 COMPREHENSIVE HIGH SCHOOLS THAT ESTABLISH A COLLEGE ACCESS TEAM AND
19 IMPLEMENT SPECIFIC STRATEGIES TO CREATE A COLLEGE-GOING CULTURE IN
20 A HIGH SCHOOL IN A FORM AND MANNER APPROVED BY THE MICHIGAN COLLEGE
21 ACCESS NETWORK AND THE MICHIGAN TALENT INVESTMENT AGENCY.

22 (E) THE MICHIGAN COLLEGE ACCESS PORTAL, AN ONLINE ONE-STOP
23 PORTAL TO HELP PUPILS AND FAMILIES PLAN AND APPLY FOR COLLEGE.

24 (F) PUBLIC AWARENESS AND OUTREACH CAMPAIGNS TO ENCOURAGE LOW-
25 INCOME AND FIRST-GENERATION COLLEGE-GOING PUPILS TO TAKE NECESSARY
26 STEPS TOWARD COLLEGE AND TO ASSIST PUPILS AND FAMILIES IN
27 COMPLETING A TIMELY AND ACCURATE FREE APPLICATION FOR FEDERAL

1 STUDENT AID.

2 (G) SUBGRANTS TO POSTSECONDARY INSTITUTIONS TO RECRUIT, HIRE,
3 AND TRAIN COLLEGE STUDENT MENTORS AND COLLEGE ADVISORS TO ASSIST
4 HIGH SCHOOL PUPILS IN NAVIGATING THE POSTSECONDARY PLANNING AND
5 ENROLLMENT PROCESS.

6 (3) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT
7 TO EXCEED \$600,000.00 SHALL BE USED FOR THE PURPOSES OF THIS
8 SUBSECTION. THE TALENT INVESTMENT AGENCY OF THE DEPARTMENT OF
9 TALENT AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE FUNDS IN
10 COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK AND THE
11 MICHIGAN VIRTUAL UNIVERSITY TO PROVIDE ALL OF THE FOLLOWING:

12 (A) A PILOT OUTREACH PROGRAM TO PROVIDE INFORMATION TO PUPILS,
13 PARENTS, AND EDUCATORS ON DUAL ENROLLMENT AND OTHER OPPORTUNITIES
14 AVAILABLE TO HIGH SCHOOL PUPILS TO EARN POSTSECONDARY CREDITS,
15 INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATIONS, AND PARTICIPATION IN
16 REGISTERED APPRENTICESHIPS AT NO COST.

17 (B) AN ONLINE CAREER PLANNING TOOL THAT MEETS ALL OF THE
18 FOLLOWING:

19 (i) HELPS PUPILS CREATE EDUCATIONAL DEVELOPMENT PLANS BEFORE
20 STARTING HIGH SCHOOL.

21 (ii) PROVIDES INFORMATION TO PUPILS ALLOWING THEM TO MAKE MORE
22 INFORMED CHOICES ABOUT CAREER AND EDUCATION OPTIONS.

23 (iii) IS AVAILABLE TO PUPILS AT NO COST.

24 (4) FOR THE PURPOSES OF THIS SECTION, "COLLEGE" MEANS ANY
25 POSTSECONDARY EDUCATIONAL OPPORTUNITY THAT LEADS TO A CAREER,
26 INCLUDING, BUT NOT LIMITED TO, A POSTSECONDARY DEGREE, INDUSTRY-
27 RECOGNIZED TECHNICAL CERTIFICATION, OR REGISTERED APPRENTICESHIP.

1 Sec. 74. (1) From the amount appropriated in section 11, there
2 is allocated an amount not to exceed ~~\$3,316,500.00 for 2014-2015~~
3 **\$3,315,700.00 FOR 2015-2016** for the purposes of this section.

4 (2) From the allocation in subsection (1), there is allocated
5 for each fiscal year the amount necessary for payments to state
6 supported colleges or universities and intermediate districts
7 providing school bus driver safety instruction pursuant to section
8 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
9 payments shall be in an amount determined by the department not to
10 exceed the actual cost of instruction and driver compensation for
11 each public or nonpublic school bus driver attending a course of
12 instruction. For the purpose of computing compensation, the hourly
13 rate allowed each school bus driver shall not exceed the hourly
14 rate received for driving a school bus. Reimbursement compensating
15 the driver during the course of instruction shall be made by the
16 department to the college or university or intermediate district
17 providing the course of instruction.

18 (3) From the allocation in subsection (1), there is allocated
19 for ~~2014-2015-2015-2016~~ the amount necessary to pay the reasonable
20 costs of nonspecial education auxiliary services transportation
21 provided pursuant to section 1323 of the revised school code, MCL
22 380.1323. Districts funded under this subsection shall not receive
23 funding under any other section of this article for nonspecial
24 education auxiliary services transportation.

25 (4) From the funds allocated in subsection (1), there is
26 allocated an amount not to exceed ~~\$1,691,500.00 for 2014-2015~~
27 **\$1,690,700.00 FOR 2015-2016** for reimbursement to districts and

1 intermediate districts for costs associated with the inspection of
2 school buses and pupil transportation vehicles by the department of
3 state police as required under section 715a of the Michigan vehicle
4 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
5 transportation act, 1990 PA 187, MCL 257.1839. The department of
6 state police shall prepare a statement of costs attributable to
7 each district for which bus inspections are provided and submit it
8 to the department and to an intermediate district serving as
9 fiduciary in a time and manner determined jointly by the department
10 and the department of state police. Upon review and approval of the
11 statement of cost, the department shall forward to the designated
12 intermediate district serving as fiduciary the amount of the
13 reimbursement on behalf of each district and intermediate district
14 for costs detailed on the statement within 45 days after receipt of
15 the statement. The designated intermediate district shall make
16 payment in the amount specified on the statement to the department
17 of state police within 45 days after receipt of the statement. The
18 total reimbursement of costs under this subsection shall not exceed
19 the amount allocated under this subsection. Notwithstanding section
20 17b, payments to eligible entities under this subsection shall be
21 paid on a schedule prescribed by the department.

22 **SEC. 77. (1) IF A DISTRICT IS EDUCATING ALL OF THE HIGH SCHOOL**
23 **PUPILS WHO ARE COUNTED IN MEMBERSHIP IN ANOTHER DISTRICT PURSUANT**
24 **TO AN AGREEMENT BETWEEN THE 2 DISTRICTS AND IF THE EDUCATING**
25 **DISTRICT PROVIDES TRANSPORTATION FOR ITS OWN RESIDENT HIGH SCHOOL**
26 **PUPILS, THE EDUCATING DISTRICT SHALL USE STATE SCHOOL AID UNDER**
27 **THIS ARTICLE TO PROVIDE TRANSPORTATION TO AND FROM SCHOOL FOR**

1 NORMAL CURRICULAR ACTIVITIES FOR THOSE HIGH SCHOOL PUPILS WHO
2 RESIDE IN THE OTHER DISTRICT.

3 (2) SUBSECTION (1) DOES NOT REQUIRE THE EDUCATING DISTRICT TO
4 PROVIDE TRANSPORTATION FOR A NONRESIDENT PUPIL FOR ANY
5 EXTRACURRICULAR OR ATHLETIC ACTIVITY IN WHICH THE PUPIL
6 PARTICIPATES.

7 Sec. 81. (1) ~~Except as otherwise provided in this section,~~
8 ~~from~~ FROM the appropriation in section 11, there is allocated for
9 ~~2014-2015-2015-2016~~ to the intermediate districts the sum
10 necessary, but not to exceed ~~\$67,115,000.00~~ \$67,108,000.00 to
11 provide state aid to intermediate districts under this section.

12 (2) From the allocation in subsection (1), there is allocated
13 for ~~2014-2015-2015-2016~~ an amount not to exceed ~~\$65,108,000.00~~
14 \$67,108,000.00 for allocations to each intermediate district in an
15 amount equal to ~~104.8%~~ 103.1% of the amount allocated to the
16 intermediate district under this subsection for ~~2013-2014.~~ 2014-
17 2015. Funding provided under this section shall be used to comply
18 with requirements of this article and the revised school code that
19 are applicable to intermediate districts, and for which funding is
20 not provided elsewhere in this article, and to provide technical
21 assistance to districts as authorized by the intermediate school
22 board.

23 (3) Intermediate districts receiving funds under subsection
24 (2) shall collaborate with the department to develop expanded
25 professional development opportunities for teachers to update and
26 expand their knowledge and skills needed to support the Michigan
27 merit curriculum.

1 (4) From the allocation in subsection (1), there is allocated
2 to an intermediate district, formed by the consolidation or
3 annexation of 2 or more intermediate districts or the attachment of
4 a total intermediate district to another intermediate school
5 district or the annexation of all of the constituent K-12 districts
6 of a previously existing intermediate school district which has
7 disorganized, an additional allotment of \$3,500.00 each fiscal year
8 for each intermediate district included in the new intermediate
9 district for 3 years following consolidation, annexation, or
10 attachment. ~~From the allocation in subsection (1), there is~~
11 ~~allocated \$7,000.00 for purposes of this subsection for 2012-2013,~~
12 ~~for 2013-2014, and for 2014-2015, after which the payment under~~
13 ~~this subsection will cease.~~

14 (5) In order to receive funding under subsection (2), an
15 intermediate district shall do all of the following:

16 (a) Demonstrate to the satisfaction of the department that the
17 intermediate district employs at least 1 person who is trained in
18 pupil accounting and auditing procedures, rules, and regulations.

19 (b) Demonstrate to the satisfaction of the department that the
20 intermediate district employs at least 1 person who is trained in
21 rules, regulations, and district reporting procedures for the
22 individual-level student data that serves as the basis for the
23 calculation of the district and high school graduation and dropout
24 rates.

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

27 (d) Furnish data and other information required by state and

1 federal law to the center and the department in the form and manner
2 specified by the center or the department, as applicable.

3 (e) Comply with section 1230g of the revised school code, MCL
4 380.1230g.

5 (f) Comply with section 761 of the revised school code, MCL
6 380.761.

7 ~~—— (6) From the allocation in subsection (1), there is allocated
8 an amount not to exceed \$2,000,000.00 for 2014-2015 for an
9 incentive payment to each intermediate district that meets best
10 practices as determined by the department under this subsection.
11 The amount of the incentive payment is an amount equal to 3.1% of
12 the amount allocated to the intermediate district under subsection
13 (2). An intermediate district is eligible for an incentive payment
14 under this subsection if the intermediate district satisfies at
15 least 5 of the following requirements not later than June 1, 2015:~~

16 ~~—— (a) The intermediate district enters into an agreement with
17 the department to comply with all of the following:~~

18 ~~—— (i) If the intermediate district developed a service
19 consolidation plan in 2013-2014, implement the service
20 consolidation plan in 2014-2015 and report to the department not
21 later than February 1, 2015 on the intermediate district's progress
22 in implementing the service consolidation plan.~~

23 ~~—— (ii) If the intermediate district did not develop a service
24 consolidation plan in 2012-2013 or 2013-2014, develop a service
25 consolidation plan in 2014-2015 to reduce operating costs that is
26 in compliance with guidelines that were developed by the department
27 for former section 11d as that section was in effect for 2010-2011.~~

1 ~~—— (iii) Make the intermediate district's service consolidation~~
2 ~~plan publicly available on the intermediate district's website.~~

3 ~~—— (b) The intermediate district has obtained competitive bids on~~
4 ~~the provision of 1 or more noninstructional services for the~~
5 ~~intermediate district or its constituent districts with a value of~~
6 ~~at least \$50,000.00. The unfunded accrued liability costs for~~
7 ~~retirement and other benefits shall be excluded from the~~
8 ~~intermediate district's current costs for the purpose of comparing~~
9 ~~competitive bids to the current costs of providing services.~~

10 ~~—— (c) The intermediate district develops a technology plan in~~
11 ~~accordance with department policy on behalf of all constituent~~
12 ~~districts within the intermediate district that integrates~~
13 ~~technology into the classroom and prepares teachers to use digital~~
14 ~~technologies as part of the instructional program of each of its~~
15 ~~constituent districts. An intermediate district that developed a~~
16 ~~technology plan in 2012-2013 or 2013-2014 shall continue to~~
17 ~~implement that technology plan in 2014-2015.~~

18 ~~—— (d) The intermediate district provides to parents and~~
19 ~~community members a dashboard or report card demonstrating the~~
20 ~~intermediate district's efforts to manage its finances responsibly.~~
21 ~~The dashboard or report card shall include revenue and expenditure~~
22 ~~projections for the intermediate district for 2014-2015 and 2015-~~
23 ~~2016, a listing of all debt service obligations, detailed by~~
24 ~~project, including anticipated 2014-2015 payment for each project,~~
25 ~~a listing of total outstanding debt, and at least all of the~~
26 ~~following for the 3 most recent school years for which the data are~~
27 ~~available.~~

- 1 ~~—— (i) A list of services offered by the intermediate district~~
2 ~~that are shared by other local or intermediate districts and a list~~
3 ~~of the districts or intermediate districts that participate.~~
- 4 ~~—— (ii) The total cost savings to local or other intermediate~~
5 ~~districts that share services with the intermediate district.~~
- 6 ~~—— (iii) The number and percentage of teachers in the~~
7 ~~intermediate district service area that are trained to integrate~~
8 ~~technology into the classroom.~~
- 9 ~~—— (iv) The total funds received from levying special education~~
10 ~~and vocational education millages, and the number of special~~
11 ~~education and vocational education pupils served with those~~
12 ~~dollars.~~
- 13 ~~—— (v) The number and percentage of individualized education~~
14 ~~programs developed for special education pupils that contain~~
15 ~~academic goals.~~
- 16 ~~—— (c) The intermediate district works in a consortium with 1 or~~
17 ~~more other intermediate districts and the center to develop local~~
18 ~~information management system requirements and bid specifications~~
19 ~~that result in a recommended model information system that supports~~
20 ~~interoperability to ensure linkage and connectivity in a manner~~
21 ~~that facilitates the efficient exchange of data among districts,~~
22 ~~intermediate districts, and the center. At a minimum, these~~
23 ~~specifications shall include pupil management systems for both~~
24 ~~general and special education, learning management tools, and~~
25 ~~business services.~~
- 26 ~~—— (f) If an intermediate district provides medical, pharmacy,~~
27 ~~dental, vision, disability, long term care, or any other type of~~

1 ~~benefit that would constitute a health care services benefit, to~~
2 ~~employees and their dependents, the intermediate district is the~~
3 ~~policyholder for each of its insurance policies that covers 1 or~~
4 ~~more of these benefits. An intermediate district that does not~~
5 ~~directly employ its staff or an intermediate district with a~~
6 ~~voluntary employee beneficiary association that pays no more than~~
7 ~~the maximum per employee contribution amount and that contributes~~
8 ~~no more than the maximum employer contribution percentage of total~~
9 ~~annual costs for the medical benefit plans as described in sections~~
10 ~~3 and 4 of the publicly funded health insurance contribution act,~~
11 ~~2011 PA 152, MCL 15.563 and 15.564, is considered to have satisfied~~
12 ~~this requirement.~~

13 Sec. 94. (1) From the general fund appropriation in section
14 11, there is allocated to the department for ~~2014-2015-2015-2016~~ an
15 amount not to exceed \$250,000.00 for efforts to increase the number
16 of pupils who participate and succeed in advanced placement and
17 international baccalaureate programs.

18 (2) From the funds allocated under this section, the
19 department shall award funds to cover all or part of the costs of
20 advanced placement test fees or international baccalaureate test
21 fees for low-income pupils who take an advanced placement or an
22 international baccalaureate test. Payments shall not exceed \$20.00
23 per test completed.

24 (3) The department shall only award funds under this section
25 if the department determines that all of the following criteria are
26 met:

27 (a) Each pupil for whom payment is made meets eligibility

1 requirements of the federal advanced placement test fee program
2 under section 1701 of the no child left behind act of 2001, Public
3 Law 107-110.

4 (b) The tests are administered by the college board, the
5 international baccalaureate organization, or another test provider
6 approved by the department.

7 (c) The pupil for whom payment is made pays at least \$5.00
8 toward the cost of each test for which payment is made.

9 (4) The department shall establish procedures for awarding
10 funds under this section.

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

13 Sec. 94a. (1) There is created within the state budget office
14 in the department of technology, management, and budget the center
15 for educational performance and information. The center shall do
16 all of the following:

17 (a) Coordinate the collection of all data required by state
18 and federal law from districts, intermediate districts, and
19 postsecondary institutions.

20 (b) Create, maintain, and enhance this state's P-20
21 longitudinal data system and ensure that it meets the requirements
22 of subsection (4).

23 (c) Collect data in the most efficient manner possible in
24 order to reduce the administrative burden on reporting entities,
25 including, but not limited to, electronic transcript services.

26 (d) Create, maintain, and enhance this state's web-based
27 educational portal to provide information to school leaders,

1 teachers, researchers, and the public in compliance with all
2 federal and state privacy laws. Data shall include, but are not
3 limited to, all of the following:

4 (i) Data sets that link teachers to student information,
5 allowing districts to assess individual teacher impact on student
6 performance and consider student growth factors in teacher and
7 principal evaluation systems.

8 (ii) Data access or, if practical, data sets, provided for
9 regional data warehouses that, in combination with local data, can
10 improve teaching and learning in the classroom.

11 (iii) Research-ready data sets for researchers to perform
12 research that advances this state's educational performance.

13 (e) Provide data in a useful manner to allow state and local
14 policymakers to make informed policy decisions.

15 (f) Provide public reports to the citizens of this state to
16 allow them to assess allocation of resources and the return on
17 their investment in the education system of this state.

18 (g) Other functions as assigned by the state budget director.

19 (2) Each state department, officer, or agency that collects
20 information from districts, intermediate districts, or
21 postsecondary institutions as required under state or federal law
22 shall make arrangements with the center to ensure that the state
23 department, officer, or agency is in compliance with subsection
24 (1). This subsection does not apply to information collected by the
25 department of treasury under the uniform budgeting and accounting
26 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
27 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond

1 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
2 388.1939; or section 1351a of the revised school code, MCL
3 380.1351a.

4 (3) The center may enter into any interlocal agreements
5 necessary to fulfill its functions.

6 (4) The center shall ensure that the P-20 longitudinal data
7 system required under subsection (1)(b) meets all of the following:

8 (a) Includes data at the individual student level from
9 preschool through postsecondary education and into the workforce.

10 (b) Supports interoperability by using standard data
11 structures, data formats, and data definitions to ensure linkage
12 and connectivity in a manner that facilitates the exchange of data
13 among agencies and institutions within the state and between
14 states.

15 (c) Enables the matching of individual teacher and student
16 records so that an individual student may be matched with those
17 teachers providing instruction to that student.

18 (d) Enables the matching of individual teachers with
19 information about their certification and the institutions that
20 prepared and recommended those teachers for state certification.

21 (e) Enables data to be easily generated for continuous
22 improvement and decision-making, including timely reporting to
23 parents, teachers, and school leaders on student achievement.

24 (f) Ensures the reasonable quality, validity, and reliability
25 of data contained in the system.

26 (g) Provides this state with the ability to meet federal and
27 state reporting requirements.

1 (h) For data elements related to preschool through grade 12
2 and postsecondary, meets all of the following:

3 (i) Contains a unique statewide student identifier that does
4 not permit a student to be individually identified by users of the
5 system, except as allowed by federal and state law.

6 (ii) Contains student-level enrollment, demographic, and
7 program participation information.

8 (iii) Contains student-level information about the points at
9 which students exit, transfer in, transfer out, drop out, or
10 complete education programs.

11 (iv) Has the capacity to communicate with higher education
12 data systems.

13 (i) For data elements related to preschool through grade 12
14 only, meets all of the following:

15 (i) Contains yearly test records of individual students for
16 assessments approved by DED-OESE for accountability purposes under
17 section 1111(b) of the elementary and secondary education act of
18 1965, 20 USC 6311, including information on individual students not
19 tested, by grade and subject.

20 (ii) Contains student-level transcript information, including
21 information on courses completed and grades earned.

22 (iii) Contains student-level college readiness test scores.

23 (j) For data elements related to postsecondary education only:

24 (i) Contains data that provide information regarding the
25 extent to which individual students transition successfully from
26 secondary school to postsecondary education, including, but not
27 limited to, all of the following:

1 (A) Enrollment in remedial coursework.

2 (B) Completion of 1 year's worth of college credit applicable
3 to a degree within 2 years of enrollment.

4 (ii) Contains data that provide other information determined
5 necessary to address alignment and adequate preparation for success
6 in postsecondary education.

7 (5) From the general fund appropriation in section 11, there
8 is allocated an amount not to exceed ~~\$12,022,800.00 for 2014-2015~~
9 **\$11,967,000.00 FOR 2015-2016** to the department of technology,
10 management, and budget to support the operations of the center. In
11 addition, from the federal funds appropriated in section 11 there
12 is allocated for ~~2014-2015-2015-2016~~ the amount necessary,
13 estimated at \$193,500.00, to support the operations of the center
14 and to establish a P-20 longitudinal data system ~~as provided under~~
15 ~~this section in compliance with the assurance provided to the~~
16 ~~United States department of education in order to receive state~~
17 ~~fiscal stabilization funds.~~ **NECESSARY FOR STATE AND FEDERAL**
18 **REPORTING PURPOSES.** The center shall cooperate with the department
19 to ensure that this state is in compliance with federal law and is
20 maximizing opportunities for increased federal funding to improve
21 education in this state.

22 (6) From the funds allocated in subsection (5), ~~there is~~
23 ~~allocated for 2014-2015 an amount not to exceed \$850,000.00~~ **THE**
24 **CENTER MAY USE AN AMOUNT DETERMINED BY THE CENTER** for competitive
25 grants **FOR 2015-2016** to support collaborative efforts on the P-20
26 longitudinal data system. All of the following apply to grants
27 awarded under this subsection:

1 (a) The center shall award competitive grants to eligible
2 intermediate districts or a consortium of intermediate districts
3 based on criteria established by the center.

4 (b) Activities funded under the grant shall support the P-20
5 longitudinal data system portal and may include portal hosting,
6 hardware and software acquisition, maintenance, enhancements, user
7 support and related materials, and professional learning tools and
8 activities aimed at improving the utility of the P-20 longitudinal
9 data system.

10 (c) An applicant that received a grant under this subsection
11 for the immediately preceding fiscal year shall receive priority
12 for funding under this section. However, after 3 fiscal years of
13 continuous funding, an applicant is required to compete openly with
14 new applicants.

15 (7) Funds allocated under this section that are not expended
16 in the fiscal year in which they were allocated may be carried
17 forward to a subsequent fiscal year and are appropriated for the
18 purposes for which the funds were originally allocated.

19 (8) The center may bill departments as necessary in order to
20 fulfill reporting requirements of state and federal law. The center
21 may also enter into agreements to supply custom data, analysis, and
22 reporting to other principal executive departments, state agencies,
23 local units of government, and other individuals and organizations.
24 The center may receive and expend funds in addition to those
25 authorized in subsection (5) to cover the costs associated with
26 salaries, benefits, supplies, materials, and equipment necessary to
27 provide such data, analysis, and reporting services.

1 (9) As used in this section:

2 (a) "DED-OESE" means the United States ~~department of education~~
3 ~~office of elementary and secondary education.~~ **DEPARTMENT OF**

4 **EDUCATION OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

5 (b) "State education agency" means the department.

6 Sec. 95a. (1) The educator evaluation reserve fund is created
7 as a separate account within the state school aid fund.

8 (2) The state treasurer may receive money or other assets from
9 any source for deposit into the educator evaluation reserve fund.
10 The state treasurer shall direct the investment of the educator
11 evaluation reserve fund. The state treasurer shall credit to the
12 educator evaluation reserve fund interest and earnings from the
13 educator evaluation reserve fund.

14 (3) Money in the educator evaluation reserve fund at the close
15 of the fiscal year shall remain in the educator evaluation reserve
16 fund and shall not lapse to the state school aid fund or to the
17 general fund. The department of treasury shall be the administrator
18 of the educator evaluation reserve fund for auditing purposes.

19 (4) From the appropriations in section 11, there is allocated
20 to the educator evaluation reserve fund for 2014-2015 an amount not
21 to exceed \$12,100,000.00 from the state school aid fund and an
22 amount not to exceed \$2,700,000.00 from the general fund. Subject
23 to subsections (5) and (6), the department shall expend the money
24 in the educator evaluation reserve fund for implementing evaluation
25 systems for public school teachers and school administrators.

26 ~~—— (5) Funds in the educator evaluation reserve fund shall not be~~
27 ~~expended unless House Bill Nos. 5223 and 5224 of the 97th~~

1 ~~Legislature are enacted into law.~~

2 (5) ~~(6)~~ Funds in the educator evaluation reserve fund shall
3 not be expended unless the state budget office has approved the
4 department's spending plan.

5 Sec. 98. (1) From the general fund money appropriated in
6 section 11, there is allocated an amount not to exceed
7 \$7,387,500.00 for ~~2014-2015-2015-2016~~ for the purposes described in
8 this section.

9 (2) The Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall
10 operate the Michigan ~~virtual learning research institute.~~ **VIRTUAL**
11 **LEARNING RESEARCH INSTITUTE**. The Michigan ~~virtual learning research~~
12 ~~institute~~ **VIRTUAL LEARNING RESEARCH INSTITUTE** shall do all of the
13 following:

14 (a) Support and accelerate innovation in education through the
15 following activities:

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

18 (ii) Research, design, and recommend digital education
19 delivery models for use by pupils and teachers that include age-
20 appropriate multimedia instructional content.

21 (iii) Research, develop, and recommend annually to the
22 department criteria by which cyber schools and online course
23 providers should be monitored and evaluated to ensure a quality
24 education for their pupils.

25 (iv) Based on pupil completion and performance data reported
26 to the department or the center for educational performance and
27 information from cyber schools and other online course providers

1 operating in this state, analyze the effectiveness of online
2 learning delivery models in preparing pupils to be college- and
3 career-ready and publish a report that highlights enrollment
4 totals, completion rates, and the overall impact on pupils. The
5 report shall be submitted to the house and senate appropriations
6 subcommittees on state school aid, the state budget director, the
7 house and senate fiscal agencies, and the department not later than
8 ~~December 1, 2015.~~ **MARCH 31, 2016.**

9 (v) Before August 31, ~~2015,~~ **2016**, provide an extensive
10 professional development program to at least 500 educational
11 personnel, including teachers, school administrators, and school
12 board members, that focuses on the effective integration of digital
13 learning into curricula and instruction. Not later than December 1,
14 ~~2015,~~ **2016**, the Michigan ~~virtual learning research institute~~
15 **VIRTUAL LEARNING RESEARCH INSTITUTE** shall submit a report to the
16 house and senate appropriations subcommittees on state school aid,
17 the state budget director, the house and senate fiscal agencies,
18 and the department on the number and percentage of teachers, school
19 administrators, and school board members who have received
20 professional development services from the Michigan ~~virtual~~
21 ~~university.~~ **VIRTUAL UNIVERSITY**. The report shall also identify
22 barriers and other opportunities to encourage the adoption of
23 digital learning in the public education system.

24 (vi) Identify and share best practices for planning,
25 implementing, and evaluating online and blended education delivery
26 models with intermediate districts, districts, and public school
27 academies to accelerate the adoption of innovative education

1 delivery models statewide.

2 (b) Provide leadership for this state's system of digital
3 learning education by doing the following activities:

4 (i) Develop and report policy recommendations to the governor
5 and the legislature that accelerate the expansion of effective
6 online learning in this state's schools.

7 (ii) Provide a clearinghouse for research reports, academic
8 studies, evaluations, and other information related to online
9 learning.

10 (iii) Promote and distribute the most current instructional
11 design standards and guidelines for online teaching.

12 (iv) In collaboration with the department and interested
13 colleges and universities in this state, support implementation and
14 improvements related to effective digital learning instruction.

15 (v) Pursue public/private partnerships that include districts
16 to study and implement competency-based technology-rich online
17 learning models.

18 **(vi) CREATE A STATEWIDE NETWORK OF SCHOOL-BASED MENTORS**
19 **SERVING AS LIAISONS BETWEEN PUPILS, ONLINE INSTRUCTORS, PARENTS,**
20 **AND SCHOOL STAFF AND PROVIDE MENTORS WITH RESEARCH-BASED TRAINING**
21 **AND TECHNICAL ASSISTANCE DESIGNED TO HELP MORE PUPILS BE SUCCESSFUL**
22 **ONLINE LEARNERS.**

23 **(vii) ~~(vi)~~**—Convene focus groups and conduct annual surveys of
24 teachers, administrators, pupils, parents, and others to identify
25 barriers and opportunities related to online learning.

26 **(viii) ~~(vii)~~**—Produce an annual consumer awareness report for
27 schools and parents about effective online education providers and

1 education delivery models, performance data, cost structures, and
2 research trends.

3 **(ix)** ~~(viii)~~—Research and establish an internet-based platform
4 that educators can use to create student-centric learning tools and
5 resources and facilitate a user network that assists educators in
6 using the platform. As part of this initiative, the Michigan
7 virtual university shall work collaboratively with districts and
8 intermediate districts to establish a plan to make available online
9 resources that align to Michigan's K-12 curriculum standards for
10 use by students, educators, and parents.

