

# HOUSE BILL No. 5433

March 8, 2016, Introduced by Rep. Pscholka and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled

"The state school aid act of 1979,"

by amending sections 4, 6, 11, 11a, 11j, 11k, 11m, 15, 18, 19, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 35, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 55, 56, 61a, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 95a, 98, 99h, 99s, 101, 102d, 104, 104b, 104c, 107, 147, 147a, 147c, 152a, 166b, 201, 202a, 203, 206, 207a, 207b, 207c, 209, 210b, 217, 219, 220, 222, 224, 225, 226, 229a, 230, 236, 236b, 236c, 237b, 241, 242, 245, 246, 252, 254, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274c, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, and 290 (MCL 388.1604, 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1615, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1623a, 388.1624,

388.1624a, 388.1624c, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c,  
 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1635, 388.1635a, 388.1639,  
 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1655,  
 388.1656, 388.1661a, 388.1661b, 388.1662, 388.1664b, 388.1665, 388.1667, 388.1674,  
 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699h, 388.1699s, 388.1701  
 388.1702d, 388.1704, 388.1704b, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747c,  
 388.1752a, 388.1766b, 388.1801, 388.1802a, 388.1803, 388.1806, 388.1807a, 388.1807b,  
 388.1807c, 388.1809, 388.1810b, 388.1817, 388.1819, 388.1820, 388.1822, 388.1824,  
 388.1825, 388.1826, 388.1829a, 388.1830, 388.1836, 388.1836b, 388.1836c, 388.1837b,  
 388.1841, 388.1842, 388.1845, 388.1846, 388.1852, 388.1854, 388.1856, 388.1863,  
 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870,  
 388.1874c, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881,  
 388.1882, 388.1883, 388.1884, 388.1890), sections 4, 203, 219, 220, 242, and 254 as  
 amended and section 237b as added by 2012 PA 201, sections 6, 21f, 31a, 32d, and 107  
 as amended by 2015 PA 139, sections 11, 11a, 11j, 11k, 11m, 15, 20, 20d, 20f, 20g,  
 22a, 22b, 22d, 22g, 23a, 24, 24a, 24c, 25f, 26a, 26b, 26c, 31d, 31f, 32p, 39, 39a, 41,  
 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 95a, 98, 99h, 101, 104,  
 104b, 104c, 147, 147a, 147c, 152a, 201, 206, 207a, 207b, 207c, 209, 210b, 217, 222,  
 225, 226, 229a, 230, 236, 236b, 236c, 241, 246, 252, 256, 263, 263a, 264, 265, 265a,  
 267, 268, 269, 270, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and  
 sections 25g, 35, 35a, 55, 61b, 65, 67, 99s, 102d, 104d, and 274c as added by 2015 PA  
 85, section 18 as amended by 2015 PA 114, sections 19, 202a, 224, 245, and 275 as  
 amended by 2014 PA 196, section 166b as amended by 2012 PA 130, section 290 as amended  
 by 2013 PA 60, and by adding sections 11s, 20j, 21, 54b, 61c, and 78; and to repeal  
 acts and parts of acts.

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

1

**ARTICLE I**

1           Sec. 4. (1) "Education achievement system" means the achievement authority and  
2 all achievement schools.

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

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

14           (4) "Fiscal year" means the state fiscal year that commences October 1 and  
15 continues through September 30.

16           (5) ~~"General educational development testing preparation program"~~