11 **(x)** ~~(ix)~~—Create and maintain a public statewide catalog of
12 online learning courses being offered by all public schools **AND**
13 **COMMUNITY COLLEGES** in this state. The Michigan ~~virtual learning~~
14 ~~research institute~~**VIRTUAL LEARNING RESEARCH INSTITUTE** shall
15 identify and develop a list of nationally recognized best practices
16 for online learning and use this list to support reviews of online
17 course vendors, courses, and instructional practices. The Michigan
18 ~~virtual learning research institute~~**VIRTUAL LEARNING RESEARCH**
19 **INSTITUTE** shall also provide a mechanism for intermediate districts
20 to use the identified best practices to review content offered by
21 constituent districts. The Michigan ~~virtual learning research~~
22 ~~institute~~**VIRTUAL LEARNING RESEARCH INSTITUTE** shall review the
23 online course offerings of the Michigan ~~virtual university~~,**VIRTUAL**
24 **UNIVERSITY**, and make the results from these reviews available to
25 the public as part of the statewide catalog. The Michigan ~~virtual~~
26 ~~learning research institute~~**VIRTUAL LEARNING RESEARCH INSTITUTE**
27 shall ensure that the statewide catalog is made available to the

1 public on the Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY**
2 website and shall allow the ability to link it to each district's
3 website as provided for in section 21f. ~~Beginning in 2014-2015, the~~

4 **THE** statewide catalog shall also contain all of the following:

5 (A) The number of enrollments in each online course in the
6 immediately preceding school year.

7 (B) The number of enrollments that earned 60% or more of the
8 total course points for each online course in the immediately
9 preceding school year.

10 (C) The completion rate for each online course.

11 **(xi)** ~~(x) Collaborate with key stakeholders to examine the need~~
12 ~~and process for incorporating~~ **DEVELOP PROTOTYPE AND PILOT**
13 registration, payment services, and transcript functionality to the
14 statewide catalog **AND TRAIN KEY STAKEHOLDERS ON HOW TO USE NEW**
15 **FEATURES.**

16 **(xii)** ~~(xi)~~ Collaborate with key stakeholders to examine
17 district level accountability and teacher effectiveness issues
18 related to online learning under section 21f and make findings and
19 recommendations publicly available.

20 (3) ~~In order for the Michigan virtual university to receive~~
21 ~~any funds allocated under this section, the~~ **TO FURTHER ENHANCE ITS**
22 **EXPERTISE AND LEADERSHIP IN DIGITAL LEARNING, THE MICHIGAN VIRTUAL**
23 **UNIVERSITY SHALL CONTINUE TO OPERATE THE MICHIGAN VIRTUAL SCHOOL AS**
24 **A STATEWIDE LABORATORY AND QUALITY MODEL OF INSTRUCTION BY**
25 **IMPLEMENTING ONLINE AND BLENDED LEARNING SOLUTIONS FOR MICHIGAN**
26 **SCHOOLS IN ACCORDANCE WITH THE FOLLOWING PARAMETERS:**

27 **(A) THE** Michigan ~~virtual school~~ **VIRTUAL SCHOOL** must maintain

1 its accreditation status from recognized national and international
2 accrediting entities.

3 (B) THE MICHIGAN VIRTUAL UNIVERSITY SHALL USE NO MORE THAN
4 \$1,000,000.00 OF THE AMOUNT ALLOCATED UNDER THIS SECTION TO
5 SUBSIDIZE THE COST PAID BY DISTRICTS FOR ONLINE COURSES.

6 (C) IN PROVIDING EDUCATORS RESPONSIBLE FOR THE TEACHING OF
7 ONLINE COURSES AS PROVIDED FOR IN THIS SECTION, THE MICHIGAN
8 VIRTUAL SCHOOL SHALL FOLLOW THE REQUIREMENTS TO REQUEST AND ASSESS,
9 AND THE DEPARTMENT OF STATE POLICE SHALL PROVIDE, A CRIMINAL
10 HISTORY CHECK AND CRIMINAL RECORDS CHECK UNDER SECTIONS 1230 AND
11 1230A OF THE REVISED SCHOOL CODE, MCL 380.1230 AND 380.1230A, IN
12 THE SAME MANNER AS IF THE MICHIGAN VIRTUAL SCHOOL WERE A SCHOOL
13 DISTRICT UNDER THOSE SECTIONS.

14 (4) If the course offerings are included in the statewide
15 catalog of online courses under subsection (2)(b)(ix), the Michigan
16 ~~virtual school~~ VIRTUAL SCHOOL operated by the Michigan ~~virtual~~
17 ~~university~~ VIRTUAL UNIVERSITY may offer online course offerings,
18 including, but not limited to, all of the following:

19 (a) Information technology courses.

20 (b) College level equivalent courses, as defined in section
21 1471 of the revised school code, MCL 380.1471.

22 (c) Courses and dual enrollment opportunities.

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

24 (e) General education development test preparation courses for
25 adjudicated youth.

26 (f) Special interest courses.

27 (g) Professional development programs for teachers, school

1 administrators, other school employees, and school board members.

2 (5) If a home-schooled or nonpublic school student is a
3 resident of a district that subscribes to services provided by the
4 Michigan ~~virtual school~~, **VIRTUAL SCHOOL**, the student may use the
5 services provided by the Michigan ~~virtual school~~ **VIRTUAL SCHOOL** to
6 the district without charge to the student beyond what is charged
7 to a district pupil using the same services.

8 (6) Not later than December 1 of each fiscal year, the
9 Michigan ~~virtual university~~ **VIRTUAL UNIVERSITY** shall provide a
10 report to the house and senate appropriations subcommittees on
11 state school aid, the state budget director, the house and senate
12 fiscal agencies, and the department that includes at least all of
13 the following information related to the Michigan ~~virtual school~~
14 **VIRTUAL SCHOOL** for the preceding state fiscal year:

15 (a) A list of the districts served by the Michigan ~~virtual~~
16 ~~school~~ **VIRTUAL SCHOOL**.

17 (b) A list of online course titles available to districts.

18 (c) The total number of online course enrollments and
19 information on registrations and completions by course.

20 (d) The overall course completion rate percentage.

21 (7) The governor may appoint an advisory group for the
22 Michigan ~~virtual learning research institute~~ **VIRTUAL LEARNING**
23 **RESEARCH INSTITUTE** established under subsection (2). The members of
24 the advisory group shall serve at the pleasure of the governor and
25 shall serve without compensation. The purpose of the advisory group
26 is to make recommendations to the governor, the legislature, and
27 the president and board of the Michigan ~~virtual university~~ **VIRTUAL**

1 **UNIVERSITY** that will accelerate innovation in this state's
2 education system in a manner that will prepare elementary and
3 secondary students to be career and college ready and that will
4 promote the goal of increasing the percentage of citizens of this
5 state with high-quality degrees and credentials to at least 60% by
6 2025.

7 (8) Not later than November 1, ~~2014,~~**2015**, the Michigan
8 ~~virtual university~~**VIRTUAL UNIVERSITY** shall submit to the house and
9 senate appropriations subcommittees on state school aid, the state
10 budget director, and the house and senate fiscal agencies a
11 detailed budget for the ~~2014-2015~~**2015-2016** fiscal year that
12 includes a breakdown on its projected costs to deliver online
13 educational services to districts and a summary of the anticipated
14 fees to be paid by districts for those services. ~~Beginning in 2013-~~
15 ~~2014, not~~**NOT** later than ~~February 1,~~**MARCH 1 EACH YEAR**, the
16 Michigan ~~virtual university~~**VIRTUAL UNIVERSITY** shall submit to the
17 house and senate appropriations subcommittees on state school aid,
18 the state budget director, and the house and senate fiscal agencies
19 a breakdown on its actual costs to deliver online educational
20 services to districts and a summary of the actual fees paid by
21 districts for those services based on audited financial statements
22 for the immediately preceding fiscal year.

23 (9) As used in this section:

24 (a) "Blended learning" means a hybrid instructional delivery
25 model where pupils are provided content, instruction, and
26 assessment, in part at a supervised educational facility away from
27 home where the pupil and a teacher with a valid Michigan teaching

1 certificate are in the same physical location and in part through
2 ~~internet-connected~~**INTERNET-CONNECTED** learning environments with
3 some degree of pupil control over time, location, and pace of
4 instruction.

5 (b) "Cyber school" means a full-time instructional program of
6 online courses for pupils that may or may not require attendance at
7 a physical school location.

8 (c) "Digital learning" means instruction delivered via a web-
9 based educational delivery system that uses various information
10 technologies to provide a structured learning environment,
11 including online and blended learning instructional methods.

12 (d) "Online course" means a course of study that is capable of
13 generating a credit or a grade, that is provided in an interactive
14 internet-connected learning environment, in which pupils are
15 separated from their teachers by time or location, or both, and in
16 which a teacher who holds a valid Michigan teaching certificate is
17 responsible for **PROVIDING INSTRUCTION**, determining appropriate
18 instructional methods for each pupil, diagnosing learning needs,
19 assessing pupil learning, prescribing intervention strategies,
20 reporting outcomes, and evaluating the effects of instruction and
21 support strategies.

22 **SEC. 99C. FROM THE APPROPRIATION IN SECTION 11, THERE IS**
23 **ALLOCATED FROM THE GENERAL FUND AN AMOUNT NOT TO EXCEED \$60,000.00**
24 **FOR 2015-2016 FOR THE PURPOSE OF CIVIC EDUCATION AS DESCRIBED IN**
25 **THIS SECTION. THE DEPARTMENT SHALL ESTABLISH A COMPETITIVE GRANT**
26 **PROCESS THAT AWARDS FUNDING TO NOT MORE THAN 1 PROVIDER FOR THE**
27 **DELIVERY OF PROGRAMS THAT EXEMPLIFY BEST PRACTICES IN CIVIC**

1 EDUCATION. THE PROGRAMS SHALL TEACH UPPER ELEMENTARY, MIDDLE, AND
2 HIGH SCHOOL PUPILS HOW TO PARTICIPATE RESPONSIBLY IN LOCAL AND
3 STATE GOVERNMENT, AND SHALL PROVIDE UPPER ELEMENTARY, MIDDLE, AND
4 HIGH SCHOOL PUPILS WITH AN INNOVATIVE COURSE OF INSTRUCTION ON THE
5 HISTORY AND PRINCIPLES OF UNITED STATES CONSTITUTIONAL DEMOCRACY.
6 THE GRANTEE ALSO SHALL PROVIDE SUPPORT TO ALL SCHOOLS IN THIS STATE
7 BEYOND THOSE TARGETED FOR INTENSIVE PROGRAMMING FUNDED UNDER THIS
8 SECTION THROUGH ITS WEBSITE, CONDUCT PRESENTATIONS AT STATEWIDE
9 CONFERENCES, AND CONDUCT PRESENTATIONS AT DISTRICTS AND
10 INTERMEDIATE DISTRICTS.

11 Sec. 99h. (1) From the appropriation in section 11, there is
12 allocated an amount not to exceed \$2,000,000.00 for ~~2014-2015-2015-~~
13 ~~2016~~ for competitive grants to districts that provide pupils in
14 grades 7 to 12 with expanded opportunities to improve mathematics,
15 science, and technology skills by participating in events hosted by
16 a science and technology development program known as FIRST (for
17 inspiration and recognition of science and technology) robotics.

18 (2) A district applying for a FIRST tech challenge or FIRST
19 robotics competition program grant shall submit an application in a
20 form and manner determined by the department. To be eligible for a
21 grant, a district shall demonstrate in its application that the
22 district has established a partnership for the purposes of the
23 FIRST program with at least 1 sponsor, business entity, higher
24 education institution, or technical school, shall submit a spending
25 plan, and shall pay at least 25% of the cost of the FIRST robotics
26 program.

27 (3) The department shall distribute the grant funding under

1 this section for the following purposes:

2 (a) Grants to districts to pay for stipends of \$1,500.00 for 1
3 coach per team, distributed as follows:

4 (i) Not more than 500 stipends for coaches of high school
5 teams, including existing teams.

6 (ii) Not more than 100 stipends for coaches of middle school
7 or junior high teams, including existing teams.

8 (iii) If the requests for stipends exceed the numbers of
9 stipends allowed under subparagraphs (i) and (ii), and if there is
10 funding remaining unspent under subdivisions (b) and (c), the
11 department shall use that remaining unspent funding for grants to
12 districts to pay for additional stipends in a manner that expands
13 the geographical distribution of teams.

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

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

1 (4) The funds allocated under this section are a work project
2 appropriation, and any unexpended funds for ~~2014-2015-2015-2016~~ are
3 carried forward into ~~2015-2016-~~2016-2017. The purpose of the work
4 project is to continue to implement the projects described under
5 subsection (1). The estimated completion date of the work project
6 is September 30, ~~2017-~~2018.

7 **SEC. 99S. (1) FROM THE FUNDS APPROPRIATED UNDER SECTION 11,**
8 **THERE IS ALLOCATED FOR 2015-2016 AN AMOUNT NOT TO EXCEED**
9 **\$3,250,000.00 FROM THE STATE SCHOOL AID FUND APPROPRIATION AND AN**
10 **AMOUNT NOT TO EXCEED \$775,000.00 FROM THE GENERAL FUND**
11 **APPROPRIATION FOR MICHIGAN SCIENCE, TECHNOLOGY, ENGINEERING, AND**
12 **MATHEMATICS (MISTEM) PROGRAMS. IN ADDITION, FROM THE FEDERAL FUNDS**
13 **APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2015-2016 AN**
14 **AMOUNT ESTIMATED AT \$5,249,300.00 FROM DED-OESE, TITLE II,**
15 **MATHEMATICS AND SCIENCE PARTNERSHIP GRANTS.**

16 (2) FROM THE GENERAL FUND ALLOCATION IN SUBSECTION (1), THERE
17 IS ALLOCATED AN AMOUNT NOT TO EXCEED \$50,000.00 TO THE DEPARTMENT
18 FOR ADMINISTRATIVE AND TRAVEL COSTS RELATED TO THE MISTEM ADVISORY
19 COUNCIL. ALL OF THE FOLLOWING APPLY TO THE MISTEM ADVISORY COUNCIL
20 FUNDED UNDER THIS SUBSECTION:

21 (A) THE MISTEM ADVISORY COUNCIL IS CREATED. THE MISTEM
22 ADVISORY COUNCIL SHALL PROVIDE TO THE GOVERNOR, LEGISLATURE,
23 DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT, AND DEPARTMENT
24 RECOMMENDATIONS DESIGNED TO IMPROVE AND PROMOTE INNOVATION IN STEM
25 EDUCATION AND PREPARE STUDENTS FOR CAREERS IN SCIENCE, TECHNOLOGY,
26 ENGINEERING, AND MATHEMATICS.

27 (B) THE MISTEM ADVISORY COUNCIL CREATED UNDER SUBDIVISION (A)

1 SHALL CONSIST OF THE FOLLOWING MEMBERS:

2 (i) THE GOVERNOR SHALL APPOINT 11 VOTING MEMBERS WHO ARE
3 REPRESENTATIVE OF BUSINESS SECTORS THAT ARE IMPORTANT TO MICHIGAN'S
4 ECONOMY AND RELY ON A STEM-EDUCATED WORKFORCE, NONPROFIT
5 ORGANIZATIONS AND ASSOCIATIONS THAT PROMOTE STEM EDUCATION, K-12
6 AND POSTSECONDARY EDUCATION ENTITIES INVOLVED IN STEM-RELATED
7 CAREER EDUCATION, OR OTHER SECTORS AS CONSIDERED APPROPRIATE BY THE
8 GOVERNOR. EACH OF THESE MEMBERS SHALL SERVE AT THE PLEASURE OF THE
9 GOVERNOR AND FOR A TERM DETERMINED BY THE GOVERNOR.

10 (ii) THE SENATE MAJORITY LEADER SHALL APPOINT 2 MEMBERS OF THE
11 SENATE TO SERVE AS NONVOTING, EX-OFFICIO MEMBERS OF THE MISTEM
12 ADVISORY COUNCIL, INCLUDING 1 MAJORITY PARTY MEMBER AND 1 MINORITY
13 PARTY MEMBER.

14 (iii) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL
15 APPOINT 2 MEMBERS OF THE HOUSE OF REPRESENTATIVES TO SERVE AS
16 NONVOTING, EX-OFFICIO MEMBERS OF THE MISTEM ADVISORY COUNCIL,
17 INCLUDING 1 MAJORITY PARTY MEMBER AND 1 MINORITY PARTY MEMBER.

18 (C) EACH MEMBER OF THE MISTEM ADVISORY COUNCIL SHALL SERVE
19 WITHOUT COMPENSATION.

20 (D) THE MISTEM ADVISORY COUNCIL SHALL RECOMMEND A STATEWIDE
21 STRATEGY FOR DELIVERING STEM EDUCATION-RELATED OPPORTUNITIES TO
22 PUPILS AND OBJECTIVE CRITERIA FOR DETERMINING PREFERRED STEM
23 PROGRAMS. THE MISTEM ADVISORY COUNCIL ALSO SHALL MAKE FUNDING
24 RECOMMENDATIONS TO THE GOVERNOR, LEGISLATURE, AND DEPARTMENT FOR
25 FUNDING PROGRAMS UNDER THIS SECTION FOR 2016-2017 NOT LATER THAN
26 MARCH 1, 2016, INCLUDING, BUT NOT LIMITED TO, RECOMMENDATIONS
27 CONCERNING FUNDING FOR THE STEM PROGRAMS FUNDED UNDER THIS SECTION

1 FOR 2015-2016, AND SHALL CONTINUE TO MAKE FUNDING RECOMMENDATIONS
2 ANNUALLY THEREAFTER.

3 (E) THE MISTEM ADVISORY COUNCIL SHALL WORK WITH DIRECTORS OF
4 MATHEMATICS AND SCIENCE CENTERS FUNDED UNDER SUBSECTION (3) TO
5 CONNECT EDUCATORS WITH BUSINESSES, WORKFORCE DEVELOPERS, ECONOMIC
6 DEVELOPERS, COMMUNITY COLLEGES, AND UNIVERSITIES.

7 (3) FROM THE STATE SCHOOL AID FUND ALLOCATION UNDER SUBSECTION
8 (1), THERE IS ALLOCATED FOR 2015-2016 AN AMOUNT NOT TO EXCEED
9 \$2,750,000.00 TO SUPPORT THE ACTIVITIES AND PROGRAMS OF MATHEMATICS
10 AND SCIENCE CENTERS. IN ADDITION, FROM THE FEDERAL FUNDS ALLOCATED
11 UNDER SUBSECTION (1), THERE IS ALLOCATED FOR 2015-2016 AN AMOUNT
12 ESTIMATED AT \$5,249,300.00 FROM DED-OESE, TITLE II, MATHEMATICS AND
13 SCIENCE PARTNERSHIP GRANTS, FOR THE PURPOSES OF THIS SUBSECTION.
14 ALL OF THE FOLLOWING APPLY TO THE PROGRAMS AND FUNDING UNDER THIS
15 SUBSECTION:

16 (A) WITHIN A SERVICE AREA DESIGNATED LOCALLY, APPROVED BY THE
17 DEPARTMENT, AND CONSISTENT WITH THE COMPREHENSIVE MASTER PLAN FOR
18 MATHEMATICS AND SCIENCE CENTERS DEVELOPED BY THE DEPARTMENT AND
19 APPROVED BY THE STATE BOARD, AN ESTABLISHED MATHEMATICS AND SCIENCE
20 CENTER SHALL PROVIDE 2 OR MORE OF THE FOLLOWING 6 BASIC SERVICES,
21 AS DESCRIBED IN THE MASTER PLAN, TO CONSTITUENT DISTRICTS AND
22 COMMUNITIES: LEADERSHIP, PUPIL SERVICES, CURRICULUM SUPPORT,
23 COMMUNITY INVOLVEMENT, PROFESSIONAL DEVELOPMENT, AND RESOURCE
24 CLEARINGHOUSE SERVICES.

25 (B) THE DEPARTMENT SHALL NOT AWARD A STATE GRANT UNDER THIS
26 SUBSECTION TO MORE THAN 1 MATHEMATICS AND SCIENCE CENTER LOCATED IN
27 A DESIGNATED REGION AS PRESCRIBED IN THE 2007 MASTER PLAN UNLESS

1 EACH OF THE GRANTS SERVES A DISTINCT TARGET POPULATION OR PROVIDES
2 A SERVICE THAT DOES NOT DUPLICATE ANOTHER PROGRAM IN THE DESIGNATED
3 REGION.

4 (C) AS PART OF THE TECHNICAL ASSISTANCE PROCESS, THE
5 DEPARTMENT SHALL PROVIDE MINIMUM STANDARD GUIDELINES THAT MAY BE
6 USED BY THE MATHEMATICS AND SCIENCE CENTER FOR PROVIDING FAIR
7 ACCESS FOR QUALIFIED PUPILS AND PROFESSIONAL STAFF AS PRESCRIBED IN
8 THIS SUBSECTION.

9 (D) ALLOCATIONS UNDER THIS SUBSECTION TO SUPPORT THE
10 ACTIVITIES AND PROGRAMS OF MATHEMATICS AND SCIENCE CENTERS SHALL BE
11 CONTINUING SUPPORT GRANTS TO ALL 33 ESTABLISHED MATHEMATICS AND
12 SCIENCE CENTERS. FOR 2015-2016, EACH ESTABLISHED MATHEMATICS AND
13 SCIENCE CENTER THAT WAS FUNDED FOR 2014-2015 UNDER FORMER SECTION
14 99 SHALL RECEIVE STATE FUNDING IN AN AMOUNT EQUAL TO 100% OF THE
15 AMOUNT IT WAS ALLOCATED UNDER FORMER SECTION 99 FOR 2014-2015. IF A
16 CENTER DECLINES STATE FUNDING OR A CENTER CLOSES, THE REMAINING
17 MONEY AVAILABLE UNDER THIS SUBSECTION SHALL BE DISTRIBUTED TO THE
18 REMAINING CENTERS, AS DETERMINED BY THE DEPARTMENT.

19 (E) FROM THE FUNDS ALLOCATED UNDER THIS SUBSECTION, THE
20 DEPARTMENT SHALL DISTRIBUTE FOR 2015-2016 AN AMOUNT NOT TO EXCEED
21 \$750,000.00 IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT TO
22 THOSE CENTERS ABLE TO PROVIDE CURRICULUM AND PROFESSIONAL
23 DEVELOPMENT SUPPORT TO ASSIST DISTRICTS IN IMPLEMENTING THE
24 MICHIGAN MERIT CURRICULUM COMPONENTS FOR MATHEMATICS AND SCIENCE.
25 FUNDING UNDER THIS SUBDIVISION IS IN ADDITION TO FUNDING ALLOCATED
26 UNDER SUBDIVISION (D).

27 (F) IN ORDER TO RECEIVE STATE OR FEDERAL FUNDS UNDER THIS

1 SUBSECTION, A GRANT RECIPIENT SHALL ALLOW ACCESS FOR THE DEPARTMENT
2 OR THE DEPARTMENT'S DESIGNEE TO AUDIT ALL RECORDS RELATED TO THE
3 PROGRAM FOR WHICH IT RECEIVES THOSE FUNDS. THE GRANT RECIPIENT
4 SHALL REIMBURSE THE STATE FOR ALL DISALLOWANCES FOUND IN THE AUDIT.

5 (G) NOT LATER THAN SEPTEMBER 30, 2018, THE DEPARTMENT SHALL
6 REEVALUATE AND UPDATE THE COMPREHENSIVE MASTER PLAN DESCRIBED IN
7 SUBDIVISION (A).

8 (H) THE DEPARTMENT SHALL GIVE PREFERENCE IN AWARDING THE
9 FEDERAL GRANTS ALLOCATED UNDER THIS SUBSECTION TO ELIGIBLE EXISTING
10 MATHEMATICS AND SCIENCE CENTERS.

11 (I) IN ORDER TO RECEIVE STATE FUNDS UNDER THIS SUBSECTION, A
12 GRANT RECIPIENT SHALL PROVIDE AT LEAST A 10% LOCAL MATCH FROM LOCAL
13 PUBLIC OR PRIVATE RESOURCES FOR THE FUNDS RECEIVED UNDER THIS
14 SUBSECTION.

15 (J) NOT LATER THAN JULY 1 OF EACH YEAR, A MATHEMATICS AND
16 SCIENCE CENTER THAT RECEIVES FUNDS UNDER THIS SUBSECTION SHALL
17 REPORT TO THE DEPARTMENT IN A FORM AND MANNER PRESCRIBED BY THE
18 DEPARTMENT ON THE FOLLOWING PERFORMANCE MEASURES:

19 (i) STATISTICAL CHANGE IN PRE- AND POST-ASSESSMENT SCORES FOR
20 STUDENTS WHO ENROLLED IN MATHEMATICS AND SCIENCE ACTIVITIES
21 PROVIDED TO DISTRICTS BY THE MATHEMATICS AND SCIENCE CENTER.

22 (ii) STATISTICAL CHANGE IN PRE- AND POST-ASSESSMENT SCORES FOR
23 TEACHERS WHO ENROLLED IN PROFESSIONAL DEVELOPMENT ACTIVITIES
24 PROVIDED BY THE MATHEMATICS AND SCIENCE CENTER.

25 (K) AS USED IN THIS SUBSECTION:

26 (i) "DED" MEANS THE UNITED STATES DEPARTMENT OF EDUCATION.

27 (ii) "DED-OESE" MEANS THE DED OFFICE OF ELEMENTARY AND

1 SECONDARY EDUCATION.

2 (4) FROM THE GENERAL FUND MONEY ALLOCATED UNDER SUBSECTION
3 (1), THERE IS ALLOCATED FOR 2015-2016 AN AMOUNT NOT TO EXCEED
4 \$100,000.00 TO THE MICHIGAN STEM PARTNERSHIP, TO BE USED TO
5 ADMINISTER THE GRANT PROCESS UNDER THIS SUBSECTION. FROM THE
6 GENERAL FUND MONEY ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED
7 FOR 2015-2016 AN AMOUNT NOT TO EXCEED \$375,000.00 TO THE MICHIGAN
8 STEM PARTNERSHIP TO BE USED FOR A COMPETITIVE GRANT PROCESS TO
9 AWARD COMPETITIVE GRANTS TO ORGANIZATIONS CONDUCTING STUDENT-
10 FOCUSED, PROJECT-BASED PROGRAMS AND COMPETITIONS, EITHER IN THE
11 CLASSROOM OR EXTRACURRICULAR, IN SCIENCE, TECHNOLOGY, ENGINEERING,
12 AND MATHEMATICS SUBJECTS SUCH AS, BUT NOT LIMITED TO, ROBOTICS,
13 CODING, AND DESIGN-BUILD-TEST PROJECTS, FROM PRE-KINDERGARTEN
14 THROUGH COLLEGE LEVEL. ALL OF THE FOLLOWING APPLY TO THE GRANT
15 FUNDING UNDER THIS SUBSECTION:

16 (A) FUNDING UNDER THIS SUBSECTION IS IN ADDITION TO FUNDING
17 ALLOCATED UNDER SUBSECTION (3) AND SHALL BE USED FOR CONNECTING
18 MATHEMATICS AND SCIENCE CENTERS FOR SCIENCE, TECHNOLOGY,
19 ENGINEERING, AND MATHEMATICS PURPOSES AND TO SUPPORT THE GOALS OF
20 THE MICHIGAN STEM PARTNERSHIP.

21 (B) A PROGRAM RECEIVING FUNDS UNDER SECTION 99H MAY NOT
22 RECEIVE FUNDS UNDER THIS SUBSECTION.

23 (C) IN ORDER TO RECEIVE STATE FUNDS UNDER THIS SUBSECTION, A
24 GRANT RECIPIENT SHALL PROVIDE AT LEAST A 10% LOCAL MATCH FROM LOCAL
25 PUBLIC OR PRIVATE RESOURCES FOR THE FUNDS RECEIVED UNDER THIS
26 SUBSECTION.

27 (5) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS

1 ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 FOR 2015-2016 ONLY
2 FOR GRANTS TO DISTRICTS TO SUPPORT PROFESSIONAL DEVELOPMENT FOR
3 TEACHERS IN A DEPARTMENT-APPROVED TRAINING PROGRAM FOR SCIENCE,
4 TECHNOLOGY, ENGINEERING, AND MATHEMATICS (STEM) INSTRUCTION. ALL OF
5 THE FOLLOWING APPLY TO THE GRANT FUNDING UNDER THIS SUBSECTION:

6 (A) ANY DISTRICT MAY APPLY FOR FUNDING UNDER THIS SUBSECTION
7 FOR 2015-2016 BY A DATE DETERMINED BY THE DEPARTMENT. IN AWARDING
8 GRANTS, THE DEPARTMENT SHALL GIVE PRIORITY, IN A FORM AND MANNER
9 DETERMINED BY THE DEPARTMENT, TO APPLICANT DISTRICTS WITH TEACHERS
10 WHO HAVE NOT PREVIOUSLY RECEIVED TRAINING IN PROGRAMS FUNDED UNDER
11 THIS SUBSECTION OR FORMER SECTION 99B.

12 (B) FOR A TRAINING PROGRAM TO BE APPROVED BY THE DEPARTMENT
13 FOR THE PURPOSES OF THIS SUBSECTION, THE PROGRAM SHALL MEET ALL OF
14 THE FOLLOWING CRITERIA:

15 (i) UTILIZE AN INTEGRATIVE STEM APPROACH TO CONTENT
16 ORGANIZATION AND DELIVERY. THE INTEGRATIVE STEM APPROACH SHALL
17 INCLUDE CONTENT DERIVED FROM SCIENCE, TECHNOLOGY, ENGINEERING, AND
18 MATHEMATICS.

19 (ii) OFFER EVIDENCE THAT THE PROGRAM OUTCOMES ADDRESS
20 MATHEMATICS, SCIENCE, AND TECHNOLOGICAL LITERACY STANDARDS IN AN
21 EXPLORATORY MIDDLE SCHOOL OR HIGH SCHOOL OFFERING.

22 (iii) OFFER EVIDENCE THAT THE PROGRAM POSITIVELY INFLUENCES
23 STUDENT CAREER CHOICES ALONG STEM CAREER PATHS AND INCREASES
24 STUDENT ENGAGEMENT THROUGH PEER-REVIEWED RESEARCH.

25 (iv) PRESENT EVIDENCE OF THE PERIODIC UPDATING OF THE
26 CURRICULUM.

27 (v) UTILIZE OUTCOME MEASURES FOR TEACHER PROFESSIONAL

1 DEVELOPMENT.

2 (vi) PROVIDE PEER-REVIEWED EVIDENCE THAT THE PROGRAM IS
3 EFFECTIVE WITH DISADVANTAGED STUDENTS AND THOSE WITH LANGUAGE
4 BARRIERS.

5 (C) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS IN AN
6 AMOUNT DETERMINED BY THE DEPARTMENT, BUT NOT TO EXCEED \$3,200.00
7 PER PARTICIPANT.

8 (D) A DISTRICT RECEIVING FUNDS UNDER THIS SUBSECTION SHALL USE
9 THE FUNDS ONLY FOR DEPARTMENT-APPROVED TRAINING PROGRAMS UNDER THIS
10 SUBSECTION.

11 (6) FROM THE ALLOCATIONS UNDER SUBSECTION (1), THERE IS
12 ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 FOR 2015-2016 ONLY
13 FOR COMPETITIVE GRANTS TO DISTRICTS THAT PROVIDE PUPILS IN GRADES K
14 TO 12 WITH EXPANDED OPPORTUNITIES IN SCIENCE EDUCATION AND SKILLS
15 BY PARTICIPATING IN EVENTS AND COMPETITIONS HOSTED BY SCIENCE
16 OLYMPIAD. ALL OF THE FOLLOWING APPLY TO THE GRANT FUNDING UNDER
17 THIS SUBSECTION:

18 (A) A DISTRICT APPLYING FOR A GRANT UNDER THIS SUBSECTION
19 SHALL SUBMIT AN APPLICATION IN THE FORM AND MANNER DETERMINED BY
20 THE DEPARTMENT NOT LATER THAN NOVEMBER 15, 2015. THE DEPARTMENT
21 SHALL SELECT DISTRICTS FOR GRANTS AND MAKE NOTIFICATION NOT LATER
22 THAN DECEMBER 15, 2015. TO BE ELIGIBLE FOR A GRANT, A DISTRICT
23 SHALL PAY AT LEAST 25% OF THE COST OF PARTICIPATING IN THE SCIENCE
24 OLYMPIAD PROGRAM.

25 (B) THE DEPARTMENT SHALL DISTRIBUTE THE GRANT FUNDING
26 ALLOCATED UNDER THIS SUBSECTION FOR THE FOLLOWING PURPOSES:

27 (i) GRANTS TO DISTRICTS OF UP TO \$800.00 FOR NEW ELEMENTARY

1 TEAMS.

2 (ii) GRANTS TO DISTRICTS OF UP TO \$400.00 FOR ESTABLISHED
3 ELEMENTARY TEAMS.

4 (iii) GRANTS TO DISTRICTS OF UP TO \$1,600.00 FOR NEW SECONDARY
5 TEAMS.

6 (iv) GRANTS TO DISTRICTS OF UP TO \$800.00 FOR ESTABLISHED
7 SECONDARY TEAMS.

8 (7) FROM THE GENERAL FUND ALLOCATION UNDER SUBSECTION (1),
9 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 FOR 2015-
10 2016 ONLY FOR A GRANT TO THE VAN ANDEL EDUCATION INSTITUTE FOR THE
11 PURPOSES OF ADVANCING AND PROMOTING SCIENCE EDUCATION AND
12 INCREASING THE NUMBER OF STUDENTS WHO CHOOSE TO PURSUE CAREERS IN
13 SCIENCE OR SCIENCE-RELATED FIELDS. FUNDS ALLOCATED UNDER THIS
14 SUBSECTION SHALL BE USED TO PROVIDE PROFESSIONAL DEVELOPMENT FOR
15 SCIENCE TEACHERS IN USING STUDENT-DRIVEN, INQUIRY-BASED
16 INSTRUCTION.

17 Sec. 101. (1) To be eligible to receive state aid under this
18 article, not later than the fifth Wednesday after the pupil
19 membership count day and not later than the fifth Wednesday after
20 the supplemental count day, each district superintendent shall
21 submit to the center and the intermediate superintendent, in the
22 form and manner prescribed by the center, the number of pupils
23 enrolled and in regular daily attendance in the district as of the
24 pupil membership count day and as of the supplemental count day, as
25 applicable, for the current school year. In addition, a district
26 maintaining school during the entire year, as provided under
27 section 1561 of the revised school code, MCL 380.1561, shall submit

1 to the center and the intermediate superintendent, in the form and
2 manner prescribed by the center, the number of pupils enrolled and
3 in regular daily attendance in the district for the current school
4 year pursuant to rules promulgated by the superintendent. Not later
5 than the sixth Wednesday after the pupil membership count day and
6 not later than the sixth Wednesday after the supplemental count
7 day, the district shall certify the data in a form and manner
8 prescribed by the center and file the certified data with the
9 intermediate superintendent. If a district fails to submit and
10 certify the attendance data, as required under this subsection, the
11 center shall notify the department and state aid due to be
12 distributed under this article shall be withheld from the
13 defaulting district immediately, beginning with the next payment
14 after the failure and continuing with each payment until the
15 district complies with this subsection. If a district does not
16 comply with this subsection by the end of the fiscal year, the
17 district forfeits the amount withheld. A person who willfully
18 falsifies a figure or statement in the certified and sworn copy of
19 enrollment shall be punished in the manner prescribed by section
20 161.

21 (2) To be eligible to receive state aid under this article,
22 not later than the twenty-fourth Wednesday after the pupil
23 membership count day and not later than the twenty-fourth Wednesday
24 after the supplemental count day, an intermediate district shall
25 submit to the center, in a form and manner prescribed by the
26 center, the audited enrollment and attendance data for the pupils
27 of its constituent districts and of the intermediate district. If

1 an intermediate district fails to submit the audited data as
2 required under this subsection, state aid due to be distributed
3 under this article shall be withheld from the defaulting
4 intermediate district immediately, beginning with the next payment
5 after the failure and continuing with each payment until the
6 intermediate district complies with this subsection. If an
7 intermediate district does not comply with this subsection by the
8 end of the fiscal year, the intermediate district forfeits the
9 amount withheld.

10 (3) Except as otherwise provided in subsections (11) and (12),
11 all of the following apply to the provision of pupil instruction:

12 (a) Except as otherwise provided in this section, each
13 district shall provide at least 1,098 hours and, beginning in 2010-
14 2011, the required minimum number of days of pupil instruction.
15 Beginning in 2014-2015, the required minimum number of days of
16 pupil instruction is 175. However, all of the following apply to
17 these requirements:

18 (i) If a collective bargaining agreement that provides a
19 complete school calendar was in effect for employees of a district
20 as of July 1, 2013, and if that school calendar is not in
21 compliance with this subsection, then this subsection does not
22 apply to that district until after the expiration of that
23 collective bargaining agreement. If a district entered into a
24 collective bargaining agreement on or after July 1, 2013 and if
25 that collective bargaining agreement did not provide for at least
26 175 days of pupil instruction beginning in 2014-2015, then the
27 department shall withhold from the district's total state school

1 aid an amount equal to 5% of the funding the district receives in
2 2014-2015 under sections 22a and 22b.

3 (ii) A district may apply for a waiver under subsection (9)
4 from the requirements of this subdivision.

5 (b) Beginning in 2016-2017, the required minimum number of
6 days of pupil instruction is 180. If a collective bargaining
7 agreement that provides a complete school calendar was in effect
8 for employees of a district as of the effective date of the
9 amendatory act that added this subdivision, and if that school
10 calendar is not in compliance with this subdivision, then this
11 subdivision does not apply to that district until after the
12 expiration of that collective bargaining agreement. A district may
13 apply for a waiver under subsection (9) from the requirements of
14 this subdivision.

15 (c) Except as otherwise provided in this article, a district
16 failing to comply with the required minimum hours and days of pupil
17 instruction under this subsection shall forfeit from its total
18 state aid allocation an amount determined by applying a ratio of
19 the number of hours or days the district was in noncompliance in
20 relation to the required minimum number of hours and days under
21 this subsection. Not later than August 1, the board of each
22 district shall certify to the department the number of hours and
23 days of pupil instruction in the previous school year. If the
24 district did not provide at least the required minimum number of
25 hours and days of pupil instruction under this subsection, the
26 deduction of state aid shall be made in the following fiscal year
27 from the first payment of state school aid. A district is not

1 subject to forfeiture of funds under this subsection for a fiscal
2 year in which a forfeiture was already imposed under subsection
3 (6).

4 (d) Hours or days lost because of strikes or teachers'
5 conferences shall not be counted as hours or days of pupil
6 instruction.

7 (e) If a collective bargaining agreement that provides a
8 complete school calendar is in effect for employees of a district
9 as of October 19, 2009, and if that school calendar is not in
10 compliance with this subsection, then this subsection does not
11 apply to that district until after the expiration of that
12 collective bargaining agreement.

13 (f) Except as otherwise provided in subdivisions (g) and (h),
14 a district not having at least 75% of the district's membership in
15 attendance on any day of pupil instruction shall receive state aid
16 in that proportion of 1/180 that the actual percent of attendance
17 bears to the specified percentage.

18 (g) If a district adds 1 or more days of pupil instruction to
19 the end of its instructional calendar for a school year to comply
20 with subdivision (a) because the district otherwise would fail to
21 provide the required minimum number of days of pupil instruction
22 even after the operation of subsection (4) due to conditions not
23 within the control of school authorities, then subdivision (f) does
24 not apply for any day of pupil instruction that is added to the end
25 of the instructional calendar. Instead, for any of those days, if
26 the district does not have at least 60% of the district's
27 membership in attendance on that day, the district shall receive

1 state aid in that proportion of 1/180 that the actual percentage of
2 attendance bears to the specified percentage. For any day of pupil
3 instruction added to the instructional calendar as described in
4 this subdivision, the district shall report to the department the
5 percentage of the district's membership that is in attendance, in
6 the form and manner prescribed by the department.

7 (h) At the request of a district that operates a department-
8 approved alternative education program and that does not provide
9 instruction for pupils in all of grades K to 12, the superintendent
10 ~~may~~**SHALL** grant a waiver from the requirements of subdivision (f).
11 The waiver shall indicate that an eligible district is subject to
12 the proration provisions of subdivision (f) only if the district
13 does not have at least 50% of the district's membership in
14 attendance on any day of pupil instruction. In order to be eligible
15 for this waiver, a district must maintain records to substantiate
16 its compliance with the following requirements:

17 (i) The district offers the minimum hours of pupil instruction
18 as required under this section.

19 (ii) For each enrolled pupil, the district uses appropriate
20 academic assessments to develop an individual education plan that
21 leads to a high school diploma.

22 (iii) The district tests each pupil to determine academic
23 progress at regular intervals and records the results of those
24 tests in that pupil's individual education plan.

25 (i) All of the following apply to a waiver granted under
26 subdivision (h):

27 (i) If the waiver is for a blended model of delivery, a waiver

1 that is granted for the 2011-2012 fiscal year or a subsequent
2 fiscal year remains in effect unless it is revoked by the
3 superintendent.

4 (ii) If the waiver is for a 100% online model of delivery and
5 the educational program for which the waiver is granted makes
6 educational services available to pupils for a minimum of at least
7 1,098 hours during a school year and ensures that each pupil
8 participates in the educational program for at least 1,098 hours
9 during a school year, a waiver that is granted for the 2011-2012
10 fiscal year or a subsequent fiscal year remains in effect unless it
11 is revoked by the superintendent.

12 (iii) A waiver that is not a waiver described in subparagraph
13 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
14 to remain in effect.

15 (j) The superintendent shall promulgate rules for the
16 implementation of this subsection.

17 (4) Except as otherwise provided in this subsection, the first
18 6 days or the equivalent number of hours for which pupil
19 instruction is not provided because of conditions not within the
20 control of school authorities, such as severe storms, fires,
21 epidemics, utility power unavailability, water or sewer failure, or
22 health conditions as defined by the city, county, or state health
23 authorities, shall be counted as hours and days of pupil
24 instruction. With the approval of the superintendent of public
25 instruction, the department shall count as hours and days of pupil
26 instruction for a fiscal year not more than ~~6~~3 additional days or
27 the equivalent number of additional hours for which pupil

1 instruction is not provided in a district ~~after April 1 of the~~
2 ~~applicable school year~~ due to unusual and extenuating occurrences
3 resulting from conditions not within the control of school
4 authorities such as those conditions described in this subsection.
5 Subsequent such hours or days shall not be counted as hours or days
6 of pupil instruction.

7 (5) A district shall not forfeit part of its state aid
8 appropriation because it adopts or has in existence an alternative
9 scheduling program for pupils in kindergarten if the program
10 provides at least the number of hours required under subsection (3)
11 for a full-time equated membership for a pupil in kindergarten as
12 provided under section 6(4).

13 (6) In addition to any other penalty or forfeiture under this
14 section, if at any time the department determines that 1 or more of
15 the following have occurred in a district, the district shall
16 forfeit in the current fiscal year beginning in the next payment to
17 be calculated by the department a proportion of the funds due to
18 the district under this article that is equal to the proportion
19 below the required minimum number of hours and days of pupil
20 instruction under subsection (3), as specified in the following:

21 (a) The district fails to operate its schools for at least the
22 required minimum number of hours and days of pupil instruction
23 under subsection (3) in a school year, including hours and days
24 counted under subsection (4).

25 (b) The board of the district takes formal action not to
26 operate its schools for at least the required minimum number of
27 hours and days of pupil instruction under subsection (3) in a

1 school year, including hours and days counted under subsection (4).

2 (7) In providing the minimum number of hours and days of pupil
3 instruction required under subsection (3), a district shall use the
4 following guidelines, and a district shall maintain records to
5 substantiate its compliance with the following guidelines:

6 (a) Except as otherwise provided in this subsection, a pupil
7 must be scheduled for at least the required minimum number of hours
8 of instruction, excluding study halls, or at least the sum of 90
9 hours plus the required minimum number of hours of instruction,
10 including up to 2 study halls.

11 (b) The time a pupil is assigned to any tutorial activity in a
12 block schedule may be considered instructional time, unless that
13 time is determined in an audit to be a study hall period.

14 (c) Except as otherwise provided in this subdivision, a pupil
15 in grades 9 to 12 for whom a reduced schedule is determined to be
16 in the individual pupil's best educational interest must be
17 scheduled for a number of hours equal to at least 80% of the
18 required minimum number of hours of pupil instruction to be
19 considered a full-time equivalent pupil. A pupil in grades 9 to 12
20 who is scheduled in a 4-block schedule may receive a reduced
21 schedule under this subsection if the pupil is scheduled for a
22 number of hours equal to at least 75% of the required minimum
23 number of hours of pupil instruction to be considered a full-time
24 equivalent pupil.

25 (d) If a pupil in grades 9 to 12 who is enrolled in a
26 cooperative education program or a special education pupil cannot
27 receive the required minimum number of hours of pupil instruction

1 solely because of travel time between instructional sites during
2 the school day, that travel time, up to a maximum of 3 hours per
3 school week, shall be considered to be pupil instruction time for
4 the purpose of determining whether the pupil is receiving the
5 required minimum number of hours of pupil instruction. However, if
6 a district demonstrates to the satisfaction of the department that
7 the travel time limitation under this subdivision would create
8 undue costs or hardship to the district, the department may
9 consider more travel time to be pupil instruction time for this
10 purpose.

11 (e) In grades 7 through 12, instructional time that is part of
12 a junior reserve officer training corps (JROTC) program shall be
13 considered to be pupil instruction time regardless of whether the
14 instructor is a certificated teacher if all of the following are
15 met:

16 (i) The instructor has met all of the requirements established
17 by the United States ~~department of defense~~ **DEPARTMENT OF DEFENSE**
18 and the applicable branch of the armed services for serving as an
19 instructor in the junior reserve officer training corps program.

20 (ii) The board of the district or intermediate district
21 employing or assigning the instructor complies with the
22 requirements of sections 1230 and 1230a of the revised school code,
23 MCL 380.1230 and 380.1230a, with respect to the instructor to the
24 same extent as if employing the instructor as a regular classroom
25 teacher.

26 (8) Except as otherwise provided in subsections (11) and (12),
27 the department shall apply the guidelines under subsection (7) in

1 calculating the full-time equivalency of pupils.

2 (9) Upon application by the district for a particular fiscal
3 year, the superintendent ~~may~~**SHALL** waive for a district the minimum
4 number of hours and days of pupil instruction requirement of
5 subsection (3) for a department-approved alternative education
6 program or another innovative program approved by the department,
7 including a 4-day school week. If a district applies for and
8 receives a waiver under this subsection and complies with the terms
9 of the waiver, the district is not subject to forfeiture under this
10 section for the specific program covered by the waiver. If the
11 district does not comply with the terms of the waiver, the amount
12 of the forfeiture shall be calculated based upon a comparison of
13 the number of hours and days of pupil instruction actually provided
14 to the minimum number of hours and days of pupil instruction
15 required under subsection (3). Pupils enrolled in a department-
16 approved alternative education program under this subsection shall
17 be reported to the center in a form and manner determined by the
18 center. All of the following apply to a waiver granted under this
19 subsection:

20 (a) If the waiver is for a blended model of delivery, a waiver
21 that is granted for the 2011-2012 fiscal year or a subsequent
22 fiscal year remains in effect unless it is revoked by the
23 superintendent.

24 (b) If the waiver is for a 100% online model of delivery and
25 the educational program for which the waiver is granted makes
26 educational services available to pupils for a minimum of at least
27 1,098 hours during a school year and ensures that each pupil

1 ~~participates in the educational program for at least 1,098 hours~~
2 ~~during a school year, IS ON TRACK FOR COURSE COMPLETION AT~~
3 **PROFICIENCY LEVEL**, a waiver that is granted for the 2011-2012
4 fiscal year or a subsequent fiscal year remains in effect unless it
5 is revoked by the superintendent.

6 (c) A waiver that is not a waiver described in subdivision (a)
7 or (b) is valid for 1 fiscal year and must be renewed annually to
8 remain in effect.

9 (10) Until 2014-2015, a district may count up to 38 hours of
10 qualifying professional development for teachers as hours of pupil
11 instruction. However, if a collective bargaining agreement that
12 provides for the counting of up to 38 hours of qualifying
13 professional development for teachers as pupil instruction is in
14 effect for employees of a district as of July 1, 2013, then until
15 the school year that begins after the expiration of that collective
16 bargaining agreement a district may count up to the contractually
17 specified number of hours of qualifying professional development
18 for teachers as hours of pupil instruction. Professional
19 development provided online is allowable and encouraged, as long as
20 the instruction has been approved by the district. The department
21 shall issue a list of approved online professional development
22 providers, which shall include the Michigan ~~virtual school.~~ **VIRTUAL**
23 **SCHOOL**. As used in this subsection, "qualifying professional
24 development" means professional development that is focused on 1 or
25 more of the following:

26 (a) Achieving or improving adequate yearly progress as defined
27 under the no child left behind act of 2001, Public Law 107-110.

1 (b) Achieving accreditation or improving a school's
2 accreditation status under section 1280 of the revised school code,
3 MCL 380.1280.

4 (c) Achieving highly qualified teacher status as defined under
5 the no child left behind act of 2001, Public Law 107-110.

6 (d) Integrating technology into classroom instruction.

7 (e) Maintaining teacher certification.

8 (11) Subsections (3) and (8) do not apply to a school of
9 excellence that is a cyber school, as defined in section 551 of the
10 revised school code, MCL 380.551, and is in compliance with section
11 553a of the revised school code, MCL 380.553a.

12 (12) Subsections (3) and (8) do not apply to eligible pupils
13 enrolled in a dropout recovery program that meets the requirements
14 of section 23a. As used in this subsection, "eligible pupil" means
15 that term as defined in section 23a.

16 (13) Beginning in 2013, at least every 2 years the
17 superintendent shall review the waiver standards set forth in the
18 pupil accounting and auditing manuals to ensure that the waiver
19 standards and waiver process continue to be appropriate and
20 responsive to changing trends in online learning. The
21 superintendent shall solicit and consider input from stakeholders
22 as part of this review.

23 **SEC. 102D. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11,**
24 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,500,000.00 FOR 2015-**
25 **2016 FOR REIMBURSEMENTS TO DISTRICTS FOR THE LICENSING OF SCHOOL**
26 **DATA ANALYTICAL TOOLS AS DESCRIBED UNDER THIS SECTION. THE**
27 **REIMBURSEMENT IS FOR DISTRICTS THAT CHOOSE TO USE A SCHOOL DATA**

1 ANALYTICAL TOOL TO ASSIST THE DISTRICT AND THAT ENTER INTO A
2 LICENSING AGREEMENT FOR A SCHOOL DATA ANALYTICAL TOOL WITH 1 OF THE
3 VENDORS APPROVED BY THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND
4 BUDGET UNDER SUBSECTION (2).

5 (2) NOT LATER THAN OCTOBER 15, 2015, THE DEPARTMENT OF
6 TECHNOLOGY, MANAGEMENT, AND BUDGET SHALL REVIEW VENDORS FOR SCHOOL
7 DATA ANALYTICAL TOOLS AND PROVIDE DISTRICTS WITH A LIST OF AT LEAST
8 2 AND UP TO 4 APPROVED VENDORS THAT DISTRICTS MAY USE TO BE
9 ELIGIBLE FOR A REIMBURSEMENT PAID UNDER THIS SECTION. FOR A VENDOR
10 TO BE APPROVED UNDER THIS SECTION, THE DEPARTMENT OF TECHNOLOGY,
11 MANAGEMENT, AND BUDGET MUST DETERMINE THAT THE SCHOOL DATA
12 ANALYTICAL TOOL SUPPLIED BY THE VENDOR MEETS AT LEAST ALL OF THE
13 FOLLOWING:

14 (A) ANALYZES FINANCIAL DATA.

15 (B) ANALYZES ACADEMIC DATA.

16 (C) PROVIDES EARLY WARNING INDICATORS OF FINANCIAL STRESS.

17 (D) HAS THE CAPABILITY TO PROVIDE PEER DISTRICT COMPARISONS OF
18 BOTH FINANCIAL AND ACADEMIC DATA.

19 (E) HAS THE CAPABILITY TO PROVIDE FINANCIAL PROJECTIONS FOR AT
20 LEAST 3 SUBSEQUENT FISCAL YEARS.

21 (3) FUNDS ALLOCATED UNDER THIS SECTION SHALL BE PAID TO
22 DISTRICTS AS A REIMBURSEMENT FOR ALREADY HAVING A LICENSING
23 AGREEMENT OR FOR ENTERING INTO A LICENSING AGREEMENT NOT LATER THAN
24 DECEMBER 1, 2015 WITH A VENDOR APPROVED UNDER SUBSECTION (2) TO
25 IMPLEMENT A SCHOOL DATA ANALYTICAL TOOL. REIMBURSEMENT UNDER THIS
26 SECTION SHALL BE MADE ON AN EQUAL PER-PUPIL BASIS.

27 (4) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION

1 **SHALL BE MADE ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

2 Sec. 104. (1) In order to receive state aid under this
3 article, a district shall comply with sections 1249, 1278a, 1278b,
4 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
5 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
6 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
7 the state school aid fund money appropriated in section 11, there
8 is allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
9 ~~\$41,394,400.00~~ **\$43,994,400.00** for payments on behalf of districts
10 for costs associated with complying with those provisions of law.
11 In addition, from the federal funds appropriated in section 11,
12 there is allocated for ~~2014-2015-2015-2016~~ an amount estimated at
13 \$6,250,000.00, funded from DED-OESE, title VI, state assessment
14 funds, and from DED-OSERS, section 504 of part B of the individuals
15 with disabilities education act, Public Law 94-142, plus any
16 carryover federal funds from previous year appropriations, for the
17 purposes of complying with the federal no child left behind act of
18 2001, Public Law 107-110.

19 (2) The results of each test administered as part of the
20 Michigan ~~educational assessment program,~~ **STUDENT TEST OF**
21 **EDUCATIONAL PROGRESS (M-STEP)**, including tests administered to high
22 school students, shall include an item analysis that lists all
23 items that are counted for individual pupil scores and the
24 percentage of pupils choosing each possible response.

25 (3) All federal funds allocated under this section shall be
26 distributed in accordance with federal law and with flexibility
27 provisions outlined in Public Law 107-116, and in the education

1 flexibility partnership act of 1999, Public Law 106-25.

2 (4) Notwithstanding section 17b, payments on behalf of
3 districts, intermediate districts, and other eligible entities
4 under this section shall be paid on a schedule determined by the
5 department.

6 (5) From the allocation in subsection (1), there is allocated
7 an amount not to exceed \$8,500,000.00 for the following purposes:

8 (a) Converting existing student assessments to online
9 assessments.

10 (b) Providing paper and pencil test versions to districts not
11 prepared to implement online assessments.

12 (c) Expanding writing assessments to additional grade levels.

13 (d) Providing an increased number of constructed response test
14 questions so that pupils can demonstrate higher-order skills such
15 as problem solving and communicating reasoning.

16 (6) From the allocation in subsection (1), there is allocated
17 an amount not to exceed \$3,200,000.00 for the development or
18 selection of an online reporting tool to provide student-level
19 assessment data in a secure environment to educators, parents, and
20 pupils immediately after assessments are scored. The department and
21 the center shall ensure that any data collected by the online
22 reporting tool do not provide individually identifiable student
23 data to the federal government.

24 (7) From the allocation in subsection (1), there is allocated
25 an amount not to exceed ~~\$3,000,000.00~~ **\$5,600,000.00** for the purpose
26 of implementing a summative assessment system pursuant to section
27 104c.

1 (8) As used in this section:

2 (a) "DED" means the United States ~~department of~~
3 ~~education.~~ **DEPARTMENT OF EDUCATION.**

4 (b) "DED-OESE" means the DED ~~office of elementary and~~
5 ~~secondary education.~~ **OFFICE OF ELEMENTARY AND SECONDARY EDUCATION.**

6 (c) "DED-OSERS" means the DED ~~office of special education and~~
7 ~~rehabilitative services.~~ **OFFICE OF SPECIAL EDUCATION AND**
8 **REHABILITATIVE SERVICES.**

9 Sec. 104b. (1) In order to receive state aid under this
10 article, a district shall comply with this section and shall
11 administer the Michigan merit examination to pupils in grade 11,
12 and to pupils in grade 12 who did not take the complete Michigan
13 merit examination in grade 11, as provided in this section. **THE**
14 **MICHIGAN MERIT EXAMINATION CONSISTS OF A COLLEGE ENTRANCE TEST,**
15 **WORK SKILLS TEST, AND THE SUMMATIVE ASSESSMENT KNOWN AS THE**
16 **MICHIGAN STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP).**

17 (2) For the purposes of this section, the department of
18 technology, management, and budget shall contract with 1 or more
19 providers to develop, supply, and score the Michigan merit
20 examination. The Michigan merit examination shall consist of all of
21 the following:

22 (a) Assessment instruments that measure English language arts,
23 mathematics, reading, and science, and are used by **THE MAJORITY OF**
24 colleges and universities in this state for entrance ~~or placement~~
25 purposes. This ~~shall~~ **MAY** include 1 or more writing components. **IN**
26 **SELECTING ASSESSMENT INSTRUMENTS TO FULFILL THE REQUIREMENTS OF**
27 **THIS SUBDIVISION, THE DEPARTMENT MAY CONSIDER THE DEGREE TO WHICH**

1 **THOSE ASSESSMENT INSTRUMENTS ARE ALIGNED TO THIS STATE'S CONTENT**
2 **STANDARDS.**

3 (b) One or more tests from 1 or more test developers that
4 assess a pupil's ability to apply at least reading and mathematics
5 skills in a manner that is intended to allow employers to use the
6 results in making employment decisions. The department of
7 technology, management, and budget and the superintendent shall
8 ensure that any test or tests selected under this subdivision have
9 all the components necessary to allow a pupil to be eligible to
10 receive the results of a nationally recognized evaluation of
11 workforce readiness if the pupil's test performance is adequate.

12 (c) A social studies component.

13 (d) Any other component that is necessary to obtain the
14 approval of the United States ~~department of education~~ **DEPARTMENT OF**
15 **EDUCATION** to use the Michigan merit examination for the purposes of
16 the no child left behind act of 2001, Public Law 107-110.

17 (3) In addition to all other requirements of this section, all
18 of the following apply to the Michigan merit examination:

19 (a) The department of technology, management, and budget and
20 the superintendent shall ensure that any contractor used for
21 scoring the Michigan merit examination supplies an individual
22 report for each pupil that will identify for the pupil's parents
23 and teachers whether the pupil met expectations or failed to meet
24 expectations for each standard, to allow the pupil's parents and
25 teachers to assess and remedy problems before the pupil moves to
26 the next grade.

27 (b) The department of technology, management, and budget and

1 the superintendent shall ensure that any contractor used for
2 scoring, developing, or processing the Michigan merit examination
3 meets quality management standards commonly used in the assessment
4 industry, including at least meeting level 2 of the capability
5 maturity model developed by the software engineering institute of
6 Carnegie Mellon university for the first year the Michigan merit
7 examination is offered to all grade 11 pupils and at least meeting
8 level 3 of the capability maturity model for subsequent years.

9 (c) The department of technology, management, and budget and
10 the superintendent shall ensure that any contract for scoring,
11 administering, or developing the Michigan merit examination
12 includes specific deadlines for all steps of the assessment
13 process, including, but not limited to, deadlines for the correct
14 testing materials to be supplied to schools and for the correct
15 results to be returned to schools, and includes penalties for
16 noncompliance with these deadlines.

17 (d) The superintendent shall ensure that the Michigan merit
18 examination meets all of the following:

19 (i) Is designed to test pupils on ~~grade level content~~
20 ~~expectations or course content expectations, as appropriate,~~ **THIS**
21 **STATE'S CONTENT STANDARDS** in all subjects tested.

22 (ii) Complies with requirements of the no child left behind
23 act of 2001, Public Law 107-110.

24 (iii) Is consistent with the code of fair testing practices in
25 education prepared by the ~~joint committee on testing practices of~~
26 ~~the American psychological association.~~ **JOINT COMMITTEE ON TESTING**
27 **PRACTICES OF THE AMERICAN PSYCHOLOGICAL ASSOCIATION.**

1 (iv) Is factually accurate. If the superintendent determines
2 that a question is not factually accurate and should be excluded
3 from scoring, the state board and the superintendent shall ensure
4 that the question is excluded from scoring.

5 (4) A district shall include on each pupil's high school
6 transcript all of the following:

7 (a) For each high school graduate who has completed the
8 Michigan merit examination under this section, the pupil's scaled
9 score on each subject area component of the Michigan merit
10 examination.

11 (b) The number of school days the pupil was in attendance at
12 school each school year during high school and the total number of
13 school days in session for each of those school years.

14 (5) The superintendent shall work with the provider or
15 providers of the Michigan merit examination to produce Michigan
16 merit examination subject area scores for each pupil participating
17 in the Michigan merit examination. ~~including scaling and merging~~
18 ~~of test items for the different subject area components.~~ **TO THE**
19 **EXTENT THAT THE DEPARTMENT DETERMINES THAT ADDITIONAL TEST ITEMS**
20 **BEYOND THOSE INCLUDED IN THE COLLEGE ENTRANCE COMPONENT OF THE**
21 **MICHIGAN MERIT EXAMINATION ARE REQUIRED IN A PARTICULAR SUBJECT**
22 **AREA, THE DEPARTMENT SHALL ENSURE THAT ALL TEST ITEMS IN THAT**
23 **SUBJECT AREA ARE SCALED AND MERGED FOR THE PURPOSES OF PRODUCING A**
24 **MICHIGAN MERIT EXAMINATION SUBJECT AREA SCORE.** The superintendent
25 shall design and distribute to districts, intermediate districts,
26 and nonpublic schools a simple and concise document that describes
27 the scoring for each subject area and indicates the scaled score

1 ranges for each subject area.

2 (6) The Michigan merit examination shall be administered in
3 each district during the last 12 weeks of the district's school
4 year. The superintendent shall ensure that the Michigan merit
5 examination is scored and the scores are returned to pupils, their
6 parents or legal guardians, and districts not later than the
7 beginning of the pupil's first semester of grade 12. The returned
8 scores shall indicate at least the pupil's scaled score for each
9 subject area component and the range of scaled scores for each
10 subject area. In reporting the scores to pupils, parents, and
11 schools, the superintendent shall provide standards-specific,
12 meaningful, and timely feedback on the pupil's performance on the
13 Michigan merit examination.

14 (7) A district shall administer the complete Michigan merit
15 examination to a pupil only once and shall not administer the
16 complete Michigan merit examination to the same pupil more than
17 once. If a pupil does not take the complete Michigan merit
18 examination in grade 11, the district shall administer the complete
19 Michigan merit examination to the pupil in grade 12. If a pupil
20 chooses to retake the college entrance examination component of the
21 Michigan merit examination, as described in subsection (2)(a), the
22 pupil may do so through the provider of the college entrance
23 examination component and the cost of the retake is the
24 responsibility of the pupil unless all of the following are met:

25 (a) The pupil has taken the complete Michigan merit
26 examination.

27 ~~(b) The pupil did not qualify for a Michigan promise grant~~

1 ~~under section 6 of the Michigan promise grant act, 2006 PA 479, MCL~~
2 ~~390.1626, based on the pupil's performance on the complete Michigan~~
3 ~~merit examination.~~

4 (B) ~~(e)~~—The pupil meets the income eligibility criteria for
5 free breakfast, lunch, or milk, as determined under the Richard B.
6 Russell national school lunch act, 42 USC 1751 to 1769i.

7 (C) ~~(d)~~—The pupil has applied to the provider of the college
8 entrance examination component for a scholarship or fee waiver to
9 cover the cost of the retake and that application has been denied.

10 (D) ~~(e)~~—After taking the complete Michigan merit examination,
11 the pupil has not already received a free retake of the college
12 entrance examination component paid for either by this state or
13 through a scholarship or fee waiver by the provider.

14 (8) The superintendent shall ensure that the length of the
15 Michigan merit examination and the combined total time necessary to
16 administer all of the components of the Michigan merit examination
17 are the shortest possible that will still maintain the degree of
18 reliability and validity of the Michigan merit examination results
19 determined necessary by the superintendent. The superintendent
20 shall ensure that the maximum total combined length of time that
21 schools are required to set aside for pupils to answer all test
22 questions on the Michigan merit examination does not exceed 8 hours
23 if the superintendent determines that sufficient alignment to
24 applicable Michigan merit curriculum content standards can be
25 achieved within that time limit.

26 (9) A district shall provide accommodations to a pupil with
27 disabilities for the Michigan merit examination, as provided under

1 section 504 of title V of the rehabilitation act of 1973, 29 USC
2 794; subtitle A of title II of the Americans with disabilities act
3 of 1990, 42 USC 12131 to 12134; the individuals with disabilities
4 education act amendments of 1997, Public Law 105-17; and the
5 implementing regulations for those statutes. The provider or
6 providers of the Michigan merit examination and the superintendent
7 shall mutually agree upon the accommodations to be provided under
8 this subsection.

9 (10) To the greatest extent possible, the Michigan merit
10 examination shall be based on ~~grade level content expectations or~~
11 ~~course content expectations, as appropriate. Not later than July 1,~~
12 ~~2008, the department shall identify specific grade level content~~
13 ~~expectations to be taught before and after the middle of grade 11,~~
14 ~~so that teachers will know what content will be covered within the~~
15 ~~Michigan merit examination.~~**THIS STATE'S CONTENT STANDARDS, AS**
16 **APPROPRIATE. ANNUALLY, AFTER EACH ADMINISTRATION OF THE MICHIGAN**
17 **MERIT EXAMINATION, THE DEPARTMENT SHALL PROVIDE A REPORT OF THE**
18 **POINTS PER STANDARD SO THAT TEACHERS WILL KNOW WHAT CONTENT WILL BE**
19 **COVERED WITHIN THE MICHIGAN MERIT EXAMINATION. THE DEPARTMENT MAY**
20 **AUGMENT THE COLLEGE ENTRANCE AND WORK SKILLS COMPONENTS OF THE**
21 **MICHIGAN MERIT EXAMINATION TO DEVELOP THE ASSESSMENT, DEPENDING ON**
22 **THE ALIGNMENT OF THOSE COMPONENTS TO THIS STATE'S CONTENT**
23 **STANDARDS. IF THESE COMPONENTS DO NOT ALIGN TO THESE STANDARDS, THE**
24 **DEPARTMENT SHALL PRODUCE ADDITIONAL COMPONENTS AS REQUIRED BY LAW,**
25 **WHILE MINIMIZING THE AMOUNT OF TIME NEEDED FOR ASSESSMENTS.**

26 (11) A child who is a student in a nonpublic school or home
27 school may take the Michigan merit examination under this section.

1 To take the Michigan merit examination, a child who is a student in
2 a home school shall contact the district in which the child
3 resides, and that district shall administer the Michigan merit
4 examination, or the child may take the Michigan merit examination
5 at a nonpublic school if allowed by the nonpublic school. Upon
6 request from a nonpublic school, the superintendent shall direct
7 the provider or providers to supply the Michigan merit examination
8 to the nonpublic school and the nonpublic school may administer the
9 Michigan merit examination. If a district administers the Michigan
10 merit examination under this subsection to a child who is not
11 enrolled in the district, the scores for that child are not
12 considered for any purpose to be scores of a pupil of the district.

13 (12) In contracting under subsection (2), the department of
14 **TECHNOLOGY**, management, and budget shall consider a contractor that
15 provides electronically-scored essays with the ability to score
16 constructed response feedback in multiple languages and provide
17 ongoing instruction and feedback.

18 (13) The purpose of the Michigan merit examination is to
19 assess pupil performance in mathematics, science, social studies,
20 and English language arts for the purpose of improving academic
21 achievement and establishing a statewide standard of competency.
22 The assessment under this section provides a common measure of data
23 that will contribute to the improvement of Michigan schools'
24 curriculum and instruction by encouraging alignment with Michigan's
25 curriculum framework standards and promotes pupil participation in
26 higher level mathematics, science, social studies, and English
27 language arts courses. These standards are based upon the

1 expectations of what pupils should learn through high school and
2 are aligned with national standards.

3 (14) For a pupil enrolled in a middle college program, other
4 than a middle college operated as a shared educational entity or a
5 specialized shared educational entity, if the pupil receives at
6 least 50% of his or her instruction at the high school while in
7 grade 11, the Michigan merit examination shall be administered to
8 the pupil at the high school at which the pupil receives high
9 school instruction, and the department shall include the pupil's
10 scores on the Michigan merit examination in the scores for that
11 high school for all purposes for which a school's or district's
12 results are reported. The department shall allow the middle college
13 program to use a 5-year graduation rate for determining adequate
14 yearly progress. As used in this subsection, "middle college" means
15 a program consisting of a series of courses and other requirements
16 and conditions, including an early college or other program created
17 under a memorandum of understanding, that allows a pupil to
18 graduate from high school with both a high school diploma and a
19 certificate or degree from a community college or state public
20 university.

21 (15) As used in this section:

22 (a) "English language arts" means reading and writing.

23 (b) "Social studies" means United States history, world
24 history, world geography, economics, and American government.

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

1 (2) For the purposes of this section, the department shall
2 develop for use in the spring of ~~2014-2015 new Michigan education~~
3 ~~assessment program (MEAP)~~ **2015-2016 THE MICHIGAN STUDENT TEST OF**
4 **EDUCATIONAL PROGRESS (M-STEP)** assessments in English language arts
5 and mathematics. These assessments shall be aligned to state
6 standards.

7 (3) For the purposes of this section, the department shall
8 implement ~~beginning in the 2015-2016 school year~~ a summative
9 assessment system that is proven to be valid and reliable for
10 administration to pupils as provided under this subsection. The
11 summative assessment system shall meet all of the following
12 requirements:

13 (a) The summative assessment system shall measure student
14 proficiency on the current state standards, shall measure student
15 growth for consecutive grade levels in which students are assessed
16 in the same subject area in both grade levels, and shall be capable
17 of measuring individual student performance.

18 (b) The summative assessments for English language arts and
19 mathematics shall be administered to all public school pupils in
20 grades 3 to ~~10~~, **11**, including those pupils as required by the
21 federal individuals with disabilities education act, Public Law
22 108-446, and by title I of the federal elementary and secondary
23 education act.

24 (c) The summative assessments for science shall be
25 administered to all public school pupils in at least grades 4 and
26 7, including those pupils as required by the federal individuals
27 with disabilities education act, Public Law 108-446, and by title I

1 of the federal elementary and secondary education act.

2 (d) The summative assessments for social studies shall be
3 administered to all public school pupils in at least grades 5 and
4 8, including those pupils as required by the federal individuals
5 with disabilities education act, Public Law 108-446, and by title I
6 of the federal elementary and secondary education act.

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

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

14 (g) The summative assessment system shall ensure that
15 students, parents, and teachers are provided with reports that
16 convey individual student proficiency and growth on the assessment
17 and that convey individual student domain-level performance in each
18 subject area, including representative questions, and individual
19 student performance in meeting state standards.

20 (h) The summative assessment system shall be capable of
21 providing, and the department shall ensure that students, parents,
22 teachers, administrators, and community members are provided with,
23 reports that convey aggregate student proficiency and growth data
24 by teacher, grade, school, and district.

25 (i) The summative assessment system shall ensure the
26 capability of reporting the available data to support educator
27 evaluations.

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

4 ~~(k) The assessments shall be capable of being implemented~~
5 ~~statewide in a fully operational manner no later than the 2015-2016~~
6 ~~school year.~~

7 (K) ~~(l)~~The summative assessment system shall ensure that
8 access to individually identifiable student data meets all of the
9 following:

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

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

19 (l) ~~(m)~~The summative assessment system shall ensure that the
20 assessments are pilot tested before statewide implementation.

21 (M) ~~(n)~~The summative assessment system shall ensure that
22 assessments are designed so that the maximum total combined length
23 of time that schools are required to set aside for a pupil to
24 answer all test questions on all assessments that are part of the
25 system for the pupil's grade level does not exceed that maximum
26 total combined length of time for the previous statewide assessment
27 system or 9 hours, whichever is less. This subdivision does not

1 limit the amount of time a district may allow a pupil to complete a
2 test.

3 (N) ~~(e)~~—The total cost of executing the summative assessment
4 system statewide each year, including, but not limited to, the cost
5 of contracts for administration, scoring, and reporting, shall not
6 exceed an amount equal to 2 times the cost of executing the
7 previous statewide assessment after adjustment for inflation.

8 ~~(4) To begin the process required under subsection (3), not~~
9 ~~later than September 1, 2014, the department shall issue a request~~
10 ~~for proposals for the summative assessment system described in that~~
11 ~~subsection.~~**BEGINNING IN THE 2015-2016 SCHOOL YEAR, THE DEPARTMENT**
12 **SHALL FIELD TEST ADDITIONAL COMPONENTS IN THE ASSESSMENT SYSTEM**
13 **UNDER THIS SUBSECTION FOR FULL IMPLEMENTATION IN THE 2016-2017**
14 **SCHOOL YEAR. THE ADDITIONAL COMPONENTS ARE NECESSARY TO DETERMINE A**
15 **PUPIL'S PROFICIENCY LEVEL BEFORE GRADE 3. THE ADDITIONAL COMPONENTS**
16 **ARE AS FOLLOWS:**

17 (A) ASSESSMENTS ADMINISTERED IN THE FALL AND SPRING OF EACH
18 YEAR TO MEASURE ENGLISH LANGUAGE ARTS AND MATHEMATICS IN EACH OF
19 GRADES 1 AND 2.

20 (B) THE KINDERGARTEN ENTRY ASSESSMENT (KEA), TO BE
21 ADMINISTERED IN THE FALL OF THE KINDERGARTEN YEAR. THE KEA SHALL
22 INCLUDE THE SAME COMPONENTS AS UNDER SUBDIVISION (A) AND ALSO MAY
23 INCLUDE OBSERVATIONAL COMPONENTS THAT MEASURE COGNITIVE, SOCIAL-
24 EMOTIONAL, AND PHYSICAL SKILLS.

25 (5) This section does not prohibit districts from adopting
26 interim assessments.

27 ~~—(6) The department shall seek a waiver or amendment to an~~

1 ~~existing waiver for federal approval of the assessment framework~~
2 ~~under this section and shall notify the United States department of~~
3 ~~education about the provisions of this section and take necessary~~
4 ~~steps to assure the United States department of education that this~~
5 ~~state is on track to develop and implement a summative assessment~~
6 ~~system as required by federal law.~~

7 (6) ~~(7)~~As used in this section, "English language arts" means
8 that term as defined in section 104b.

9 **SEC. 104D. (1) FROM THE STATE SCHOOL AID FUND MONEY**
10 **APPROPRIATED IN SECTION 11, THERE IS ALLOCATED FOR 2015-2016 AN**
11 **AMOUNT NOT TO EXCEED \$4,000,000.00 FOR PROVIDING REIMBURSEMENT TO**
12 **DISTRICTS THAT PURCHASE A COMPUTER-ADAPTIVE TEST FOR EACH PUPIL**
13 **ENROLLED IN THE DISTRICT OR THAT PURCHASE 1 OR MORE DIAGNOSTIC**
14 **TOOLS, SCREENING TOOLS, OR BENCHMARK ASSESSMENTS FOR PUPILS IN**
15 **GRADES K TO 3 THAT ARE INTENDED TO INCREASE READING PROFICIENCY BY**
16 **GRADE 4.**

17 (2) IN ORDER TO RECEIVE REIMBURSEMENT UNDER THIS SECTION FOR
18 THE PURCHASE OF A COMPUTER-ADAPTIVE TEST, THE COMPUTER-ADAPTIVE
19 TEST MUST PROVIDE FOR AT LEAST ALL OF THE FOLLOWING:

20 (A) INTERNET-DELIVERED, STANDARDS-BASED ASSESSMENT USING A
21 COMPUTER-ADAPTIVE MODEL TO TARGET THE INSTRUCTIONAL LEVEL OF EACH
22 PUPIL.

23 (B) UNLIMITED TESTING OPPORTUNITIES THROUGHOUT THE 2015-2016
24 SCHOOL YEAR.

25 (C) VALID AND RELIABLE DIAGNOSTIC ASSESSMENT DATA.

26 (D) ADJUSTMENT OF TESTING DIFFICULTY BASED ON PREVIOUS ANSWERS
27 TO TEST QUESTIONS.

1 (E) IMMEDIATE FEEDBACK TO PUPILS AND TEACHERS.

2 (3) IN ORDER TO RECEIVE REIMBURSEMENT UNDER THIS SECTION FOR
3 THE PURCHASE OF 1 OR MORE DIAGNOSTIC TOOLS OR SCREENING TOOLS FOR
4 PUPILS IN GRADES K TO 3, EACH OF THE TOOLS MUST MEET ALL OF THE
5 FOLLOWING:

6 (A) BE RELIABLE.

7 (B) BE VALID.

8 (C) BE USEFUL. AS USED IN THIS SUBDIVISION, "USEFUL" MEANS
9 THAT A TOOL IS EASY TO ADMINISTER AND REQUIRES A SHORT TIME TO
10 COMPLETE AND THAT RESULTS ARE LINKED TO INTERVENTION.

11 (4) IN ORDER TO RECEIVE FUNDING UNDER THIS SECTION FOR THE
12 PURCHASE OF 1 OR MORE BENCHMARK ASSESSMENTS FOR PUPILS IN GRADES K
13 TO 3, EACH OF THE BENCHMARK ASSESSMENTS MUST MEET ALL OF THE
14 FOLLOWING:

15 (A) BE ALIGNED TO THE STATE STANDARDS OF THIS STATE.

16 (B) COMPLEMENT THIS STATE'S SUMMATIVE ASSESSMENT SYSTEM.

17 (C) BE ADMINISTERED AT LEAST ONCE A YEAR BEFORE THE
18 ADMINISTRATION OF ANY SUMMATIVE ASSESSMENT TO MONITOR PUPIL
19 PROGRESS.

20 (D) PROVIDE INFORMATION ON PUPIL ACHIEVEMENT WITH REGARD TO
21 LEARNING THE CONTENT REQUIRED IN A GIVEN YEAR OR GRADE SPAN.

22 (5) REIMBURSEMENT UNDER THIS SECTION SHALL BE MADE TO ELIGIBLE
23 DISTRICTS THAT PURCHASE A COMPUTER-ADAPTIVE TEST OR 1 OR MORE
24 DIAGNOSTIC TOOLS, SCREENING TOOLS, OR BENCHMARK ASSESSMENTS
25 DESCRIBED IN THIS SECTION BY OCTOBER 15, 2015 AND SHALL BE MADE ON
26 AN EQUAL PER-PUPIL BASIS ACCORDING TO THE AVAILABLE FUNDING.

27 (6) IN ORDER TO RECEIVE REIMBURSEMENT UNDER THIS SECTION, A

1 DISTRICT SHALL DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT
2 THAT EACH QUALIFYING COMPUTER-ADAPTIVE TEST, DIAGNOSTIC TOOL,
3 SCREENING TOOL, OR BENCHMARK ASSESSMENT WAS PURCHASED BY THE
4 DISTRICT BY DECEMBER 1, 2015.

5 Sec. 107. (1) From the appropriation in section 11, there is
6 allocated an amount not to exceed ~~\$22,000,000.00~~ **\$25,000,000.00** for
7 ~~2014-2015-2015-2016~~ for adult education programs authorized under
8 this section. ~~Funds~~ **EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTIONS**
9 **(16) AND (18), FUNDS** allocated under this section are restricted
10 for adult education programs as authorized under this section only.
11 A recipient of funds under this section shall not use those funds
12 for any other purpose.

13 (2) To be eligible for funding under this section, ~~a program~~
14 **AN ELIGIBLE ADULT EDUCATION PROVIDER** shall employ certificated
15 teachers and qualified administrative staff and shall offer
16 continuing education opportunities for teachers to allow them to
17 maintain certification.

18 (3) To be eligible to be a participant funded under this
19 section, ~~a person~~ **AN INDIVIDUAL** shall be enrolled in an adult basic
20 education program, an adult English as a second language program, a
21 general educational development (G.E.D.) test preparation program,
22 a job- or employment-related program, or a high school completion
23 program, that meets the requirements of this section, and for which
24 instruction is provided, and shall meet either of the following, as
25 applicable:

26 (a) If the individual has obtained a high school diploma or a
27 general educational development (G.E.D.) certificate, the

1 individual meets 1 of the following:

2 ~~—— (i) Is less than 20 years of age on September 1 of the school~~
 3 ~~year and is enrolled in the Michigan career and technical~~
 4 ~~institute.~~

5 (i) ~~(ii)~~—Is less than 20 years of age on September 1 of the
 6 school year, is not attending an institution of higher education,
 7 and is enrolled in a job- or employment-related program through a
 8 referral by an employer or by a Michigan workforce agency.

9 (ii) ~~(iii)~~—Is enrolled in an English as a second language
 10 program.

11 (iii) ~~(iv)~~—Is enrolled in a high school completion program.

12 (iv) IS 20 YEARS OF AGE ON SEPTEMBER 1 OF THE SCHOOL YEAR, IS
 13 ENROLLED IN AN ADULT BASIC EDUCATION PROGRAM, AND IS DETERMINED BY
 14 A DEPARTMENT-APPROVED ASSESSMENT, IN A FORM AND MANNER PRESCRIBED
 15 BY THE DEPARTMENT, TO BE BELOW GRADE 9 LEVEL IN READING OR
 16 MATHEMATICS, OR BOTH.

17 (b) If the individual has not obtained a high school diploma
 18 or G.E.D. certificate, the individual meets 1 of the following:

19 (i) Is at least 20 years of age on September 1 of the school
 20 year.

21 (ii) Is at least 16 years of age on September 1 of the school
 22 year, has been permanently expelled from school under section
 23 1311(2) or 1311a of the revised school code, MCL 380.1311 and
 24 380.1311a, and has no appropriate alternative education program
 25 available through his or her district of residence.

26 (4) BY APRIL 1 OF EACH FISCAL YEAR, THE INTERMEDIATE DISTRICTS
 27 WITHIN A PROSPERITY REGION OR SUBREGION SHALL DETERMINE WHICH

1 INTERMEDIATE DISTRICT WILL SERVE AS THE PROSPERITY REGION'S OR
2 SUBREGION'S FISCAL AGENT FOR THE NEXT FISCAL YEAR AND SHALL NOTIFY
3 THE DEPARTMENT IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT.
4 THE DEPARTMENT SHALL APPROVE OR DISAPPROVE OF THE PROSPERITY
5 REGION'S OR SUBREGION'S SELECTED FISCAL AGENT. From the funds
6 allocated under subsection (1), an amount as determined under this
7 subsection shall be allocated to each intermediate district serving
8 as a fiscal agent for adult education programs in each of the ~~10~~
9 prosperity regions **OR SUBREGIONS** identified by the department. An
10 intermediate district shall not use more than 5% of the funds
11 allocated under this subsection for administration costs for
12 serving as the fiscal agent. ~~The department shall ensure that the~~
13 ~~funds allocated under this subsection for 2014-2015 will provide~~
14 ~~services in 2014-2015 to at least the same number of individuals as~~
15 ~~the number of individuals who were enrolled in programs funded~~
16 ~~under this section in 2013-2014. For **BEGINNING IN** 2014-2015, 67% of~~
17 the allocation provided to each intermediate district serving as a
18 fiscal agent shall be based on the proportion of total funding
19 formerly received by the adult education providers in that
20 prosperity region **OR SUBREGION** in 2013-2014, and 33% shall be
21 allocated based on the factors in subdivisions (a), (b), and (c).
22 ~~For 2015-2016, 2016-2017, 33% of the allocation provided to each~~
23 intermediate district serving as a fiscal agent shall be based upon
24 the proportion of total funding formerly received by the adult
25 education providers in that prosperity region in 2013-2014 and 67%
26 of the allocation shall be based upon the factors in subdivisions
27 (a), (b), and (c). ~~For 2016-2017, **BEGINNING IN** 2017-2018, 100% of~~

1 the allocation provided to each intermediate district serving as a
2 fiscal agent shall be based on the factors in subdivisions (a),
3 (b), and (c). The funding factors for this section are as follows:

4 (a) Sixty percent of this portion of the funding shall be
5 distributed based upon the proportion of the state population of
6 individuals between the ages of 18 and 24 that are not high school
7 graduates that resides in each of the prosperity regions **OR**
8 **SUBREGIONS**, as reported by the most recent 5-year estimates from
9 the American community survey (ACS) from the United States ~~census~~
10 ~~bureau~~. **CENSUS BUREAU**.

11 (b) Thirty-five percent of this portion of the funding shall
12 be distributed based upon the proportion of the state population of
13 individuals age 25 or older who are not high school graduates that
14 resides in each of the prosperity regions **OR SUBREGIONS**, as
15 reported by the most recent 5-year estimates from the American
16 community survey (ACS) from the United States ~~census~~ ~~bureau~~. **CENSUS**
17 **BUREAU**.

18 (c) Five percent of this portion of the funding shall be
19 distributed based upon the proportion of the state population of
20 individuals age 18 or older who lack basic English language
21 proficiency that resides in each of the prosperity regions **OR**
22 **SUBREGIONS**, as reported by the most recent 5-year estimates from
23 the American community survey (ACS) from the United States ~~census~~
24 ~~bureau~~. **CENSUS BUREAU**.

25 (5) To be an eligible fiscal agent, an intermediate district
26 must agree to do the following in a form and manner determined by
27 the department:

1 (a) Distribute funds to adult education programs in a
2 prosperity region **OR SUBREGION** as described in this section.

3 (b) Collaborate with ~~education advisory groups~~ **THE TALENT**
4 **DISTRICT CAREER COUNCIL, WHICH IS AN ADVISORY COUNCIL** of the
5 workforce development boards located in the prosperity region **OR**
6 **SUBREGION, OR ITS SUCCESSOR,** to develop a regional strategy that
7 aligns adult education programs and services into an efficient and
8 effective delivery system for adult education learners, **WITH**
9 **SPECIAL CONSIDERATION FOR PROVIDING CONTEXTUALIZED LEARNING AND**
10 **CAREER PATHWAYS.**

11 (c) Collaborate with ~~education advisory groups~~ **THE TALENT**
12 **DISTRICT CAREER COUNCIL, WHICH IS AN ADVISORY COUNCIL** of the
13 workforce development boards located in the prosperity region **OR**
14 **SUBREGION, OR ITS SUCCESSOR,** to create a local process and criteria
15 that will identify eligible adult education providers to receive
16 funds allocated under this section based on location, demand for
17 services, **PAST PERFORMANCE, QUALITY INDICATORS AS IDENTIFIED BY THE**
18 **DEPARTMENT,** and cost to provide instructional services. ~~All~~ **THE**
19 **FISCAL AGENT SHALL DETERMINE ALL** local processes, criteria, and
20 provider determinations. **HOWEVER, THE LOCAL PROCESSES, CRITERIA,**
21 **AND PROVIDER SERVICES** must be approved by the department before
22 funds may be distributed to the fiscal agent.

23 **(D) PROVIDE OVERSIGHT TO ITS ADULT EDUCATION PROVIDERS**
24 **THROUGHOUT THE PROGRAM YEAR TO ENSURE COMPLIANCE WITH THE**
25 **REQUIREMENTS OF THIS SECTION.**

26 **(E)** ~~(d)~~ Report adult education program and participant data
27 and information as prescribed by the department.

1 (6) The amount allocated under this section per full-time
2 equated participant shall not exceed \$2,850.00 for a 450-hour
3 program. The amount shall be proportionately reduced for a program
4 offering less than 450 hours of instruction.

5 (7) An adult basic education program or an adult English as a
6 second language program operated on a year-round or school year
7 basis may be funded under this section, subject to all of the
8 following:

9 (a) The program enrolls adults who are determined by a
10 department-approved assessment, in a form and manner prescribed by
11 the department, to be below ninth grade level in reading or
12 mathematics, or both, or to lack basic English proficiency.

13 (b) The program tests individuals for eligibility under
14 subdivision (a) before enrollment and upon completion of the
15 program in compliance with the state-approved assessment policy.

16 (c) A participant in an adult basic education program is
17 eligible for reimbursement until 1 of the following occurs:

18 (i) The participant's reading and mathematics proficiency are
19 assessed at or above the ninth grade level.

20 (ii) The participant fails to show progress on 2 successive
21 assessments after having completed at least 450 hours of
22 instruction.

23 (d) A funding recipient enrolling a participant in an English
24 as a second language program is eligible for funding according to
25 subsection (11) until the participant meets 1 of the following:

26 (i) The participant is assessed as having attained basic
27 English proficiency as determined by a department-approved

1 assessment.

2 (ii) The participant fails to show progress on 2 successive
3 department-approved assessments after having completed at least 450
4 hours of instruction. The department shall provide information to a
5 funding recipient regarding appropriate assessment instruments for
6 this program.

7 (8) A general educational development (G.E.D.) test
8 preparation program operated on a year-round or school year basis
9 may be funded under this section, subject to all of the following:

10 (a) The program enrolls adults who do not have a high school
11 diploma.

12 (b) The program shall administer a pre-test approved by the
13 department before enrolling an individual to determine the
14 individual's literacy levels, shall administer a G.E.D. practice
15 test to determine the individual's potential for success on the
16 G.E.D. test, and shall administer a post-test upon completion of
17 the program in compliance with the state-approved assessment
18 policy.

19 (c) A funding recipient shall receive funding according to
20 subsection (11) for a participant, and a participant may be
21 enrolled in the program until 1 of the following occurs:

22 (i) The participant obtains the G.E.D.

23 (ii) The participant fails to show progress on 2 successive
24 department-approved assessments used to determine readiness to take
25 the G.E.D. test after having completed at least 450 hours of
26 instruction.

27 (9) A high school completion program operated on a year-round

1 or school year basis may be funded under this section, subject to
2 all of the following:

3 (a) The program enrolls adults who do not have a high school
4 diploma.

5 (b) The program tests participants described in subdivision
6 (a) before enrollment and upon completion of the program in
7 compliance with the state-approved assessment policy.

8 (c) A funding recipient shall receive funding according to
9 subsection (11) for a participant in a course offered under this
10 subsection until 1 of the following occurs:

11 (i) The participant passes the course and earns a high school
12 diploma.

13 (ii) The participant fails to earn credit in 2 successive
14 semesters or terms in which the participant is enrolled after
15 having completed at least 900 hours of instruction.

16 (10) A job- or employment-related adult education program
17 operated on a year-round or school year basis may be funded under
18 this section, subject to all of the following:

19 (a) The program enrolls adults referred by their employer who
20 are less than 20 years of age, have a high school diploma, are
21 determined to be in need of remedial mathematics or communication
22 arts skills, and are not attending an institution of higher
23 education.

24 (b) The program tests participants described in subdivision
25 (a) before enrollment and upon completion of the program in
26 compliance with the department-approved assessment policy.

27 (c) An individual may be enrolled in this program and the

1 grant recipient shall receive funding according to subsection (11)
2 until 1 of the following occurs:

3 (i) The individual achieves the requisite skills as determined
4 by department-approved assessment instruments.

5 (ii) The individual fails to show progress on 2 successive
6 assessments after having completed at least 450 hours of
7 instruction.

8 (11) A funding recipient shall receive payments under this
9 section in accordance with the following:

10 (a) ~~Seventy five~~ **EIGHTY** percent for enrollment of eligible
11 participants.

12 (b) ~~Twenty five~~ **TWENTY** percent for participant completion of
13 the adult basic education objectives by achieving an educational
14 gain as determined by the national reporting system levels; for
15 achieving basic English proficiency, **AS DETERMINED BY THE**
16 **DEPARTMENT**; for obtaining a G.E.D. or passage of 1 or more
17 individual G.E.D. tests; for attainment of a high school diploma or
18 passage of a course required for a participant to attain a high
19 school diploma; for enrollment in a postsecondary institution, or
20 for entry into or retention of employment, as applicable.

21 (12) A person who is not eligible to be a participant funded
22 under this section may receive adult education services upon the
23 payment of tuition. In addition, a person who is not eligible to be
24 served in a program under this section due to the program
25 limitations specified in subsection (7), (8), (9), or (10) may
26 continue to receive adult education services in that program upon
27 the payment of tuition. The tuition level shall be determined by

1 the local or intermediate district conducting the program.

2 (13) An individual who is an inmate in a state correctional
3 facility shall not be counted as a participant under this section.

4 (14) A funding recipient shall not commingle money received
5 under this section or from another source for adult education
6 purposes with any other funds and shall establish a separate ledger
7 account for funds received under this section. This subsection does
8 not prohibit a district from using general funds of the district to
9 support an adult education or community education program.

10 (15) A funding recipient receiving funds under this section
11 may establish a sliding scale of tuition rates based upon a
12 participant's family income. A funding recipient may charge a
13 participant tuition to receive adult education services under this
14 section from that sliding scale of tuition rates on a uniform
15 basis. The amount of tuition charged per participant shall not
16 exceed the actual operating cost per participant minus any funds
17 received under this section per participant. A funding recipient
18 may not charge a participant tuition under this section if the
19 participant's income is at or below 200% of the federal poverty
20 guidelines published by the United States ~~department of health and~~
21 ~~human services.~~ **DEPARTMENT OF HEALTH AND HUMAN SERVICES.**

22 (16) In order to receive funds under this section, a funding
23 recipient shall furnish to the department, in a form and manner
24 determined by the department, all information needed to administer
25 this program and meet federal reporting requirements; shall allow
26 the department or the department's designee to review all records
27 related to the program for which it receives funds; and shall

1 reimburse the state for all disallowances found in the review, as
2 determined by the department. IN ADDITION, A FUNDING RECIPIENT
3 SHALL AGREE TO PAY TO A CAREER AND TECHNICAL EDUCATION PROGRAM
4 UNDER SECTION 61A THE AMOUNT OF FUNDING RECEIVED UNDER THIS SECTION
5 IN THE PROPORTION OF CAREER AND TECHNICAL EDUCATION COURSEWORK USED
6 TO SATISFY ADULT BASIC EDUCATION PROGRAMMING, AS BILLED TO THE
7 FUNDING RECIPIENT BY PROGRAMS OPERATING UNDER SECTION 61A.

8 (17) All intermediate district participant audits of adult
9 education programs shall be performed pursuant to the adult
10 education participant auditing and accounting manuals published by
11 the department.

12 (18) FROM THE AMOUNT APPROPRIATED IN SUBSECTION (1), AN AMOUNT
13 NOT TO EXCEED \$500,000.00 SHALL BE ALLOCATED FOR 2015-2016 TO NOT
14 MORE THAN 1 PILOT PROGRAM THAT IS LOCATED IN A PROSPERITY REGION
15 WITH 2 OR MORE SUBREGIONS AND THAT CONNECTS ADULT EDUCATION
16 PARTICIPANTS DIRECTLY WITH EMPLOYERS BY LINKING ADULT EDUCATION,
17 CAREER AND TECHNICAL SKILLS, AND WORKFORCE DEVELOPMENT. TO BE
18 ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION, A PILOT PROGRAM SHALL
19 PROVIDE A COLLABORATION LINKING ADULT EDUCATION PROGRAMS WITHIN THE
20 COUNTY, THE AREA CAREER/TECHNICAL CENTER, AND LOCAL EMPLOYERS, AND
21 SHALL MEET THE ADDITIONAL CRITERIA IN SUBSECTIONS (19) AND (20).
22 FUNDING UNDER THIS SUBSECTION FOR 2015-2016 IS FOR THE FIRST OF 3
23 YEARS OF FUNDING.

24 (19) A PILOT PROGRAM FUNDED UNDER SUBSECTION (18) SHALL
25 REQUIRE ADULT EDUCATION STAFF TO WORK WITH MICHIGAN WORKS! TO
26 IDENTIFY A COHORT OF PARTICIPANTS WHO ARE MOST PREPARED TO
27 SUCCESSFULLY ENTER THE WORKFORCE. PARTICIPANTS IDENTIFIED UNDER

1 THIS SUBSECTION SHALL BE DUALY ENROLLED IN ADULT EDUCATION
2 PROGRAMMING AND AT LEAST 1 TECHNICAL COURSE AT THE AREA
3 CAREER/TECHNICAL CENTER.

4 (20) A PILOT PROGRAM FUNDED UNDER SUBSECTION (18) SHALL HAVE
5 ON STAFF AN ADULT EDUCATION NAVIGATOR WHO WILL SERVE AS A
6 CASEWORKER FOR EACH PARTICIPANT IDENTIFIED UNDER SUBSECTION (19).
7 THE NAVIGATOR SHALL WORK WITH ADULT EDUCATION STAFF AND POTENTIAL
8 EMPLOYERS TO DESIGN AN EDUCATIONAL PROGRAM BEST SUITED TO THE
9 PERSONAL AND EMPLOYMENT NEEDS OF THE PARTICIPANT, AND SHALL WORK
10 WITH HUMAN SERVICE AGENCIES OR OTHER ENTITIES TO ADDRESS ANY
11 BARRIER IN THE WAY OF PARTICIPANT ACCESS.

12 (21) NOT LATER THAN DECEMBER 1, 2016, THE PILOT PROGRAM FUNDED
13 UNDER SUBSECTION (18) SHALL PROVIDE TO THE SENATE AND HOUSE
14 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND TO THE SENATE AND
15 HOUSE FISCAL AGENCIES A REPORT DETAILING NUMBER OF PARTICIPANTS,
16 GRADUATION RATES, AND A MEASURE OF TRANSITIONING TO EMPLOYMENT.

17 (22) THE DEPARTMENT SHALL DEVELOP AN APPLICATION PROCESS FOR A
18 PILOT PROGRAM TO BE FUNDED UNDER SUBSECTION (18) AND SHALL AWARD
19 FUNDING NOT LATER THAN NOVEMBER 1, 2015. FUNDING ALLOCATED UNDER
20 SUBSECTION (18) MAY BE PAID ON A SCHEDULE OTHER THAN THAT SPECIFIED
21 UNDER SECTION 17B.

22 (23) ~~(18)~~As used in this section:

23 (A) "CAREER PATHWAY" MEANS A COMBINATION OF RIGOROUS AND HIGH-
24 QUALITY EDUCATION, TRAINING, AND OTHER SERVICES THAT COMPLY WITH
25 ALL OF THE FOLLOWING:

26 (i) ALIGNS WITH THE SKILL NEEDS OF INDUSTRIES IN THE ECONOMY
27 OF THIS STATE OR IN THE REGIONAL ECONOMY INVOLVED.

1 (ii) PREPARES AN INDIVIDUAL TO BE SUCCESSFUL IN ANY OF A FULL
2 RANGE OF SECONDARY OR POSTSECONDARY EDUCATION OPTIONS, INCLUDING
3 APPRENTICESHIPS REGISTERED UNDER THE ACT OF AUGUST 16, 1937
4 (COMMONLY KNOWN AS THE "NATIONAL APPRENTICESHIP ACT"), 29 USC 50 ET
5 SEQ.

6 (iii) INCLUDES COUNSELING TO SUPPORT AN INDIVIDUAL IN
7 ACHIEVING THE INDIVIDUAL'S EDUCATION AND CAREER GOALS.

8 (iv) INCLUDES, AS APPROPRIATE, EDUCATION OFFERED CONCURRENTLY
9 WITH AND IN THE SAME CONTEXT AS WORKFORCE PREPARATION ACTIVITIES
10 AND TRAINING FOR A SPECIFIC OCCUPATION OR OCCUPATIONAL CLUSTER.

11 (v) ORGANIZES EDUCATION, TRAINING, AND OTHER SERVICES TO MEET
12 THE PARTICULAR NEEDS OF AN INDIVIDUAL IN A MANNER THAT ACCELERATES
13 THE EDUCATIONAL AND CAREER ADVANCEMENT OF THE INDIVIDUAL TO THE
14 EXTENT PRACTICABLE.

15 (vi) ENABLES AN INDIVIDUAL TO ATTAIN A SECONDARY SCHOOL
16 DIPLOMA OR ITS RECOGNIZED EQUIVALENT, AND AT LEAST 1 RECOGNIZED
17 POSTSECONDARY CREDENTIAL.

18 (vii) HELPS AN INDIVIDUAL ENTER OR ADVANCE WITHIN A SPECIFIC
19 OCCUPATION OR OCCUPATIONAL CLUSTER.

20 (B) ~~(a)~~ "Department" means the ~~Michigan strategie~~
21 ~~fund~~. DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT.

22 (C) ~~(b)~~ "Eligible adult education provider" means a district,
23 intermediate district, a consortium of districts, a consortium of
24 intermediate districts, or a consortium of districts and
25 intermediate districts that is identified as part of the local
26 process described in subsection (5) (c) and approved by the
27 department.

1 (D) ~~(e)~~—"Participant" means the sum of the number of full-time
2 equated individuals enrolled in and attending a department-approved
3 adult education program under this section, using quarterly
4 participant count days on the schedule described in section
5 6(7)(b).

6 Sec. 147. (1) The allocation for ~~2014-2015-2015-2016~~ for the
7 public school employees' retirement system pursuant to the public
8 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
9 to 38.1408, shall be made using the individual projected benefit
10 entry age normal cost method of valuation and risk assumptions
11 adopted by the public school employees retirement board and the
12 department of technology, management, and budget.

13 (2) The annual level percentage of payroll contribution rates
14 for the ~~2014-2015-2015-2016~~ fiscal year, as determined by the
15 retirement system, are estimated as follows:

16 (a) For public school employees who first worked for a public
17 school reporting unit before July 1, 2010 and who are enrolled in
18 the health premium subsidy, the annual level percentage of payroll
19 contribution rate is estimated at ~~33.41%,~~ **36.31%**, with 25.78% paid
20 directly by the employer.

21 (b) For public school employees who first worked for a public
22 school reporting unit on or after July 1, 2010 and who are enrolled
23 in the health premium subsidy, the annual level percentage of
24 payroll contribution rate is estimated at ~~32.33%,~~ **35.09%**, with
25 ~~24.70%~~ **24.56%** paid directly by the employer.

26 (c) For public school employees who first worked for a public
27 school reporting unit on or after July 1, 2010 and who participate

1 in the personal healthcare fund, the annual level percentage of
2 payroll contribution rate is estimated at ~~31.82%~~, **34.66%**, with
3 ~~24.19%~~ **24.13%** paid directly by the employer.

4 (d) For public school employees who first worked for a public
5 school reporting unit on or after September 4, 2012, who elect
6 defined contribution, and who participate in the personal
7 healthcare fund, the annual level percentage of payroll
8 contribution rate is estimated at ~~28.59%~~, **31.49%**, with 20.96% paid
9 directly by the employer.

10 (e) For public school employees who first worked for a public
11 school reporting unit before July 1, 2010, who elect defined
12 contribution, and who are enrolled in the health premium subsidy,
13 the annual level percentage of payroll contribution rate is
14 estimated at ~~29.10%~~, **31.92%**, with ~~21.47%~~ **21.39%** paid directly by
15 the employer.

16 (f) For public school employees who first worked for a public
17 school reporting unit before July 1, 2010, who elect defined
18 contribution, and who participate in the personal healthcare fund,
19 the annual level percentage of payroll contribution rate is
20 estimated at ~~28.59%~~, **31.49%**, with 20.96% paid directly by the
21 employer.

22 (g) For public school employees who first worked for a public
23 school reporting unit before July 1, 2010 and who participate in
24 the personal healthcare fund, the annual level percentage of
25 payroll contribution rate is estimated at ~~32.90%~~, **35.88%**, with
26 ~~25.27%~~ **25.35%** paid directly by the employer.

27 (3) In addition to the employer payments described in

1 subsection (2), the employer shall pay the applicable contributions
2 to the Tier 2 plan, as determined by the public school employees
3 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

4 (4) The contribution rates in subsection (2) reflect an
5 amortization period of ~~24-23~~ years for ~~2014-2015-2015-2016~~. The
6 public school employees' retirement system board shall notify each
7 district and intermediate district by February 28 of each fiscal
8 year of the estimated contribution rate for the next fiscal year.

9 Sec. 147a. From the appropriation in section 11, there is
10 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
11 \$100,000,000.00 for payments to participating districts. A district
12 that receives money under this section shall use that money solely
13 for the purpose of offsetting a portion of the retirement
14 contributions owed by the district for the fiscal year in which it
15 is received. The amount allocated to each participating district
16 under this section shall be based on each participating district's
17 percentage of the total statewide payroll for all participating
18 districts for the immediately preceding fiscal year. As used in
19 this section, "participating district" means a district that is a
20 reporting unit of the Michigan public school employees' retirement
21 system under the public school employees retirement act of 1979,
22 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to
23 the Michigan public school employees' retirement system for the
24 applicable fiscal year.

25 Sec. 147c. (1) From the appropriation in section 11, there is
26 allocated for ~~2014-2015-2015-2016~~ an amount not to exceed
27 ~~\$658,400,000.00~~ **\$892,900,000.00** from the state school aid fund 7

1 ~~and there is appropriated for 2014-2015 an amount not to exceed~~
2 ~~\$18,000,000.00 from the MPSEERS retirement obligation reform reserve~~
3 ~~fund,~~ for payments to districts and intermediate districts that are
4 participating entities of the Michigan public school employees'
5 retirement system. In addition, from the general fund money
6 appropriated in section 11, there is allocated for ~~2014-2015-2015-~~
7 **2016** an amount not to exceed ~~\$500,000.00~~ **\$600,000.00** for payments
8 to district libraries that are participating entities of the
9 Michigan public school employees' retirement system.

10 (2) For ~~2014-2015,~~ **2015-2016**, the amounts allocated under
11 subsection (1) are estimated to provide an average MPSEERS rate cap
12 per pupil amount of ~~\$449.00~~ **\$601.00** and are estimated to provide a
13 rate cap per pupil for districts ranging between \$4.00 and
14 ~~\$2,056.00~~ **\$2,300.00**.

15 (3) Payments made under this section for ~~2014-2015-~~ **2015-2016**
16 shall be equal to the difference between the unfunded actuarial
17 accrued liability contribution rate as calculated pursuant to
18 section 41 of the public school employees retirement act of 1979,
19 1980 PA 300, MCL 38.1341, as calculated without taking into account
20 the maximum employer rate of 20.96% included in section 41 of the
21 public school employees retirement act of 1979, 1980 PA 300, MCL
22 38.1341, and the maximum employer rate of 20.96% included in
23 section 41 of the public school employees retirement act of 1979,
24 1980 PA 300, MCL 38.1341.

25 (4) The amount allocated to each participating entity under
26 this section shall be based on each participating entity's
27 proportion of the total covered payroll for the immediately

1 preceding fiscal year for the same type of participating entities.
2 A participating entity that receives funds under this section shall
3 use the funds solely for the purpose of retirement contributions as
4 specified in subsection (5).

5 (5) Each participating entity receiving funds under this
6 section shall forward an amount equal to the amount allocated under
7 subsection (4) to the retirement system in a form, manner, and time
8 frame determined by the retirement system.

9 (6) Funds allocated under this section should be considered
10 when comparing a district's growth in total state aid funding from
11 1 fiscal year to the next.

12 (7) Not later than ~~October 20, 2014,~~ **DECEMBER 20, 2015**, the
13 department shall publish and post on its website an estimated
14 MPSERS rate cap per pupil for each district.

15 (8) As used in this section:

16 (a) "MPSERS rate cap per pupil" means an amount equal to the
17 quotient of the district's payment under this section divided by
18 the district's pupils in membership.

19 (b) "Participating entity" means a district, intermediate
20 district, or district library that is a reporting unit of the
21 Michigan public school employees' retirement system under the
22 public school employees retirement act of 1979, 1980 PA 300, MCL
23 38.1301 to 38.1437, and that reports employees to the Michigan
24 public school employees' retirement system for the applicable
25 fiscal year.

26 (c) "Retirement board" means the board that administers the
27 retirement system under the public school employees retirement act

1 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

2 (d) "Retirement system" means the Michigan public school
3 employees' retirement system under the public school employees
4 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

5 Sec. 152a. (1) As required by the court in the consolidated
6 cases known as Adair v State of Michigan, Michigan supreme court
7 docket nos. 137424 and 137453, from the state school aid fund money
8 appropriated in section 11 there is allocated for ~~2014-2015-2015-~~
9 **2016** an amount not to exceed \$38,000,500.00 to be used solely for
10 the purpose of paying necessary costs related to the state-mandated
11 collection, maintenance, and reporting of data to this state.

12 (2) From the allocation in subsection (1), the department
13 shall make payments to districts and intermediate districts in an
14 equal amount per-pupil based on the total number of pupils in
15 membership in each district and intermediate district. The
16 department shall not make any adjustment to these payments after
17 the final installment payment under section 17b is made.

18 Sec. 163. (1) Except as provided in the revised school code,
19 the board of a district or intermediate district shall not permit
20 any of the following:

21 (a) A noncertificated ~~teacher~~**EDUCATOR** to teach in an
22 elementary or secondary school or in an adult basic education or
23 high school completion program.

24 (b) A noncertificated ~~counselor~~**EDUCATOR** to provide counseling
25 services to pupils in an elementary or secondary school or in an
26 adult basic education or high school completion program.

27 **(C) A NONCERTIFICATED EDUCATOR TO ADMINISTER INSTRUCTIONAL**

1 PROGRAMS IN AN ELEMENTARY OR SECONDARY SCHOOL, OR IN AN ADULT BASIC
2 EDUCATION OR HIGH SCHOOL COMPLETION PROGRAM, UNLESS THAT EDUCATOR
3 IS FULFILLING APPLICABLE CONTINUING EDUCATION REQUIREMENTS.

4 (2) Except as provided in the revised school code, a district
5 or intermediate district employing ~~teachers or counselors~~ **EDUCATORS**
6 not legally certificated **OR LICENSED** shall have deducted the sum
7 equal to the amount paid the ~~teachers or counselors~~ **EDUCATORS** for
8 the period of noncertificated, **UNLICENSED**, or illegal employment.
9 Each intermediate superintendent shall notify the department of the
10 name of the noncertificated ~~teacher or counselor~~, **OR UNLICENSED**
11 **EDUCATOR**, and the district employing that individual and the amount
12 of salary the noncertificated ~~teacher or counselor~~ **OR UNLICENSED**
13 **EDUCATOR** was paid within a constituent district.

14 (3) If a school official is notified by the department that he
15 or she is employing a nonapproved, noncertificated, ~~teacher or~~
16 ~~counselor~~ **OR UNLICENSED EDUCATOR** in violation of this section and
17 knowingly continues to employ that ~~teacher or counselor~~, **EDUCATOR**,
18 the school official is guilty of a misdemeanor, punishable by a
19 fine of \$1,500.00 for each incidence. This penalty is in addition
20 to all other financial penalties otherwise specified in this
21 article.

22 Sec. 201. (1) Subject to the conditions set forth in this
23 article, the amounts listed in this section are appropriated for
24 community colleges for the fiscal year ending September 30, ~~2015,~~
25 **2016**, from the funds indicated in this section. The following is a
26 summary of the appropriations in this section:

27 (a) The gross appropriation is ~~\$364,724,900.00.~~

1 **\$387,825,600.00.** After deducting total interdepartmental grants and
 2 intradepartmental transfers in the amount of \$0.00, the adjusted
 3 gross appropriation is ~~\$364,724,900.00.~~ **\$387,825,600.00.**

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

6 (i) Total federal revenues, \$0.00.

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

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

9 (iv) Total other state restricted revenues,
 10 ~~\$364,724,900.00.~~ **\$256,714,800.00.**

11 (v) State general fund/general purpose money,
 12 ~~\$0.00.~~ **\$131,110,800.00.**

13 (2) Subject to subsection (3), the amount appropriated for
 14 community college operations is ~~\$307,191,300.00,~~ **\$311,492,000.00,**
 15 allocated as follows:

16 (a) The appropriation for Alpena Community College is
 17 ~~\$5,390,700.00, \$5,236,500.00 for operations and \$154,200.00 for~~
 18 ~~performance funding.~~ **\$5,464,400.00, \$5,390,700.00 FOR OPERATIONS AND**
 19 **\$73,700.00 FOR PERFORMANCE FUNDING.**

20 (b) The appropriation for Bay de Noc Community College is
 21 ~~\$5,419,500.00, \$5,279,300.00 for operations and \$140,200.00 for~~
 22 ~~performance funding.~~ **\$5,490,200.00, \$5,419,500.00 FOR OPERATIONS AND**
 23 **\$70,700.00 FOR PERFORMANCE FUNDING.**

24 (c) The appropriation for Delta College is ~~\$14,498,900.00,~~
 25 ~~\$14,063,500.00 for operations and \$435,400.00 for performance~~
 26 ~~funding.~~ **\$14,704,000.00, \$14,498,900.00 FOR OPERATIONS AND**
 27 **\$205,100.00 FOR PERFORMANCE FUNDING.**

1 (d) The appropriation for Glen Oaks Community College is
2 ~~\$2,516,100.00, \$2,441,500.00 for operations and \$74,600.00 for~~
3 ~~performance funding.~~**\$2,551,100.00, \$2,516,100.00 FOR OPERATIONS AND**
4 **\$35,000.00 FOR PERFORMANCE FUNDING.**

5 (e) The appropriation for Gogebic Community College is
6 ~~\$4,451,400.00, \$4,330,300.00 for operations and \$121,100.00 for~~
7 ~~performance funding.~~**\$4,509,900.00, \$4,451,400.00 FOR OPERATIONS AND**
8 **\$58,500.00 FOR PERFORMANCE FUNDING.**

9 (f) The appropriation for Grand Rapids Community College is
10 ~~\$17,947,500.00, \$17,454,900.00 for operations and \$492,600.00 for~~
11 ~~performance funding.~~**\$18,187,300.00, \$17,947,500.00 FOR OPERATIONS**
12 **AND \$239,800.00 FOR PERFORMANCE FUNDING.**

13 (g) The appropriation for Henry Ford Community College is
14 ~~\$21,623,800.00, \$21,060,000.00 for operations and \$563,800.00 for~~
15 ~~performance funding.~~**\$21,893,300.00, \$21,623,800.00 FOR OPERATIONS**
16 **AND \$269,500.00 FOR PERFORMANCE FUNDING.**

17 (h) The appropriation for Jackson College is ~~\$12,087,300.00,~~
18 ~~\$11,758,200.00 for operations and \$329,100.00 for performance~~
19 ~~funding.~~**\$12,245,300.00, \$12,087,300.00 FOR OPERATIONS AND**
20 **\$158,000.00 FOR PERFORMANCE FUNDING.**

21 (i) The appropriation for Kalamazoo Valley Community College
22 is ~~\$12,503,100.00, \$12,122,500.00 for operations and \$380,600.00~~
23 ~~for performance funding.~~**\$12,689,400.00, \$12,503,100.00 FOR**
24 **OPERATIONS AND \$186,300.00 FOR PERFORMANCE FUNDING.**

25 (j) The appropriation for Kellogg Community College is
26 ~~\$9,813,500.00, \$9,522,000.00 for operations and \$291,500.00 for~~
27 ~~performance funding.~~**\$9,950,100.00, \$9,813,500.00 FOR OPERATIONS AND**

1 **\$136,600.00 FOR PERFORMANCE FUNDING.**

2 (k) The appropriation for Kirtland Community College is
3 ~~\$3,167,700.00, \$3,055,700.00 for operations and \$112,000.00 for~~
4 ~~performance funding.~~**\$3,221,500.00, \$3,167,700.00 FOR OPERATIONS AND**
5 **\$53,800.00 FOR PERFORMANCE FUNDING.**

6 (l) The appropriation for Lake Michigan College is
7 ~~\$5,342,900.00, \$5,178,100.00 for operations and \$164,800.00 for~~
8 ~~performance funding.~~**\$5,417,700.00, \$5,342,900.00 FOR OPERATIONS AND**
9 **\$74,800.00 FOR PERFORMANCE FUNDING.**

10 (m) The appropriation for Lansing Community College is
11 ~~\$30,877,600.00, \$30,023,700.00 for operations and \$853,900.00 for~~
12 ~~performance funding.~~**\$31,288,200.00, \$30,877,600.00 FOR OPERATIONS**
13 **AND \$410,600.00 FOR PERFORMANCE FUNDING.**

14 (n) The appropriation for Macomb Community College is
15 ~~\$32,816,600.00, \$31,931,200.00 for operations and \$885,400.00 for~~
16 ~~performance funding.~~**\$33,239,500.00, \$32,816,600.00 FOR OPERATIONS**
17 **AND \$422,900.00 FOR PERFORMANCE FUNDING.**

18 (o) The appropriation for Mid Michigan Community College is
19 ~~\$4,682,000.00, \$4,517,900.00 for operations and \$164,100.00 for~~
20 ~~performance funding.~~**\$4,757,700.00, \$4,682,000.00 FOR OPERATIONS AND**
21 **\$75,700.00 FOR PERFORMANCE FUNDING.**

22 (p) The appropriation for Monroe County Community College is
23 ~~\$4,492,900.00, \$4,342,600.00 for operations and \$150,300.00 for~~
24 ~~performance funding.~~**\$4,565,600.00, \$4,492,900.00 FOR OPERATIONS AND**
25 **\$72,700.00 FOR PERFORMANCE FUNDING.**

26 (q) The appropriation for Montcalm Community College is
27 ~~\$3,226,700.00, \$3,121,200.00 for operations and \$105,500.00 for~~

1 ~~performance funding.~~ \$3,280,600.00, \$3,226,700.00 FOR OPERATIONS AND
2 \$53,900.00 FOR PERFORMANCE FUNDING.

3 (r) The appropriation for C.S. Mott Community College is
4 ~~\$15,686,100.00, \$15,247,100.00 for operations and \$439,000.00 for~~
5 ~~performance funding.~~ \$15,901,700.00, \$15,686,100.00 FOR OPERATIONS
6 AND \$215,600.00 FOR PERFORMANCE FUNDING.

7 (s) The appropriation for Muskegon Community College is
8 ~~\$8,901,000.00, \$8,653,500.00 for operations and \$247,500.00 for~~
9 ~~performance funding.~~ \$9,020,700.00, \$8,901,000.00 FOR OPERATIONS AND
10 \$119,700.00 FOR PERFORMANCE FUNDING.

11 (t) The appropriation for North Central Michigan College is
12 ~~\$3,172,400.00, \$3,064,400.00 for operations and \$108,000.00 for~~
13 ~~performance funding.~~ \$3,224,800.00, \$3,172,400.00 FOR OPERATIONS AND
14 \$52,400.00 FOR PERFORMANCE FUNDING.

15 (u) The appropriation for Northwestern Michigan College is
16 ~~\$9,078,800.00, \$8,825,300.00 for operations and \$253,500.00 for~~
17 ~~performance funding.~~ \$9,200,500.00, \$9,078,800.00 FOR OPERATIONS AND
18 \$121,700.00 FOR PERFORMANCE FUNDING.

19 (v) The appropriation for Oakland Community College is
20 ~~\$21,123,300.00, \$20,483,100.00 for operations and \$640,200.00 for~~
21 ~~performance funding.~~ \$21,429,400.00, \$21,123,300.00 FOR OPERATIONS
22 AND \$306,100.00 FOR PERFORMANCE FUNDING.

23 (w) The appropriation for St. Clair County Community College
24 is ~~\$7,061,600.00, \$6,860,100.00 for operations and \$201,500.00 for~~
25 ~~performance funding.~~ \$7,158,000.00, \$7,061,600.00 FOR OPERATIONS AND
26 \$96,400.00 FOR PERFORMANCE FUNDING.

27 (x) The appropriation for Schoolcraft College is

1 ~~\$12,513,700.00, \$12,112,200.00 for operations and \$401,500.00 for~~
2 ~~performance funding.~~**\$12,706,400.00, \$12,513,700.00 FOR OPERATIONS**
3 **AND \$192,700.00 FOR PERFORMANCE FUNDING.**

4 (y) The appropriation for Southwestern Michigan College is
5 ~~\$6,576,400.00, \$6,404,300.00 for operations and \$172,100.00 for~~
6 ~~performance funding.~~**\$6,657,600.00, \$6,576,400.00 FOR OPERATIONS AND**
7 **\$81,200.00 FOR PERFORMANCE FUNDING.**

8 (z) The appropriation for Washtenaw Community College is
9 ~~\$13,077,300.00, \$12,610,800.00 for operations and \$466,500.00 for~~
10 ~~performance funding.~~**\$13,301,100.00, \$13,077,300.00 FOR OPERATIONS**
11 **AND \$223,800.00 FOR PERFORMANCE FUNDING.**

12 (aa) The appropriation for Wayne County Community College is
13 ~~\$16,727,600.00, \$16,194,300.00 for operations and \$533,300.00 for~~
14 ~~performance funding.~~**\$16,989,800.00, \$16,727,600.00 FOR OPERATIONS**
15 **AND \$262,200.00 FOR PERFORMANCE FUNDING.**

16 (bb) The appropriation for West Shore Community College is
17 ~~\$2,414,900.00, \$2,349,800.00 for operations and \$65,100.00 for~~
18 ~~performance funding.~~**\$2,446,200.00, \$2,414,900.00 FOR OPERATIONS AND**
19 **\$31,300.00 FOR PERFORMANCE FUNDING.**

20 (3) The amount appropriated in subsection (2) for community
21 college operations is ~~\$307,191,300.00, appropriated from the state~~
22 ~~school aid fund.~~**APPROPRIATED FROM THE FOLLOWING:**

23 (A) STATE SCHOOL AID FUND, \$236,181,200.00.

24 (B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$75,310,800.00.

25 (4) From the appropriations described in subsection (1),
26 subject to section 207a, the amount appropriated for fiscal year
27 ~~2014-2015-2015-2016~~ to offset certain fiscal year ~~2014-2015-2015-~~

1 2016 retirement contributions is \$1,733,600.00, appropriated from
2 the state school aid fund.

3 (5) From the appropriations described in subsection (1),
4 subject to section 207b, the amount appropriated for payments to
5 community colleges that are participating entities of the
6 retirement system is ~~\$52,300,000.00~~, **\$69,500,000.00, \$17,200,000.00**
7 appropriated from the state school aid fund, **AND \$52,300,000.00**
8 **APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY.**

9 (6) From the appropriations described in subsection (1),
10 subject to section 207c, the amount appropriated for renaissance
11 zone tax reimbursements is ~~\$3,500,000.00~~, **\$5,100,000.00,**
12 **\$1,600,000.00** appropriated from the state school aid fund, **AND**
13 **\$3,500,000.00 APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY.**

14 Sec. 201a. It is the intent of the legislature to provide
15 appropriations for the fiscal year ending on September 30, ~~2016~~
16 **2017** for the items listed in section 201. The fiscal year ~~2015-2016~~
17 **2016-2017** appropriations are anticipated to be the same as those
18 for fiscal year ~~2014-2015~~, **2015-2016**, except that the amounts will
19 be adjusted for changes in retirement costs, caseload and related
20 costs, federal fund match rates, economic factors, and available
21 revenue. These adjustments will be determined after the January
22 ~~2015-2016~~ consensus revenue estimating conference.

23 Sec. 206. The funds appropriated in section 201 are
24 appropriated for community colleges with fiscal years ending June
25 30, ~~2015-2016~~ and shall be paid out of the state treasury and
26 distributed by the state treasurer to the respective community
27 colleges in 11 monthly installments on the sixteenth of each month,

1 or the next succeeding business day, beginning with October 16,
 2 ~~2014-2015~~. Each community college shall accrue its July and August
 3 ~~2015-2016~~ payments to its institutional fiscal year ending June 30,
 4 ~~2015-2016~~. However, if the state budget director determines that a
 5 community college failed to submit all verified Michigan community
 6 colleges activities classification structure data for school year
 7 ~~2013-2014-2014-2015~~ to the workforce development agency by November
 8 1, ~~2014, 2015~~, or failed to submit its longitudinal data system
 9 data set for school year ~~2013-2014-2014-2015~~ to the center for
 10 educational performance and information under section 219, the
 11 state treasurer shall withhold the monthly installments from that
 12 community college until those data are submitted. The state budget
 13 director shall notify the chairs of the house and senate
 14 appropriations subcommittees on community colleges at least 10 days
 15 before withholding funds from any community college.

16 Sec. 207a. All of the following apply to the allocation of the
 17 **FISCAL YEAR 2015-2016** appropriations described in section 201(4):

18 (a) A community college that receives money under section
 19 201(4) shall use that money solely for the purpose of offsetting a
 20 portion of the retirement contributions owed by the college for ~~the~~
 21 **THAT** fiscal year. ~~ending September 30, 2015.~~

22 (b) The amount allocated to each participating community
 23 college under section 201(4) shall be based on each ~~participating~~
 24 college's **PERCENTAGE OF THE** total **COVERED** payroll ~~covered by the~~
 25 ~~retirement system covered payroll~~ for all **COMMUNITY COLLEGES THAT**
 26 **ARE** participating colleges ~~for fiscal year 2013-2014.~~ **IN THE**
 27 **IMMEDIATELY PRECEDING FISCAL YEAR.**

1 Sec. 207b. All of the following apply to the allocation of the
2 **FISCAL YEAR 2015-2016** appropriations described in section 201(5)
3 for payments to community colleges that are participating entities
4 of the retirement system:

5 (a) The amount of a payment under section 201(5) shall be the
6 difference between the unfunded actuarial accrued liability
7 contribution rate as calculated under section 41 of the public
8 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,
9 and the maximum employer rate of 20.96% under section 41 of the
10 public school employees retirement act of 1979, 1980 PA 300, MCL
11 38.1341.

12 (b) The amount allocated to each community college under
13 section 201(5) shall be based on each community college's
14 percentage of the total covered payroll for all community colleges
15 that are participating colleges in the immediately preceding fiscal
16 year. A community college that receives funds under this
17 subdivision shall use the funds solely for the purpose of
18 retirement contributions under section 201(5).

19 (c) Each participating college that receives funds under
20 section 201(5) shall forward an amount equal to the amount
21 allocated under subdivision (b) to the retirement system in a form
22 and manner determined by the retirement system.

23 Sec. 207c. All of the following apply to the allocation of the
24 appropriations described in section 201(6) to community colleges
25 described in section 12(3) of the Michigan renaissance zone act,
26 **1996 PA 376**, MCL 125.2692:

27 (a) The amount allocated to each community college under

1 section 201(6) **FOR FISCAL YEAR 2015-2016** shall be based on that
2 community college's proportion of total revenue lost by community
3 colleges ~~in fiscal year 2013-2014~~ as a result of the exemption of
4 property **TAXES LEVIED IN 2015** under the Michigan renaissance zone
5 act, **1996 PA 376, MCL 125.2681 TO 125.2696**.

6 (b) The appropriations described in section 201(6) shall be
7 made to each eligible community college within 60 days after the
8 department of treasury certifies to the state budget director that
9 it has received all necessary information to properly determine the
10 amounts ~~of tax revenue lost by~~ **PAYABLE TO** each eligible community
11 college ~~in fiscal year 2013-2014~~ under section 12 of the Michigan
12 renaissance zone act, **1996 PA 376, MCL 125.2692**.

13 Sec. 209. (1) Within 30 days after the board of a community
14 college adopts its annual operating budget for the following ~~school~~
15 fiscal year, or after the board adopts a subsequent revision to
16 that budget, the community college shall make all of the following
17 available through a link on its website homepage:

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

20 (b) A link to the most recent "Activities Classification
21 Structure Data Book and Companion".

22 (c) General fund revenue and expenditure projections for
23 fiscal year ~~2014-2015-2015-2016~~ and fiscal year ~~2015-2016-2016-~~
24 **2017**.

25 (d) A listing of all debt service obligations, detailed by
26 project, anticipated fiscal year ~~2014-2015-2015-2016~~ payment of
27 each project, and total outstanding debt.

1 (e) The estimated cost to the community college resulting from
2 the patient protection and affordable care act, Public Law 111-148,
3 as amended by the health care and education reconciliation act of
4 2010, Public Law 111-152.

5 (f) Links to all of the following for the community college:

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

8 (ii) Each health care benefits plan, including, but not
9 limited to, medical, dental, vision, disability, long-term care, or
10 any other type of benefits that would constitute health care
11 services, offered to any bargaining unit or employee of the
12 community college.

13 (iii) Audits and financial reports for the most recent fiscal
14 year for which they are available.

15 (iv) A copy of the board of trustees resolution regarding
16 compliance with best practices for the local strategic value
17 component described in section 230(2).

18 (2) For statewide consistency and public visibility, community
19 colleges must use the icon badge provided by the department of
20 technology, management, and budget consistent with the icon badge
21 developed by the department of education for K-12 school districts.
22 It must appear on the front of each community college's homepage.
23 The size of the icon may be reduced to 150 x 150 pixels.

24 (3) The state budget director shall determine whether a
25 community college has complied with this section. The state budget
26 director may withhold a community college's monthly installments
27 described in section 206 until the community college complies with

1 this section. The state budget director shall notify the chairs of
2 the house and senate appropriations subcommittee on community
3 colleges at least 10 days before withholding funds from any
4 community college.

5 (4) Each community college shall report the following
6 information to the senate and house appropriations subcommittees on
7 community colleges, the senate and house fiscal agencies, and the
8 state budget office by November 15 of each fiscal year and post
9 that information on ~~the internet~~ **ITS** website **AS** required under
10 subsection (1):

11 (a) Budgeted fiscal year ~~2014-2015-2015-2016~~ general fund
12 revenue from tuition and fees.

13 (b) Budgeted fiscal year ~~2014-2015-2015-2016~~ general fund
14 revenue from state appropriations.

15 (c) Budgeted fiscal year ~~2014-2015-2015-2016~~ general fund
16 revenue from property taxes.

17 (d) Budgeted fiscal year ~~2014-2015-2015-2016~~ total general
18 fund revenue.

19 (e) Budgeted fiscal year ~~2014-2015-2015-2016~~ total general
20 fund expenditures.

21 (5) By November 15 of each year, a community college shall
22 report the following information to the center for educational
23 performance and information and post the information on its website
24 under the budget transparency icon badge:

25 (a) Opportunities for earning college credit through the
26 following programs:

27 (i) State approved career and technical education or a tech

1 prep articulated program of study.

2 (ii) Direct college credit or concurrent enrollment.

3 (iii) Dual enrollment.

4 (iv) An early college/middle college program.

5 (b) For each program described in subdivision (a) that the
6 community college offers, all of the following information:

7 (i) The number of high school students participating in the
8 program.

9 (ii) The number of school districts that participate in the
10 program with the community college.

11 (iii) Whether a college professor, qualified local school
12 district employee, or other individual teaches the course or
13 courses in the program.

14 (iv) The total cost to the community college to operate the
15 program.

16 (v) The cost per credit hour for the course or courses in the
17 program.

18 (vi) The location where the course or courses in the program
19 are held.

20 (vii) Instructional resources offered to the program
21 instructors.

22 (viii) Resources offered to the student in the program.

23 (ix) Transportation services provided to students in the
24 program.

25 Sec. 210. (1) Recognizing the critical importance of education
26 in strengthening Michigan's workforce, ~~the legislature encourages~~
27 each community college **IS ENCOURAGED** to explore ways of increasing

1 collaboration and cooperation with 4-year universities,
 2 particularly in the areas related to training, instruction, and
 3 program articulation.

4 (2) Recognizing the central role of community colleges in
 5 responding to local employment needs and challenges, community
 6 colleges shall develop and continue efforts to collaborate with
 7 local employers and students to identify local employment needs and
 8 strategies to meet them.

9 (3) Community colleges are encouraged to collaborate with each
 10 other on innovations to identify and meet local employment needs.

11 (4) Community colleges are encouraged to work with
 12 universities to develop equivalency standards of core college
 13 courses and identify equivalent courses offered by postsecondary
 14 institutions.

15 Sec. 210b. (1) It is the intent of the legislature that the
 16 Michigan ~~association of collegiate registrars and admissions~~
 17 ~~officers~~ **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS**
 18 **OFFICERS** implement any agreement or agreements among the community
 19 colleges and universities concerning the transferability of college
 20 courses resulting from the recommendations of the committee created
 21 under former section 210a.

22 (2) It is the intent of the legislature that the Michigan
 23 ~~association of collegiate registrars and admissions officers,~~
 24 **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS,** the
 25 Michigan ~~community college association,~~ **COMMUNITY COLLEGE**
 26 **ASSOCIATION,** and the ~~presidents council, state universities~~
 27 **PRESIDENTS COUNCIL, STATE UNIVERSITIES** of Michigan shall together

1 submit an implementation update report to the senate and house
2 appropriations subcommittees on community colleges and higher
3 education, the senate and house fiscal agencies, and the state
4 budget director by March 1, ~~2015~~-2016.

5 SEC. 210C. (1) A STUDY COMMITTEE SHALL BE CREATED TO DEVELOP A
6 PROCESS TO IMPROVE THE TRANSFERABILITY AND APPLICABILITY OF
7 ASSOCIATE OF ARTS AND ASSOCIATE OF SCIENCE DEGREES AS A BLOCK OF
8 CREDITS BETWEEN COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES ON A
9 STATEWIDE BASIS. BUILDING ON THE MICHIGAN TRANSFER NETWORK
10 SPONSORED BY THE MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS AND
11 ADMISSIONS OFFICERS AND, WHERE POSSIBLE, EXISTING LOCAL
12 ARTICULATION AGREEMENTS BETWEEN INDIVIDUAL INSTITUTIONS, THE
13 COMMITTEE SHALL WORK TO EXPLORE STANDARDS FOR PROGRAM ARTICULATION
14 BETWEEN INSTITUTIONS SO THAT AN ASSOCIATE OF ARTS OR ASSOCIATE OF
15 SCIENCE DEGREE EARNED AT A COMMUNITY COLLEGE IS CONSIDERED THE
16 EQUIVALENT OF THE FIRST 60 CREDITS OF A BACCALAUREATE DEGREE, AND
17 THOSE CREDITS CAN BE SEAMLESSLY TRANSFERRED AND APPLIED TO THE
18 PROGRAM OF STUDY AT THE RECEIVING UNIVERSITY.

19 (2) IT IS THE INTENT OF THE LEGISLATURE THAT THE STUDY
20 COMMITTEE CREATED UNDER SUBSECTION (1) EXPLORE ISSUES RELEVANT TO
21 BLOCK TRANSFER AGREEMENTS, INCLUDING, BUT NOT LIMITED TO, THE
22 SATISFACTION OF ALL LOWER DIVISION GENERAL EDUCATION REQUIREMENTS,
23 THE APPLICABILITY OF EQUIVALENT COURSES TO THE MAJOR PROGRAM OF
24 STUDY, JUNIOR-LEVEL STANDING AT THE UNIVERSITY FOR TRANSFER
25 STUDENTS, AND THE COMPLETION OF THE BACCALAUREATE DEGREE WITH A
26 LIMIT OF 60 POST-TRANSFER CREDIT HOURS. BECAUSE OF THE
27 LEGISLATURE'S INTEREST IN PROMOTING DEGREE COMPLETION, THE STUDY

1 COMMITTEE SHOULD ALSO CONSIDER INCENTIVES FOR STUDENTS TO COMPLETE
2 BOTH AN ASSOCIATE DEGREE AND A BACCALAUREATE DEGREE.

3 (3) THE STUDY COMMITTEE CREATED UNDER SUBSECTION (1) SHALL
4 CONSIST OF THE FOLLOWING MEMBERS:

5 (A) TEN REPRESENTATIVES FROM COMMUNITY COLLEGES SELECTED BY
6 THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION.

7 (B) TEN REPRESENTATIVES FROM PUBLIC UNIVERSITIES SELECTED BY
8 THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF MICHIGAN.

9 (C) FOUR MEMBERS OF THE MICHIGAN ASSOCIATION OF COLLEGIATE
10 REGISTRARS AND ADMISSIONS OFFICERS.

11 (D) ONE MEMBER OF THE MICHIGAN HOUSE OF REPRESENTATIVES
12 SELECTED BY THE SPEAKER OF THE HOUSE.

13 (E) ONE MEMBER OF THE MICHIGAN HOUSE OF REPRESENTATIVES
14 SELECTED BY THE MINORITY LEADER OF THE HOUSE.

15 (F) ONE MEMBER OF THE MICHIGAN SENATE SELECTED BY THE SENATE
16 MAJORITY LEADER.

17 (G) ONE MEMBER OF THE MICHIGAN SENATE SELECTED BY THE SENATE
18 MINORITY LEADER.

19 (4) THE STUDY COMMITTEE CREATED UNDER SUBSECTION (1) SHALL
20 SUBMIT A PROJECT STATUS REPORT AND INITIAL RECOMMENDATIONS TO THE
21 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES
22 AND HIGHER EDUCATION, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE
23 STATE BUDGET DIRECTOR BY MARCH 1, 2016.

24 SEC. 210D. COMMUNITY COLLEGES ARE ENCOURAGED TO WORK WITH
25 PUBLIC UNIVERSITIES IN THE STATE TO IMPLEMENT STATEWIDE REVERSE
26 TRANSFER AGREEMENTS TO INCREASE THE NUMBER OF STUDENTS THAT ARE
27 AWARDED CREDENTIALS OF VALUE UPON COMPLETION OF THE NECESSARY

1 CREDITS. THESE STATEWIDE AGREEMENTS SHALL ENABLE STUDENTS WHO HAVE
2 EARNED A SIGNIFICANT NUMBER OF CREDITS AT A COMMUNITY COLLEGE AND
3 TRANSFERRED TO A BACCALAUREATE-GRANTING INSTITUTION BEFORE
4 COMPLETING A DEGREE TO TRANSFER THE CREDITS EARNED AT THE
5 BACCALAUREATE INSTITUTION BACK TO THE COMMUNITY COLLEGE IN ORDER TO
6 BE AWARDED A CREDENTIAL OF VALUE.

7 Sec. 217. (1) The workforce development agency shall do all of
8 the following:

9 (a) Establish, maintain, and coordinate the state community
10 college database commonly known as the "activities classification
11 structure" or "ACS" database.

12 (b) Collect data concerning community colleges and community
13 college programs in this state, including data required by law.

14 (c) Establish procedures to ensure the validity and
15 reliability of the data and the collection process.

16 (d) Develop model data collection policies, including, but not
17 limited to, policies that ensure the privacy of any individual
18 student data. Privacy policies shall ensure that student social
19 security numbers are not released to the public for any purpose.

20 (e) Provide data in a useful manner to allow state
21 policymakers and community college officials to make informed
22 policy decisions.

23 (f) Assist community colleges in complying with audits under
24 this section or federal law.

25 (2) There is created within the workforce development agency
26 the activities classification structure advisory committee. The
27 committee shall provide advice to the director of the workforce

1 development agency regarding the management of the state community
2 college database, including, but not limited to:

3 (a) Determining what data are necessary to collect and
4 maintain to enable state and community college officials to make
5 informed policy decisions.

6 (b) Defining the roles of all stakeholders in the data
7 collection system.

8 (c) Recommending timelines for the implementation and ongoing
9 collection of data.

10 (d) Establishing and maintaining data definitions, data
11 transmission protocols, and system specifications and procedures
12 for the efficient and accurate transmission and collection of data.

13 (e) Establishing and maintaining a process for ensuring the
14 accuracy of the data.

15 (f) Establishing and maintaining policies related to data
16 collection, including, but not limited to, privacy policies related
17 to individual student data.

18 (g) Ensuring that the data are made available to state
19 policymakers and citizens of this state in the most useful format
20 possible.

21 (h) Addressing other matters as determined by the director of
22 the workforce development agency or as required by law.

23 (3) The activities classification structure advisory committee
24 created in subsection (2) shall consist of the following members:

25 (a) One representative from the house fiscal agency, appointed
26 by the director of the house fiscal agency.

27 (b) One representative from the senate fiscal agency,

1 appointed by the director of the senate fiscal agency.

2 (c) One representative from the workforce development agency,
3 appointed by the director of the workforce development agency.

4 (d) One representative from the state budget office, appointed
5 by the state budget director.

6 (e) One representative from the governor's policy office,
7 appointed by that office.

8 (f) Four representatives of the Michigan ~~community colleges~~
9 ~~association,~~ **COMMUNITY COLLEGE ASSOCIATION**, appointed by the
10 president of the association. From the groupings of community
11 colleges given in table 17 of the activities classification
12 structure ~~report~~ **DATABASE** described in subsection ~~(4)~~, **(1)**, the
13 association shall appoint 1 representative each from group 1, group
14 2, and group 3, and 1 representative from either group 3 or 4.

15 ~~— (4) The activities classification structure advisory committee~~
16 ~~shall review the existing activities classification structure~~
17 ~~report, data, definitions, processes, and other items as needed and~~
18 ~~publish an initial report on their findings and recommendations by~~
19 ~~July 30, 2015. This report shall be submitted to the senate and~~
20 ~~house appropriations subcommittees on community colleges, the~~
21 ~~senate and house fiscal agencies, the director of the workforce~~
22 ~~development agency, the state budget director, and the Michigan~~
23 ~~community colleges association.~~

24 Sec. 222. Each community college shall have an annual audit of
25 all income and expenditures performed by an independent auditor and
26 shall furnish the independent auditor's management letter and an
27 annual audited accounting of all general and current funds income

1 and expenditures including audits of college foundations to the
2 members of the senate and house appropriations subcommittees on
3 community colleges, the senate and house fiscal agencies, the
4 auditor general, the workforce development agency, and the state
5 budget director before November 15 of each year. If a community
6 college fails to furnish the audit materials, the monthly state aid
7 installments shall be withheld from that college until the
8 information is submitted. All reporting shall conform to the
9 requirements set forth in the "2001 Manual for Uniform Financial
10 Reporting, Michigan Public Community Colleges". ~~It is the intent of~~
11 ~~the legislature that a~~ A community college shall make the
12 information the community college is required to provide under this
13 section available to the public on its ~~internet~~ website.

14 Sec. 225. Each community college shall report to the house and
15 senate fiscal agencies, the state budget director, and the
16 workforce development agency by August 31, ~~2014,~~ **2015**, the tuition
17 and mandatory fees paid by a full-time in-district student and a
18 full-time out-of-district student as established by the college
19 governing board for the ~~2014-2015~~ **2015-2016** academic year. This
20 report should also include the annual cost of attendance based on a
21 full-time course load of 30 credits. Each community college shall
22 also report any revisions to the reported ~~2014-2015~~ **2015-2016**
23 academic year tuition and mandatory fees adopted by the college
24 governing board to the house and senate fiscal agencies, the state
25 budget director, and the workforce development agency within 15
26 days of being adopted.

27 Sec. 226. Each community college shall report to the workforce

1 development agency the numbers and type of associate degrees and
 2 other certificates awarded during the previous fiscal year. The
 3 report shall be made not later than November 15 of each year.

4 **COMMUNITY COLLEGES SHALL WORK WITH THE WORKFORCE DEVELOPMENT AGENCY**
 5 **AND THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO**
 6 **DEVELOP A SYSTEMATIC APPROACH FOR MEETING THIS REQUIREMENT.**

7 Sec. 229. (1) ~~It is the intent of the legislature that each~~
 8 **EACH** community college that receives an appropriation in section
 9 201 **IS EXPECTED TO** include in its admission application process a
 10 specific question as to whether an applicant for admission has ever
 11 served or is currently serving in the United States armed forces or
 12 is the spouse or dependent of an individual who has served or is
 13 currently serving in the United States armed forces, in order to
 14 more quickly identify potential educational assistance available to
 15 that applicant.

16 (2) It is ~~the intent of the legislature~~ **EXPECTED** that each
 17 public community college that receives an appropriation in section
 18 201 shall work with the house and senate community college
 19 subcommittees, the Michigan ~~community college association,~~
 20 **COMMUNITY COLLEGE ASSOCIATION,** and veterans groups to review the
 21 issue of in-district tuition for veterans of this state when
 22 determining tuition rates and fees.

23 (3) As used in this section, "veteran" means an honorably
 24 discharged veteran entitled to educational assistance under the
 25 provisions of section 5003 of the post-911 veterans educational
 26 assistance act of 2008, 38 USC 3301 to ~~3324-3325.~~

27 Sec. 229a. Included in the fiscal year ~~2014-2015-2015-2016~~

1 appropriations for the department of technology, management, and
 2 budget are appropriations **TOTALING \$29,479,600.00** to provide
 3 funding for the state share of costs for previously constructed
 4 capital projects for community colleges. Those appropriations for
 5 state building authority rent represent additional state general
 6 fund support for community colleges, and the following is an
 7 estimate of the amount of that support to each community college:

- 8 (a) Alpena Community College, ~~\$485,400.00~~ **\$652,700.00**.
 9 (b) Bay de Noc Community College, ~~\$636,600.00~~ **\$685,900.00**.
 10 (c) Delta College, ~~\$2,842,800.00~~ **\$3,510,900.00**.
 11 (d) Glen Oaks Community College, ~~\$123,300.00~~ **\$123,100.00**.
 12 (e) Gogebic Community College, ~~\$16,900.00~~ **\$67,600.00**.
 13 (f) Grand Rapids Community College,
 14 ~~\$1,792,400.00~~ **\$2,126,000.00**.
 15 (g) Henry Ford Community College, ~~\$1,030,800.00~~ **\$1,028,500.00**.
 16 (h) Jackson College, ~~\$1,787,300.00~~ **\$1,677,800.00**.
 17 (i) Kalamazoo Valley Community College,
 18 ~~\$1,471,000.00~~ **\$1,557,700.00**.
 19 (j) Kellogg Community College, ~~\$521,400.00~~ **\$520,200.00**.
 20 (k) Kirtland Community College, ~~\$364,000.00~~ **\$363,200.00**.
 21 (l) Lake Michigan College, ~~\$340,900.00~~ **\$340,200.00**.
 22 (m) Lansing Community College, ~~\$610,100.00~~ **\$1,282,200.00**.
 23 (n) Macomb Community College, ~~\$1,316,600.00~~ **\$1,377,400.00**.
 24 (o) Mid Michigan Community College,
 25 ~~\$1,117,300.00~~ **\$1,712,600.00**.
 26 (p) Monroe County Community College,
 27 ~~\$1,266,500.00~~ **\$1,263,600.00**.

- 1 (q) Montcalm Community College, ~~\$973,700.00~~ **\$971,500.00**.
- 2 (r) C.S. Mott Community College, ~~\$1,808,000.00~~ **\$1,803,900.00**.
- 3 (s) Muskegon Community College, ~~\$198,500.00~~ **\$267,800.00**.
- 4 (t) North Central Michigan College, ~~\$117,600.00~~ **\$469,400.00**.
- 5 (u) Northwestern Michigan College,
- 6 ~~\$1,308,600.00~~ **\$1,305,600.00**.
- 7 (v) Oakland Community College, ~~\$466,300.00~~ **\$465,200.00**.
- 8 (w) St. Clair County Community College,
- 9 ~~\$357,000.00~~ **\$356,200.00**.
- 10 (x) Schoolcraft College, ~~\$1,550,300.00~~ **\$1,546,700.00**.
- 11 (y) Southwestern Michigan College, ~~\$231,100.00~~ **\$286,900.00**.
- 12 (z) Washtenaw Community College, ~~\$1,680,600.00~~ **\$1,676,800.00**.
- 13 (aa) Wayne County Community College,
- 14 ~~\$1,466,000.00~~ **\$1,462,700.00**.
- 15 (bb) West Shore Community College, ~~\$578,600.00~~ **\$577,300.00**.
- 16 Sec. 230. (1) Money included in the appropriations for
- 17 community college operations under section 201(2) in fiscal year
- 18 ~~2014-2015-2015-2016~~ for performance funding is distributed based on
- 19 the following formula:
- 20 (a) Allocated proportionate to fiscal year ~~2013-2014-2014-2015~~
- 21 base appropriations, 50%.
- 22 (b) Based on contact hour equated students, 10%.
- 23 (c) Based on administrative costs, 7.5%.
- 24 (d) Based on a weighted degree formula as provided for in the
- 25 2006 recommendations of the performance indicators task force,
- 26 17.5%.
- 27 (e) Based on the local strategic value component, as developed

1 in cooperation with the Michigan ~~community college association~~
2 **COMMUNITY COLLEGE ASSOCIATION** and described in subsection (2), 15%.

3 (2) Money included in the appropriations for community college
4 operations under section 201(2) for local strategic value shall be
5 allocated to each community college that certifies to the state
6 budget director, through a board of trustees resolution on or
7 before October 15, ~~2014~~, **2015**, that the college has met 4 out of 5
8 best practices listed in each category described in subsection (3).
9 The resolution shall provide specifics as to how the community
10 college meets each best practice measure within each category. One-
11 third of funding available under the strategic value component
12 shall be allocated to each category described in subsection (3).
13 Amounts distributed under local strategic value shall be on a
14 proportionate basis to each college's fiscal year ~~2013-2014~~ **2014-**
15 **2015** operations funding. Payments to community colleges that
16 qualify for local strategic value funding shall be distributed with
17 the November installment payment described in section 206.

18 (3) For purposes of subsection (2), the following categories
19 of best practices reflect functional activities of community
20 colleges that have strategic value to the local communities and
21 regional economies:

22 (a) For Category A, economic development and business or
23 industry partnerships, the following:

24 (i) The community college has active partnerships with local
25 employers including hospitals and health care providers.

26 (ii) The community college provides customized on-site
27 training for area companies, employees, or both.

1 (iii) The community college supports entrepreneurship through
2 a small business assistance center or other training or consulting
3 activities targeted toward small businesses.

4 (iv) The community college supports technological advancement
5 through industry partnerships, incubation activities, or operation
6 of a Michigan technical education center or other advanced
7 technology center.

8 (v) The community college has active partnerships with local
9 or regional workforce and economic development agencies.

10 (b) For Category B, educational partnerships, the following:

11 (i) The community college has active partnerships with
12 regional high schools, intermediate school districts, and career-
13 tech centers to provide instruction through dual enrollment,
14 concurrent enrollment, direct credit, middle college, or academy
15 programs.

16 (ii) The community college hosts, sponsors, or participates in
17 enrichment programs for area K-12 students, such as college days,
18 summer or after-school programming, or science Olympiad.

19 (iii) The community college provides, supports, or
20 participates in programming to promote successful transitions to
21 college for traditional age students, including grant programs such
22 as talent search, upwardbound, or other activities to promote
23 college readiness in area high schools and community centers.

24 (iv) The community college provides, supports, or participates
25 in programming to promote successful transitions to college for new
26 or reentering adult students, such as adult basic education,
27 general education development certificate preparation and testing,

1 or recruiting, advising, or orientation activities specific to
2 adults.

3 (v) The community college has active partnerships with
4 regional 4-year colleges and universities to promote successful
5 transfer, such as articulation, 2+2, or reverse transfer agreements
6 or operation of a university center.

7 (c) For Category C, community services, the following:

8 (i) The community college provides continuing education
9 programming for leisure, wellness, personal enrichment, or
10 professional development.

11 (ii) The community college operates or sponsors opportunities
12 for community members to engage in activities that promote leisure,
13 wellness, cultural or personal enrichment such as community sports
14 teams, theater or musical ensembles, or artist guilds.

15 (iii) The community college operates public facilities to
16 promote cultural, educational, or personal enrichment for community
17 members, such as libraries, computer labs, performing arts centers,
18 museums, art galleries, or television or radio stations.

19 (iv) The community college operates public facilities to
20 promote leisure or wellness activities for community members,
21 including gymnasiums, athletic fields, tennis courts, fitness
22 centers, hiking or biking trails, or natural areas.

23 (v) The community college promotes, sponsors, or hosts
24 community service activities for students, staff, or community
25 members.

26 **(4) PAYMENTS FOR PERFORMANCE FUNDING UNDER SECTION 201(2)**
27 **SHALL BE MADE TO A COMMUNITY COLLEGE ONLY IF THAT COMMUNITY COLLEGE**

1 ACTIVELY PARTICIPATES IN THE MICHIGAN TRANSFER NETWORK SPONSORED BY
2 THE MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS
3 OFFICERS AND SUBMITS TIMELY UPDATES, INCLUDING UPDATED COURSE
4 EQUIVALENCIES AT LEAST EVERY 6 MONTHS, TO THE MICHIGAN TRANSFER
5 NETWORK. THE STATE BUDGET DIRECTOR SHALL DETERMINE IF A COMMUNITY
6 COLLEGE HAS NOT SATISFIED THIS REQUIREMENT. THE STATE BUDGET
7 DIRECTOR MAY WITHHOLD PAYMENTS FOR PERFORMANCE FUNDING UNTIL A
8 COMMUNITY COLLEGE IS IN COMPLIANCE WITH THIS SECTION.

9 SEC. 230A. (1) A TASK FORCE SHALL BE FORMED BY OCTOBER 15,
10 2015 TO REVIEW, EVALUATE, DISCUSS, AND MAKE RECOMMENDATIONS
11 REGARDING PERFORMANCE INDICATORS ESTABLISHED UNDER THE AUTHORITY OF
12 SECTION 242 OF 2005 PA 154. THE TASK FORCE SHALL REVIEW WHETHER THE
13 CURRENT METRICS USED ARE THE MOST APPROPRIATE AND RELIABLE
14 PERFORMANCE INDICATORS AVAILABLE AND DETERMINE THE MOST EFFICIENT
15 METHODOLOGY FOR CONNECTING STATE FUNDING TO THOSE INDICATORS.

16 (2) THE TASK FORCE DESCRIBED IN SUBSECTION (1) SHALL CONSIST
17 OF THE FOLLOWING MEMBERS:

18 (A) TWO MEMBERS OF THE MICHIGAN HOUSE OF REPRESENTATIVES. ONE
19 MEMBER SHALL BE DESIGNATED BY THE SPEAKER OF THE HOUSE, AND 1
20 MEMBER SHALL BE DESIGNATED BY THE HOUSE MINORITY LEADER.

21 (B) TWO MEMBERS OF THE MICHIGAN SENATE. ONE MEMBER SHALL BE
22 DESIGNATED BY THE SENATE MAJORITY LEADER, AND 1 MEMBER SHALL BE
23 DESIGNATED BY THE SENATE MINORITY LEADER.

24 (C) ONE REPRESENTATIVE FROM THE DEPARTMENT OF TECHNOLOGY,
25 MANAGEMENT, AND BUDGET, DESIGNATED BY THE STATE BUDGET DIRECTOR.

26 (D) FOUR REPRESENTATIVES OF MICHIGAN PUBLIC COMMUNITY
27 COLLEGES. THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION SHALL

1 DESIGNATE 1 REPRESENTATIVE FROM EACH OF THE 4 GROUPS DESCRIBED IN
2 THE ACTIVITIES CLASSIFICATION STRUCTURE DATA BOOK PUBLISHED BY THE
3 WORKFORCE DEVELOPMENT AGENCY.

4 (3) THE TASK FORCE DESCRIBED IN SUBSECTION (1) SHALL SUBMIT A
5 REPORT CONTAINING ITS FINDINGS AND RECOMMENDATIONS TO THE HOUSE AND
6 SENATE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE
7 HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY
8 JANUARY 15, 2016.

9 Sec. 236. (1) Subject to the conditions set forth in this
10 article, the amounts listed in this section are appropriated for
11 higher education for the fiscal year ending September 30, ~~2015,~~
12 **2016**, from the funds indicated in this section. The following is a
13 summary of the appropriations in this section:

14 (a) The gross appropriation is ~~\$1,516,496,300.00.~~
15 **\$1,534,724,400.00**. After deducting total interdepartmental grants
16 and intradepartmental transfers in the amount of \$0.00, the
17 adjusted gross appropriation is ~~\$1,516,496,300.00.~~
18 **\$1,534,724,400.00**.

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

21 (i) Total federal revenues, \$97,026,400.00.

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

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

24 (iv) Total other state restricted revenues,
25 ~~\$206,567,900.00.~~**\$205,279,500.00**.

26 (v) State general fund/general purpose money,
27 ~~\$1,212,902,000.00.~~**\$1,232,418,500.00**.

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

3 (a) The appropriation for Central Michigan University is
4 ~~\$79,115,000.00, \$73,540,100.00 for operations and \$5,574,900.00 for~~
5 ~~performance funding.~~ **\$80,904,400.00, \$79,164,800.00 FOR OPERATIONS**
6 **AND \$1,739,600.00 FOR PERFORMANCE FUNDING.**

7 (b) The appropriation for Eastern Michigan University is
8 ~~\$71,771,100.00, \$67,275,400.00 for operations and \$4,495,700.00 for~~
9 ~~performance funding.~~ **\$72,835,300.00, \$71,782,500.00 FOR OPERATIONS**
10 **AND \$1,052,800.00 FOR PERFORMANCE FUNDING.**

11 (c) The appropriation for Ferris State University is
12 ~~\$49,087,000.00, \$45,636,500.00 for operations and \$3,450,500.00 for~~
13 ~~performance funding.~~ **\$50,227,800.00, \$49,119,100.00 FOR OPERATIONS**
14 **AND \$1,108,700.00 FOR PERFORMANCE FUNDING.**

15 (d) The appropriation for Grand Valley State University is
16 ~~\$63,136,000.00, \$57,823,500.00 for operations and \$5,312,500.00 for~~
17 ~~performance funding.~~ **\$65,035,200.00, \$63,156,500.00 FOR OPERATIONS**
18 **AND \$1,878,700.00 FOR PERFORMANCE FUNDING.**

19 (e) The appropriation for Lake Superior State University is
20 ~~\$12,782,500.00, \$12,231,000.00 for operations and \$551,500.00 for~~
21 ~~performance funding.~~ **\$13,183,600.00, \$12,997,500.00 FOR OPERATIONS**
22 **AND \$186,100.00 FOR PERFORMANCE FUNDING.**

23 (f) The appropriation for Michigan State University is
24 ~~\$324,038,100.00, \$249,597,800.00 for operations, \$14,831,300.00 for~~
25 ~~performance funding, \$32,027,900.00 for MSU AgBioResearch, and~~
26 ~~\$27,581,100.00 for MSU extension.~~ **\$328,782,000.00, \$264,437,900.00**
27 **FOR OPERATIONS, \$3,841,000.00 FOR PERFORMANCE FUNDING,**

1 \$32,508,300.00 FOR MSU AGBIORESEARCH, AND \$27,994,800.00 FOR MSU
2 EXTENSION.

3 (g) The appropriation for Michigan Technological University is
4 ~~\$45,923,100.00, \$43,473,800.00 for operations and \$2,449,300.00 for~~
5 ~~performance funding.~~ \$46,662,000.00, \$45,938,000.00 FOR OPERATIONS
6 AND \$724,000.00 FOR PERFORMANCE FUNDING.

7 (h) The appropriation for Northern Michigan University is
8 ~~\$44,277,200.00, \$41,741,400.00 for operations and \$2,535,800.00 for~~
9 ~~performance funding.~~ \$45,020,400.00, \$44,338,300.00 FOR OPERATIONS
10 AND \$682,100.00 FOR PERFORMANCE FUNDING.

11 (i) The appropriation for Oakland University is
12 ~~\$48,364,100.00, \$45,651,600.00 for operations and \$2,712,500.00 for~~
13 ~~performance funding.~~ \$49,600,300.00, \$48,371,900.00 FOR OPERATIONS
14 AND \$1,228,400.00 FOR PERFORMANCE FUNDING.

15 (j) The appropriation for Saginaw Valley State University is
16 ~~\$27,610,200.00, \$25,991,000.00 for operations and \$1,619,200.00 for~~
17 ~~performance funding.~~ \$28,117,700.00, \$27,621,600.00 FOR OPERATIONS
18 AND \$496,100.00 FOR PERFORMANCE FUNDING.

19 (k) The appropriation for University of Michigan - Ann Arbor
20 is ~~\$295,174,100.00, \$279,232,700.00 for operations and~~
21 ~~\$15,941,400.00 for performance funding.~~ \$299,430,600.00,
22 \$295,178,500.00 FOR OPERATIONS AND \$4,252,100.00 FOR PERFORMANCE
23 FUNDING.

24 (l) The appropriation for University of Michigan - Dearborn is
25 ~~\$23,689,300.00, \$22,510,400.00 for operations and \$1,178,900.00 for~~
26 ~~performance funding.~~ \$23,995,400.00, \$23,701,000.00 FOR OPERATIONS
27 AND \$294,400.00 FOR PERFORMANCE FUNDING.

1 (m) The appropriation for University of Michigan - Flint is
 2 ~~\$21,337,700.00, \$19,938,200.00 for operations and \$1,399,500.00 for~~
 3 ~~performance funding.~~ **\$21,763,700.00, \$21,359,600.00 FOR OPERATIONS**
 4 **AND \$404,100.00 FOR PERFORMANCE FUNDING.**

5 (n) The appropriation for Wayne State University is
 6 ~~\$190,519,800.00, \$183,398,300.00 for operations and \$7,121,500.00~~
 7 ~~for performance funding.~~ **\$191,346,700.00, \$190,529,900.00 FOR**
 8 **OPERATIONS AND \$816,800.00 FOR PERFORMANCE FUNDING.**

9 (o) The appropriation for Western Michigan University is
 10 ~~\$102,742,000.00, \$97,279,000.00 for operations and \$5,463,000.00~~
 11 ~~for performance funding.~~ **\$104,155,600.00, \$102,761,100.00 FOR**
 12 **OPERATIONS AND \$1,394,500.00 FOR PERFORMANCE FUNDING.**

13 (3) The amount appropriated in subsection (2) for public
 14 universities is appropriated from the following:

15 (a) State school aid fund, \$200,019,500.00.

16 (b) State general fund/general purpose money,
 17 ~~\$1,199,547,700.00.~~ **\$1,221,041,200.00.**

18 (4) The amount appropriated for Michigan public school
 19 employees' retirement system reimbursement is ~~\$2,446,200.00,~~
 20 **\$5,160,000.00**, appropriated from the state school aid fund.

21 ~~— (5) For fiscal year 2014-2015 only, in addition to the amount~~
 22 ~~appropriated under subsection (4), \$4,002,200.00 is appropriated~~
 23 ~~for Michigan public school employees' retirement system~~
 24 ~~reimbursement, appropriated from the state school aid fund.~~

25 (5) ~~(6)~~ The amount appropriated for state and regional
 26 programs is ~~\$2,295,000.00.~~ **\$315,000.00**, appropriated from general
 27 fund/general purpose money and allocated as follows:

1 ~~—— (a) College access program, \$2,000,000.00.~~

2 (A) ~~(b)~~ Higher education database modernization and
3 conversion, \$200,000.00.

4 (B) ~~(c)~~ Midwestern higher education compact, ~~\$95,000.00.~~

5 **HIGHER EDUCATION COMPACT, \$115,000.00.**

6 (6) ~~(7)~~ The amount appropriated for the Martin Luther King,
7 Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00,
8 appropriated from general fund/general purpose money and allocated
9 as follows:

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

11 (b) Michigan college/university partnership program,
12 \$586,800.00.

13 (c) Morris Hood, Jr. educator development program,
14 \$148,600.00.

15 (7) ~~(8)~~ Subject to subsection ~~(9)~~, ~~(8)~~, the amount
16 appropriated for grants and financial aid is ~~\$105,494,200.00,~~
17 **\$105,497,200.00**, allocated as follows:

18 (a) State competitive scholarships, \$18,361,700.00.

19 (b) Tuition grants, ~~\$33,532,500.00.~~ **\$34,035,500.00.**

20 (c) Tuition incentive program, \$48,500,000.00.

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

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

24 ~~—— (f) North American Indian tuition waivers, \$500,000.00.~~

25 (8) ~~(9)~~ The money appropriated in subsection ~~(8)~~ ~~(7)~~ for
26 grants and financial aid is appropriated from the following:

27 (a) Federal revenues under the United States ~~department of~~

1 ~~education, office of elementary and secondary education, DEPARTMENT~~
2 **OF EDUCATION, OFFICE OF ELEMENTARY AND SECONDARY EDUCATION,** GEAR-UP
3 program, \$3,200,000.00.

4 (b) Federal revenues under the social security act, temporary
5 assistance for needy families, \$93,826,400.00.

6 (c) Contributions to children of veterans tuition grant
7 program, \$100,000.00.

8 (d) State general fund/general purpose money,
9 ~~\$8,367,800.00.~~ **\$8,370,800.00.**

10 Sec. 236a. It is the intent of the legislature to provide
11 appropriations for the fiscal year ending on September 30, ~~2016~~
12 **2017** for the items listed in section 236. The fiscal year ~~2015-2016~~
13 **2016-2017** appropriations are anticipated to be the same as those
14 for fiscal year ~~2014-2015,~~ **2015-2016**, except that the amounts will
15 be adjusted for changes in caseload and related costs, federal fund
16 match rates, economic factors, and available revenue. These
17 adjustments will be determined after the January ~~2015-2016~~
18 consensus revenue estimating conference.

19 Sec. 236b. In addition to the funds appropriated in section
20 236, there is appropriated for grants and financial aid in fiscal
21 year ~~2014-2015-2015-2016~~ an amount not to exceed \$6,000,000.00 for
22 federal contingency funds. These funds are not available for
23 expenditure until they have been transferred under section 393(2)
24 of the management and budget act, 1984 PA 431, MCL 18.1393, for
25 another purpose under this article.

26 Sec. 236c. In addition to the funds appropriated for fiscal
27 year ~~2014-2015-2015-2016~~ in section 236, appropriations to the

1 department of technology, management, and budget in the act
2 providing general appropriations for fiscal year ~~2014-2015-2015-~~
3 **2016** for state building authority rent, totaling an estimated
4 ~~\$124,825,300.00,~~ **\$135,995,300.00**, provide funding for the state
5 share of costs for previously constructed capital projects for
6 state universities. These appropriations for state building
7 authority rent represent additional state general fund support
8 provided to public universities, and the following is an estimate
9 of the amount of that support to each university:

10 (a) Central Michigan University, ~~\$9,103,200.00.~~ **\$9,551,800.00.**

11 (b) Eastern Michigan University, ~~\$4,861,700.00.~~ **\$4,860,900.00.**

12 (c) Ferris State University, ~~\$6,252,200.00.~~ **\$6,251,200.00.**

13 (d) Grand Valley State University,

14 ~~\$4,252,500.00.~~ **\$6,952,300.00.**

15 (e) Lake Superior State University,

16 ~~\$1,112,900.00.~~ **\$1,720,300.00.**

17 (f) Michigan State University, ~~\$16,101,200.00.~~ **\$16,549,200.00.**

18 (g) Michigan Technological University,

19 ~~\$7,444,600.00.~~ **\$7,443,400.00.**

20 (h) Northern Michigan University, ~~\$8,016,400.00.~~ **\$9,706,200.00.**

21 (i) Oakland University, ~~\$10,969,800.00.~~ **\$12,993,400.00.**

22 (j) Saginaw Valley State University,

23 ~~\$9,777,400.00.~~ **\$9,865,800.00.**

24 (k) University of Michigan - Ann Arbor,

25 ~~\$9,159,200.00.~~ **\$9,607,800.00.**

26 (l) University of Michigan - Dearborn,

27 ~~\$6,296,200.00.~~ **\$6,745,200.00.**

1 (m) University of Michigan - Flint,
2 ~~\$2,855,000.00.~~ **\$3,104,000.00.**

3 (n) Wayne State University, ~~\$13,679,800.00.~~ **\$15,703,000.00.**

4 (o) Western Michigan University,
5 ~~\$14,943,200.00.~~ **\$14,940,800.00.**

6 Sec. 241. (1) Subject to ~~section~~ **SECTIONS 244 AND** 265a, the
7 funds appropriated in section 236 to public universities shall be
8 paid out of the state treasury and distributed by the state
9 treasurer to the respective institutions in 11 equal monthly
10 installments on the sixteenth of each month, or the next succeeding
11 business day, beginning with October 16, ~~2014.~~ **2015.** Except for
12 Wayne State University, each institution shall accrue its July and
13 August ~~2015-2016~~ payments to its institutional fiscal year ending
14 June 30, ~~2015.~~ **2016.**

15 (2) All public universities shall submit higher education
16 institutional data inventory (HEIDI) data and associated financial
17 and program information requested by and in a manner prescribed by
18 the state budget director. For public universities with fiscal
19 years ending June 30, ~~2014,~~ **2015,** these data shall be submitted to
20 the state budget director by October 15, ~~2014.~~ **2015.** Public
21 universities with a fiscal year ending September 30, ~~2014-2015~~
22 shall submit preliminary HEIDI data by November 15, ~~2014-2015~~ and
23 final data by December 15, ~~2014.~~ **2015.** If a public university fails
24 to submit HEIDI data and associated financial aid program
25 information in accordance with this reporting schedule, the state
26 treasurer may withhold the monthly installments under subsection
27 (1) to the public university until those data are submitted.

1 Sec. 244. A public university receiving funds in section 236
2 shall cooperate with all measures taken by the state to develop,
3 operate, and maintain the statewide P-20 longitudinal data system
4 described in section 94a. If the state budget director finds that a
5 university has not complied with this section, the state budget
6 director is authorized to withhold the monthly installments
7 provided to that university under section ~~236-241~~ until he or she
8 finds the university has complied with this section.

9 Sec. 246. (1) **ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF**
10 **THE FISCAL YEAR 2015-2016 APPROPRIATIONS DESCRIBED IN SECTION**
11 **236(4) FOR PAYMENTS TO UNIVERSITIES THAT ARE PARTICIPATING ENTITIES**
12 **OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM:**

13 **(A)** The funds appropriated in section ~~236-236(4)~~ for Michigan
14 public school employees' retirement system reimbursement shall be
15 allocated to each participating public university under this
16 section based on each participating public university's percentage
17 of the total combined payrolls of the universities' employees who
18 are members of the retirement system and who were hired before
19 January 1, 1996 and the universities' employees who would have been
20 members of the retirement system on or after January 1, 1996, but
21 for the enactment of 1995 PA 272 for all public universities that
22 are participating public universities for the immediately preceding
23 state fiscal year.

24 **(B) THE AMOUNT OF A PAYMENT UNDER SECTION 236(4) SHALL BE**
25 **EQUAL TO THE DIFFERENCE BETWEEN THE UNFUNDED ACTUARIAL ACCRUED**
26 **LIABILITY CONTRIBUTION RATE FOR UNIVERSITY REPORTING UNITS AS**
27 **CALCULATED UNDER SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES**

1 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, AS CALCULATED
2 WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 25.73%
3 INCLUDED IN SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT
4 ACT OF 1979, 1980 PA 300, MCL 38.1341, AND THE MAXIMUM EMPLOYER
5 RATE FOR UNIVERSITY REPORTING UNITS OF 25.73% UNDER SECTION 41 OF
6 THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300,
7 MCL 38.1341. Payments shall be made in a form and manner determined
8 by the office of retirement services.

9 (C) A public university that receives money under ~~this section~~
10 236(4) shall use that money solely for the purpose of ~~offsetting a~~
11 ~~portion of the retirement contributions owed by the university.~~
12 EACH PARTICIPATING UNIVERSITY THAT RECEIVES FUNDS UNDER SECTION
13 236(4) SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT RECEIVED UNDER
14 SECTION 236(4) TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT
15 SYSTEM IN A FORM AND MANNER DETERMINED BY THE OFFICE OF RETIREMENT
16 SERVICES.

17 (2) As used in this section, "participating public university"
18 means a public university that is a reporting unit of the Michigan
19 public school employees' retirement system under the public school
20 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
21 ~~38.1408,~~ 38.1437, and that pays contributions to the Michigan
22 public school employees' retirement system for the state fiscal
23 year.

24 Sec. 252. (1) The amounts appropriated in section 236 for the
25 state tuition grant program shall be distributed pursuant to 1966
26 PA 313, MCL 390.991 to 390.997a.

27 (2) Tuition grant awards shall be made to all eligible

1 Michigan residents enrolled in undergraduate degree programs who
2 are qualified and who apply before July 1 of each year for the next
3 academic year.

4 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
5 subject to subsections (7) and (8), the department of treasury
6 shall determine an actual maximum tuition grant award per student,
7 which shall be no less than \$1,512.00, that ensures that the
8 aggregate payments for the tuition grant program do not exceed the
9 appropriation contained in section 236 for the state tuition grant
10 program. If the department determines that insufficient funds are
11 available to establish a maximum award amount equal to at least
12 \$1,512.00, the department shall immediately report to the house and
13 senate appropriations subcommittees on higher education, the house
14 and senate fiscal agencies, and the state budget director regarding
15 the estimated amount of additional funds necessary to establish a
16 \$1,512.00 maximum award amount. If the department determines that
17 sufficient funds are available to establish a maximum award amount
18 equal to at least \$1,512.00, the department shall immediately
19 report to the house and senate appropriations subcommittees on
20 higher education, the house and senate fiscal agencies, and the
21 state budget director regarding the maximum award amount
22 established and the projected amount of any projected year-end
23 appropriation balance based on that maximum award amount. By
24 ~~December 15, and again by February 18~~ of each fiscal year, the
25 department shall analyze the status of award commitments, shall
26 make any necessary adjustments, and shall confirm that those award
27 commitments will not exceed the appropriation contained in section

1 236 for the tuition grant program. The determination and actions
2 shall be reported to the state budget director and the house and
3 senate fiscal agencies no later than the final day of February of
4 each year. If award adjustments are necessary, the students shall
5 be notified of the adjustment by March 4 of each year.

6 (4) Any unexpended and unencumbered funds remaining on
7 September 30, ~~2015-2016~~ from the amounts appropriated in section
8 236 for the tuition grant program for fiscal year ~~2014-2015-2015-~~
9 ~~2016~~ shall not lapse on September 30, ~~2015,~~~~2016~~, but shall
10 continue to be available for expenditure for tuition grants
11 provided in the ~~2015-2016-2016-2017~~ fiscal year under a work
12 project account. The use of these unexpended fiscal year ~~2014-2015~~
13 ~~2015-2016~~ funds shall terminate at the end of the ~~2015-2016-2016-~~
14 ~~2017~~ fiscal year.

15 (5) The department of treasury shall continue a proportional
16 tuition grant maximum award level for recipients enrolled less than
17 full-time in a given semester or term.

18 (6) If the department of treasury increases the maximum award
19 per eligible student from that provided in the previous fiscal
20 year, it shall not have the effect of reducing the number of
21 eligible students receiving awards in relation to the total number
22 of eligible applicants. Any increase in the maximum grant shall be
23 proportional for all eligible students receiving awards for that
24 fiscal year.

25 (7) Except as provided in subsection (4), the department of
26 treasury shall not award more than \$3,200,000.00 in tuition grants
27 to eligible students enrolled in the same independent nonprofit

1 college or university in this state. Any decrease in the maximum
2 grant shall be proportional for all eligible students enrolled in
3 that college or university, as determined by the department.

4 (8) The department of treasury shall not award tuition grants
5 to otherwise eligible students enrolled in an independent college
6 or university that does not report, in a form and manner directed
7 by and satisfactory to the department of treasury, by ~~August 31~~
8 **SEPTEMBER 30** of each year, ~~beginning with August 31, 2015,~~ all of
9 the following:

10 (a) The number of students in the most recently completed
11 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a state
12 tuition grant **AT THE REPORTING INSTITUTION** and successfully
13 completed a program or graduated.

14 (b) The number of students in the most recently completed
15 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a state
16 tuition grant **AT THE REPORTING INSTITUTION** and took a remedial
17 education class.

18 (c) The number of students in the most recently completed
19 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a Pell grant
20 **AT THE REPORTING INSTITUTION** and successfully completed a program
21 or graduated.

22 (9) **BY FEBRUARY 1, 2016, EACH INDEPENDENT COLLEGE AND**
23 **UNIVERSITY PARTICIPATING IN THE TUITION GRANT PROGRAM SHALL REPORT**
24 **TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON HIGHER**
25 **EDUCATION, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE**
26 **BUDGET DIRECTOR ON ITS EFFORTS TO DEVELOP AND IMPLEMENT SEXUAL**
27 **ASSAULT RESPONSE TRAINING FOR THE INSTITUTION'S TITLE IX**

1 COORDINATOR, CAMPUS LAW ENFORCEMENT PERSONNEL, CAMPUS PUBLIC SAFETY
2 PERSONNEL, AND ANY OTHER CAMPUS PERSONNEL CHARGED WITH RESPONDING
3 TO ON-CAMPUS INCIDENTS, INCLUDING INFORMATION ON SEXUAL ASSAULT
4 RESPONSE TRAINING MATERIALS AND THE STATUS OF IMPLEMENTING SEXUAL
5 ASSAULT RESPONSE TRAINING FOR INSTITUTIONAL PERSONNEL.

6 Sec. 256. (1) The funds appropriated in section 236 for the
7 tuition incentive program shall be distributed as provided in this
8 section and pursuant to the administrative procedures for the
9 tuition incentive program of the department of treasury.

10 (2) As used in this section:

11 (a) "Phase I" means the first part of the tuition incentive
12 assistance program defined as the academic period of 80 semester or
13 120 term credits, or less, leading to an associate degree or
14 certificate.

15 (b) "Phase II" means the second part of the tuition incentive
16 assistance program which provides assistance in the third and
17 fourth year of 4-year degree programs.

18 (c) "Department" means the department of treasury.

19 (3) An individual shall meet the following basic criteria and
20 financial thresholds to be eligible for tuition incentive benefits:

21 (a) To be eligible for phase I, an individual shall meet all
22 of the following criteria:

23 (i) Apply for certification to the department any time after
24 he or she begins the sixth grade but before August 31 of the school
25 year in which he or she graduates from high school or before
26 completing a general education development certificate.

27 (ii) Be less than 20 years of age at the time he or she

1 graduates from high school with a diploma or certificate of
2 completion or completes a general education development
3 certificate.

4 (iii) Be a United States citizen and a resident of Michigan
5 according to institutional criteria.

6 (iv) Be at least a half-time student, earning less than 80
7 semester or 120 term credits at a participating educational
8 institution within 4 years of high school graduation or completion
9 of a general education development certificate.

10 (v) Request information on filing a FAFSA.

11 (vi) Must meet the satisfactory academic progress policy of
12 the educational institution he or she attends.

13 (b) To be eligible for phase II, an individual shall meet
14 either of the following criteria in addition to the criteria in
15 subdivision (a):

16 (i) Complete at least 56 transferable semester or 84
17 transferable term credits.

18 (ii) Obtain an associate degree or certificate at a
19 participating institution.

20 (c) To be eligible for phase I or phase II, an individual must
21 not be incarcerated and must be financially eligible as determined
22 by the department. An individual is financially eligible for the
23 tuition incentive program if he or she was eligible for Medicaid
24 from the state of Michigan for 24 months within the 36 months
25 before application. The department shall accept certification of
26 Medicaid eligibility only from the department of **HEALTH AND** human
27 services for the purposes of verifying if a person is Medicaid

1 eligible for 24 months within the 36 months before application.
2 Certification of eligibility may begin in the sixth grade. As used
3 in this subdivision, "incarcerated" does not include detention of a
4 juvenile in a state-operated or privately operated juvenile
5 detention facility.

6 (4) For phase I, the department shall provide payment on
7 behalf of a person eligible under subsection (3). The department
8 shall reject billings that are excessive or outside the guidelines
9 for the type of educational institution.

10 (5) For phase I, all of the following apply:

11 (a) Payments for associate degree or certificate programs
12 shall not be made for more than 80 semester or 120 term credits for
13 any individual student at any participating institution.

14 (b) For persons enrolled at a Michigan community college, the
15 department shall pay the current in-district tuition and mandatory
16 fees. For persons residing in an area that is not included in any
17 community college district, the out-of-district tuition rate may be
18 authorized.

19 (c) For persons enrolled at a Michigan public university, the
20 department shall pay lower division resident tuition and mandatory
21 fees for the current year.

22 (d) For persons enrolled at a Michigan independent, nonprofit
23 degree-granting college or university, or a Michigan federal
24 tribally controlled community college, or Focus: HOPE, the
25 department shall pay mandatory fees for the current year and a per-
26 credit payment that does not exceed the average community college
27 in-district per-credit tuition rate as reported on August 1, for

1 the immediately preceding academic year.

2 (6) A person participating in phase II may be eligible for
3 additional funds not to exceed \$500.00 per semester or \$400.00 per
4 term up to a maximum of \$2,000.00 subject to the following
5 conditions:

6 (a) Credits are earned in a 4-year program at a Michigan
7 degree-granting 4-year college or university.

8 (b) The tuition reimbursement is for coursework completed
9 within 30 months of completion of the phase I requirements.

10 (7) The department shall work closely with participating
11 institutions to develop an application and eligibility
12 determination process that will provide the highest level of
13 participation and ensure that all requirements of the program are
14 met.

15 (8) Applications for the tuition incentive program may be
16 approved at any time after the student begins the sixth grade. If a
17 determination of financial eligibility is made, that determination
18 is valid as long as the student meets all other program
19 requirements and conditions.

20 (9) Each institution shall ensure that all known available
21 restricted grants for tuition and fees are used prior to billing
22 the tuition incentive program for any portion of a student's
23 tuition and fees.

24 (10) The department shall ensure that the tuition incentive
25 program is well publicized and that eligible Medicaid clients are
26 provided information on the program. The department shall provide
27 the necessary funding and staff to fully operate the program.

1 Sec. 263. (1) Included in the appropriation in section 236 for
2 fiscal year ~~2014-2015-2015-2016~~ for MSU AgBioResearch is
3 \$2,982,900.00 and included in the appropriation in section 236 for
4 MSU ~~extension-EXTENSION~~ is \$2,645,200.00 for ~~project-PROJECT~~
5 GREEN. Project GREEN is intended to address critical regulatory,
6 food safety, economic, and environmental problems faced by this
7 state's plant-based agriculture, forestry, and processing
8 industries. "GREEN" is an acronym for ~~generating research and~~
9 ~~extension to meet environmental and economic needs.~~**GENERATING**
10 **RESEARCH AND EXTENSION TO MEET ENVIRONMENTAL AND ECONOMIC NEEDS.**

11 (2) The department of agriculture and rural development and
12 Michigan State University, in consultation with agricultural
13 commodity groups and other interested parties, shall develop
14 ~~project-PROJECT~~ GREEN and its program priorities.

15 Sec. 263a. (1) Not later than September 30 of each year,
16 Michigan State University shall submit a report on MSU
17 AgBioResearch and MSU ~~extension-EXTENSION~~ to the house and senate
18 appropriations subcommittees on agriculture and on higher
19 education, the house and senate standing committees on agriculture,
20 the house and senate fiscal agencies, and the state budget director
21 for the preceding academic fiscal year.

22 (2) The report required under subsection (1) shall include all
23 of the following:

24 (a) Total funds expended by MSU AgBioResearch and by MSU
25 ~~extension service-EXTENSION~~ identified by state, local, private,
26 federal, and university fund sources.

27 (b) The metric goals that were used to evaluate the impacts of

1 programs operated by MSU ~~extension~~**EXTENSION** and MSU AgBioResearch.
2 It is the intent of the legislature that the following metric goals
3 will be used to evaluate the impacts of those programs:

4 (i) Increasing the number of agriculture and food-related
5 firms collaborating with and using services of research and
6 extension faculty and staff by 3% per year.

7 (ii) Increasing the number of individuals utilizing MSU
8 ~~extension's~~**EXTENSION'S** educational services by 5% per year.

9 (iii) Increasing external funds generated in support of
10 research and extension, beyond state appropriations, by 10% over
11 the amounts generated in the past 3 state fiscal years.

12 (iv) Increasing the sector's total economic impact ~~from~~
13 ~~today's \$71,000,000,000.00~~ to **AT LEAST** \$100,000,000,000.00.

14 (v) ~~Doubling~~**INCREASING** Michigan's agricultural exports ~~from~~
15 ~~\$1,750,000,000.00~~ to **AT LEAST** \$3,500,000,000.00.

16 (vi) Increasing jobs in the food and agriculture sector by
17 10%.

18 (vii) Improving access by Michigan consumers to healthy foods
19 by 20%.

20 (c) A review of major programs within both MSU AgBioResearch
21 and MSU ~~extension~~**EXTENSION** with specific reference to
22 accomplishments, impacts, and the metrics described in subdivision
23 (b), including a specific accounting of Project GREEN expenditures
24 and the impact of those expenditures.

25 Sec. 264. Included in the appropriation in section 236 for
26 fiscal year ~~2014-2015~~**2015-2016** for Michigan State University is
27 \$80,000.00 for the Michigan ~~future farmers of America association.~~

1 **FUTURE FARMERS OF AMERICA ASSOCIATION.** This \$80,000.00 allocation
2 shall not supplant any existing support that Michigan State
3 University provides to the Michigan ~~future farmers of America~~
4 ~~association.~~ **FUTURE FARMERS OF AMERICA ASSOCIATION.**

5 Sec. 265. (1) Payments under section 265a for performance
6 funding shall only be made to a public university that certifies to
7 the state budget director by August 31, ~~2014-2015~~ that its board
8 did not adopt an increase in tuition and fee rates for resident
9 undergraduate students after September 1, ~~2013-2014~~ for the ~~2013-~~
10 ~~2014-2014-2015~~ academic year and that its board will not adopt an
11 increase in tuition and fee rates for resident undergraduate
12 students for the ~~2014-2015-2015-2016~~ academic year that is greater
13 than 3.2%. As used in this subsection:

14 (a) ~~Subject to subdivision (c), "fee"~~ **"FEE"** means any board-
15 authorized fee that will be paid by more than 1/2 of all resident
16 undergraduate students at least once during their enrollment at a
17 public university. A university increasing a fee that applies to a
18 specific subset of students or courses shall provide sufficient
19 information to prove that the increase applied to that subset will
20 not cause the increase in the average amount of board-authorized
21 total tuition and fees paid by resident undergraduate students in
22 the ~~2014-2015-2015-2016~~ academic year to exceed the limit
23 established in this subsection.

24 (b) "Tuition and fee rate" means the average of full-time
25 rates for all undergraduate classes, based on an average of the
26 rates authorized by the university board and actually charged to
27 students, deducting any ~~uniformly rebated~~ **UNIFORMLY REBATED** or

1 refunded amounts, for the 2 semesters with the highest levels of
2 full-time equated resident undergraduate enrollment during the
3 academic year.

4 (c) For purposes of subdivision (a), for a public university
5 that compels resident undergraduate students to be covered by
6 health insurance as a condition to enroll at the university, "fee"
7 includes the annual amount a student is charged for coverage by the
8 university-affiliated group health insurance policy if he or she
9 does not provide proof that he or she is otherwise covered by
10 health insurance. This subdivision does not apply to limited
11 subsets of resident undergraduate students to be covered by health
12 insurance for specific reasons other than general enrollment at the
13 university.

14 (2) The state budget director shall implement uniform
15 reporting requirements to ensure that a public university receiving
16 a payment under section 265a for performance funding has satisfied
17 the tuition restraint requirements of this section. The state
18 budget director shall have the sole authority to determine if a
19 public university has met the requirements of this section.
20 Information reported by a public university to the state budget
21 director under this subsection shall also be reported to the house
22 and senate appropriations subcommittees on higher education and the
23 house and senate fiscal agencies.

24 Sec. 265a. (1) Appropriations to public universities in
25 section 236 for fiscal year ~~2014-2015~~ **2015-2016** for performance
26 funding shall be paid only to a public university that complies
27 with section 265 and certifies to the state budget director, the

1 house and senate appropriations subcommittees on higher education,
2 and the house and senate fiscal agencies by August 31, ~~2014~~2015
3 that it complies with all of the following requirements:

4 (a) The university participates in reverse transfer agreements
5 described in section 286 with at least 3 Michigan community
6 colleges or has made a good-faith effort to enter into reverse
7 transfer agreements.

8 (b) The university does not and will not consider whether dual
9 enrollment credits earned by an incoming student were utilized
10 towards his or her high school graduation requirements when making
11 a determination as to whether those credits may be used by the
12 student toward completion of a university degree or certificate
13 program.

14 (c) The university participates in the Michigan ~~transfer~~
15 ~~network~~**TRANSFER NETWORK** created as part of the Michigan
16 ~~association of collegiate registrars and admissions officers~~
17 **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS**
18 transfer agreement.

19 (2) Any performance funding amounts under section 236 that are
20 not paid to a public university because it did not comply with 1 or
21 more requirements under subsection (1) are unappropriated and
22 reappropriated for performance funding to those public universities
23 that meet the requirements under subsection (1), distributed in
24 proportion to their performance funding appropriation amounts under
25 section 236.

26 (3) The state budget director shall report to the house and
27 senate appropriations subcommittees on higher education and the

1 house and senate fiscal agencies by September ~~17, 2014,~~ **30, 2015,**
 2 regarding any performance funding amounts that are not paid to a
 3 public university because it did not comply with 1 or more
 4 requirements under subsection (1) and any reappropriation of funds
 5 under subsection (2).

6 (4) Performance funding amounts described in section 236 are
 7 distributed based on the following formula:

8 ~~—— (a) Proportional to each university's share of total~~
 9 ~~operations funding appropriated in fiscal year 2010-2011, 50.0%.~~

10 **(A)** ~~(b)~~ Based on weighted undergraduate completions in
 11 critical skills areas, ~~11.1%~~ **22.2%**.

12 **(B)** ~~(c)~~ Based on research and development expenditures, for
 13 universities classified in Carnegie classifications as
 14 doctoral/research universities, research universities (high
 15 research activity), or research universities (very high research
 16 activity) only, ~~5.6%~~ **11.1%**.

17 **(C)** ~~(d)~~ Based on 6-year graduation rate, total degree
 18 completions, and institutional support as a percentage of core
 19 expenditures, and **THE PERCENTAGE OF** students receiving Pell grants,
 20 scored against national Carnegie classification peers and weighted
 21 by total undergraduate fiscal year equated students, ~~33.3%~~ **66.7%**.

22 (5) For purposes of determining the score of a university
 23 under subsection ~~(4) (d),~~ **(4) (C)**, each university is assigned 1 of
 24 the following scores:

25 (a) A university classified as in the top 20%, a score of 3.

26 (b) A university classified as above national median, a score
 27 of 2.

1 (c) A university classified as improving, a score of 2. It is
2 the intent of the legislature that, beginning in the ~~2015-2016~~
3 **2016-2017** state fiscal year, a university classified as improving
4 is assigned a score of 1.

5 (d) A university that is not included in subdivision (a), (b),
6 or (c), a score of 0.

7 (6) For purposes of this section, "Carnegie classification"
8 shall mean the basic classification of the university according to
9 the most recent version of the Carnegie classification of
10 institutions of higher education, published by the Carnegie
11 ~~foundation for the advancement of teaching.~~ **FOUNDATION FOR THE**
12 **ADVANCEMENT OF TEACHING.**

13 Sec. 267. All public universities shall submit the amount of
14 tuition and fees actually charged to a full-time resident
15 undergraduate student for academic year ~~2014-2015-2015-2016~~ as part
16 of their higher education institutional data inventory (HEIDI) data
17 by August 31 of each year. A public university shall report any
18 revisions for any semester of the reported academic year ~~2014-2015~~
19 **2015-2016** tuition and fee charges to HEIDI within 15 days of being
20 adopted.

21 Sec. 268. (1) For the fiscal year ending September 30, ~~2014,~~
22 **2016**, it is the intent of the legislature that funds be allocated
23 for unfunded North American Indian tuition waiver costs incurred by
24 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,
25 from the general fund.

26 ~~—— (2) Appropriations in section 236(8)(f) for North American~~
27 ~~Indian tuition waivers shall be paid to universities under section~~

1 ~~2a of 1976 PA 174, MCL 390.1252a. Allocations shall be adjusted for~~
2 ~~amounts included in university operations appropriations. If funds~~
3 ~~are insufficient to support the entire cost of waivers, amounts~~
4 ~~shall be prorated.~~

5 (2) ~~(3)~~ By February 15 of each year, the department of civil
6 rights shall annually submit to the state budget director, the
7 house and senate appropriations subcommittees on higher education,
8 and the house and senate fiscal agencies a report on North American
9 Indian tuition waivers for the preceding fiscal year that includes,
10 but is not limited to, all of the following information for each
11 postsecondary institution:

12 (a) The total number of waiver applications.

13 (b) The total number of waivers granted and the monetary value
14 of each waiver.

15 (c) The number of students who withdraw from classes.

16 (d) The number of students who successfully complete a degree
17 or certificate program and the 6-year graduation rate.

18 **(3) A PUBLIC UNIVERSITY THAT RECEIVES FUNDS UNDER SECTION 236**
19 **SHALL PROVIDE TO THE DEPARTMENT OF CIVIL RIGHTS ANY INFORMATION**
20 **NECESSARY FOR PREPARING THE REPORT DETAILED IN SUBSECTION (2).**

21 Sec. 269. For fiscal year ~~2014-2015,~~ **2015-2016**, from the
22 amount appropriated in section 236 to Central Michigan University
23 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal
24 College for the costs of waiving tuition for North American Indians
25 under 1976 PA 174, MCL 390.1251 to 390.1253.

26 Sec. 270. For fiscal year ~~2014-2015-~~ **2015-2016**, from the amount
27 appropriated in section 236 to Lake Superior State University for

1 operations, \$100,000.00 shall be paid to Bay Mills Community
2 College for the costs of waiving tuition for North American Indians
3 under 1976 PA 174, MCL 390.1251 to 390.1253.

4 Sec. 274. It is the intent of the legislature that public and
5 private organizations that conduct human embryonic stem cell
6 derivation subject to section 27 of article I of the state
7 constitution of 1963 will provide information to the director of
8 the department of ~~community health~~ **AND HUMAN SERVICES** by December
9 1, ~~2014-2015~~ that includes all of the following:

10 (a) Documentation that the organization conducting human
11 embryonic stem cell derivation is conducting its activities in
12 compliance with the requirements of section 27 of article I of the
13 state constitution of 1963 and all relevant ~~national institutes of~~
14 ~~health~~ **NATIONAL INSTITUTES OF HEALTH** guidelines pertaining to
15 embryonic stem cell derivation.

16 (b) A list of all human embryonic stem cell lines submitted by
17 the organization to the ~~national institutes of health~~ **NATIONAL**
18 **INSTITUTES OF HEALTH** for inclusion in the ~~human embryonic stem cell~~
19 ~~registry~~ **HUMAN EMBRYONIC STEM CELL REGISTRY** before and during
20 fiscal year ~~2013-2014,~~ **2014-2015**, and the status of each submission
21 as approved, pending approval, or review completed but not yet
22 accepted.

23 (c) Number of human embryonic stem cell lines derived and not
24 submitted for inclusion in the ~~human embryonic stem cell registry,~~
25 **HUMAN EMBRYONIC STEM CELL REGISTRY**, before and during fiscal year
26 ~~2013-2014.~~ **2014-2015.**

27 **SEC. 274C. BY FEBRUARY 1, 2016, EACH UNIVERSITY RECEIVING**

1 FUNDS UNDER SECTION 236 SHALL REPORT TO THE SENATE AND HOUSE
2 APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE SENATE AND
3 HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ON ITS EFFORTS
4 TO DEVELOP AND IMPLEMENT SEXUAL ASSAULT RESPONSE TRAINING FOR THE
5 UNIVERSITY'S TITLE IX COORDINATOR, CAMPUS LAW ENFORCEMENT
6 PERSONNEL, CAMPUS PUBLIC SAFETY PERSONNEL, AND ANY OTHER CAMPUS
7 PERSONNEL CHARGED WITH RESPONDING TO ON-CAMPUS INCIDENTS, INCLUDING
8 INFORMATION ON SEXUAL ASSAULT RESPONSE TRAINING MATERIALS AND THE
9 STATUS OF IMPLEMENTING SEXUAL ASSAULT RESPONSE TRAINING FOR CAMPUS
10 PERSONNEL.

11 Sec. 276. (1) Included in the appropriation for fiscal year
12 ~~2014-2015-2015-2016~~ for each public university in section 236 is
13 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
14 future faculty program that is intended to increase the pool of
15 academically or economically disadvantaged candidates pursuing
16 faculty teaching careers in postsecondary education. Preference may
17 not be given to applicants on the basis of race, color, ethnicity,
18 gender, or national origin. Institutions should encourage
19 applications from applicants who would otherwise not adequately be
20 represented in the graduate student and faculty populations. Each
21 public university shall apply the percentage change applicable to
22 every public university in the calculation of appropriations in
23 section 236 to the amount of funds allocated to the future faculty
24 program.

25 (2) The program shall be administered by each public
26 university in a manner prescribed by the workforce development
27 agency. The workforce development agency shall use a good faith

1 effort standard to evaluate whether a fellowship is in default.

2 Sec. 277. (1) Included in the appropriation for fiscal year
3 ~~2014-2015-2015-2016~~ for each public university in section 236 is
4 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
5 college day program that is intended to introduce academically or
6 economically disadvantaged schoolchildren to the potential of a
7 college education. Preference may not be given to participants on
8 the basis of race, color, ethnicity, gender, or national origin.
9 Public universities should encourage participation from those who
10 would otherwise not adequately be represented in the student
11 population.

12 (2) Individual program plans of each public university shall
13 include a budget of equal contributions from this program, the
14 participating public university, the participating school district,
15 and the participating independent degree-granting college. College
16 day funds shall not be expended to cover indirect costs. Not more
17 than 20% of the university match shall be attributable to indirect
18 costs. Each public university shall apply the percentage change
19 applicable to every public university in the calculation of
20 appropriations in section 236 to the amount of funds allocated to
21 the college day program.

22 (3) The program described in this section shall be
23 administered by each public university in a manner prescribed by
24 the workforce development agency.

25 Sec. 278. (1) Included in section 236 for fiscal year ~~2014-~~
26 ~~2015-2015-2016~~ is funding for the Martin Luther King, Jr. - Cesar
27 Chavez - Rosa Parks select student support services program for

1 developing academically or economically disadvantaged student
2 retention programs for 4-year public and independent educational
3 institutions in this state. Preference may not be given to
4 participants on the basis of race, color, ethnicity, gender, or
5 national origin. Institutions should encourage participation from
6 those who would otherwise not adequately be represented in the
7 student population.

8 (2) An award made under this program to any 1 institution
9 shall not be greater than \$150,000.00, and the amount awarded shall
10 be matched on a 70% state, 30% college or university basis.

11 (3) The program described in this section shall be
12 administered by the workforce development agency.

13 Sec. 279. (1) Included in section 236 for fiscal year ~~2014-~~
14 ~~2015-2015-2016~~ is funding for the Martin Luther King, Jr. - Cesar
15 Chavez - Rosa Parks college/university partnership program between
16 4-year public and independent colleges and universities and public
17 community colleges, which is intended to increase the number of
18 academically or economically disadvantaged students who transfer
19 from community colleges into baccalaureate programs. Preference may
20 not be given to participants on the basis of race, color,
21 ethnicity, gender, or national origin. Institutions should
22 encourage participation from those who would otherwise not
23 adequately be represented in the transfer student population.

24 (2) The grants shall be made under the program described in
25 this section to Michigan public and independent colleges and
26 universities. An award to any 1 institution shall not be greater
27 than \$150,000.00, and the amount awarded shall be matched on a 70%

1 state, 30% college or university basis.

2 (3) The program described in this section shall be
3 administered by the workforce development agency.

4 Sec. 280. (1) Included in the appropriation for fiscal year
5 ~~2014-2015-2015-2016~~ for each public university in section 236 is
6 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
7 visiting professors program which is intended to increase the
8 number of instructors in the classroom to provide role models for
9 academically or economically disadvantaged students. Preference may
10 not be given to participants on the basis of race, color,
11 ethnicity, gender, or national origin. Public universities should
12 encourage participation from those who would otherwise not
13 adequately be represented in the student population.

14 (2) The program described in this section shall be
15 administered by the workforce development agency.

16 Sec. 281. (1) Included in the appropriation for fiscal year
17 ~~2014-2015-2015-2016~~ in section 236 is funding under the Martin
18 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the
19 Morris Hood, Jr. educator development program which is intended to
20 increase the number of academically or economically disadvantaged
21 students who enroll in and complete K-12 teacher education programs
22 at the baccalaureate level. Preference may not be given to
23 participants on the basis of race, color, ethnicity, gender, or
24 national origin. Institutions should encourage participation from
25 those who would otherwise not adequately be represented in the
26 teacher education student population.

27 (2) The program described in this section shall be

1 administered by each state-approved teacher education institution
2 in a manner prescribed by the workforce development agency.

3 (3) Approved teacher education institutions may and are
4 encouraged to use student support services funding in coordination
5 with the Morris Hood, Jr. funding to achieve the goals of the
6 program described in this section.

7 Sec. 282. Each institution receiving funds **FOR FISCAL YEAR**
8 **2015-2016** under section 278, 279, or 281 shall notify the workforce
9 development agency by April 15, ~~of each year 2016~~ as to whether it
10 will expend by the end of its fiscal year the funds received under
11 section 278, 279, or 281. Notwithstanding the award limitations in
12 sections 278 and 279, the amount of funding reported as not being
13 expended will be reallocated to the institutions that intend to
14 expend all funding received under section 278, 279, or 281.

15 Sec. 283. (1) From the amount appropriated in section 236, the
16 public universities shall systematically inform Michigan high
17 schools regarding the academic status of students from each high
18 school in a manner prescribed by the ~~presidents council, state~~
19 ~~universities~~ **PRESIDENTS COUNCIL, STATE UNIVERSITIES** of Michigan in
20 cooperation with the Michigan ~~association of secondary school~~
21 ~~principals.~~ **ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS**. Public
22 universities shall also work with the center for educational
23 performance and information to maintain a systematic approach for
24 accomplishing this task.

25 (2) Michigan high schools shall systematically inform the
26 public universities about the use of information received under
27 this section in a manner prescribed by the Michigan ~~association of~~

1 ~~secondary school principals~~ **ASSOCIATION OF SECONDARY SCHOOL**
2 **PRINCIPALS** in cooperation with the ~~presidents council, state~~
3 ~~universities~~ **PRESIDENTS COUNCIL, STATE UNIVERSITIES** of Michigan.

4 Sec. 284. From the amount appropriated in section 236, the
5 public universities shall inform Michigan community colleges
6 regarding the academic status of community college transfer
7 students in a manner prescribed by the ~~presidents council, state~~
8 ~~universities~~ **PRESIDENTS COUNCIL, STATE UNIVERSITIES** of Michigan in
9 cooperation with the Michigan ~~community college association.~~
10 **COMMUNITY COLLEGE ASSOCIATION.** Public universities shall also work
11 with the center for educational performance and information to
12 maintain a systematic approach for accomplishing this task.

13 Sec. 286. ~~It is the intent of the legislature that public~~
14 **PUBLIC** universities **SHALL** work with community colleges in the state
15 to implement statewide reverse transfer agreements to increase the
16 number of students that are awarded credentials of value upon
17 completion of the necessary credits. ~~It is the intent of the~~
18 ~~legislature that these~~ **THESE** statewide agreements shall enable
19 students who have earned a significant number of credits at a
20 community college and transfer to a baccalaureate granting
21 institution before completing a degree to transfer the credits
22 earned at the baccalaureate institution back to the community
23 college in order to be awarded a credential of value.

24 Enacting section 1. (1) In accordance with section 30 of
25 article IX of the state constitution of 1963, total state spending
26 from state sources on school aid for fiscal year 2014-2015 under
27 article I of the state school aid act of 1979, 1979 PA 94, MCL

1 388.1601 to 388.1772, as amended by 2014 PA 196, 2015 PA 5, and
2 this amendatory act, is estimated at \$11,865,797,400.00 and state
3 appropriations for school aid to be paid to local units of
4 government for fiscal year 2014-2015 are estimated at
5 \$11,714,612,100.00. In accordance with section 30 of article IX of
6 the state constitution of 1963, total state spending from state
7 sources on school aid for fiscal year 2015-2016 under article I of
8 the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to
9 388.1772, as amended by this amendatory act, is estimated at
10 \$12,120,560,100.00 and state appropriations for school aid to be
11 paid to local units of government for fiscal year 2015-2016 are
12 estimated at \$11,962,930,600.00.

13 (2) In accordance with section 30 of article IX of the state
14 constitution of 1963, total state spending from state sources for
15 community colleges for fiscal year 2015-2016 under article II of
16 the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to
17 388.1830, as amended by this amendatory act, is estimated at
18 \$387,825,600.00 and the amount of that state spending from state
19 sources to be paid to local units of government for fiscal year
20 2015-2016 is estimated at \$387,825,600.00.

21 (3) In accordance with section 30 of article IX of the state
22 constitution of 1963, total state spending from state sources for
23 higher education for fiscal year 2015-2016 under article III of the
24 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1893,
25 as amended by this amendatory act, is estimated at
26 \$1,437,698,000.00 and the amount of that state spending from state
27 sources to be paid to local units of government for fiscal year

1 2015-2016 is estimated at \$0.00.

2 Enacting section 2. Sections 12, 22c, 22f, 22j, 31b, 32r, 64c,
3 64d, 74a, 99, 99b, 147d, 213, 259, 262a, 272a, 273, and 274a of the
4 state school aid act of 1979, 1979 PA 94, MCL 388.1612, 388.1622c,
5 388.1622f, 388.1622j, 388.1631b, 388.1632r, 388.1664c, 388.1664d,
6 388.1674a, 388.1699, 388.1699b, 388.1747d, 388.1813, 388.1859,
7 388.1862a, 388.1872a, 388.1873, and 388.1874a, are repealed
8 effective October 1, 2015.

9 Enacting section 3. (1) Except as otherwise provided in
10 subsection (2), this amendatory act takes effect October 1, 2015.

11 (2) Sections 11, 11m, 11r, 15, 18a, 22a, 22b, 51a, 51c, and
12 95a of the state school aid act of 1979, 1979 PA 94, MCL 388.1611,
13 388.1611m, 388.1611r, 388.1615, 388.1618a, 388.1622a, 388.1622b,
14 388.1651a, 388.1651c, and 388.1695a, as amended by this amendatory
15 act, take effect upon enactment of this amendatory act.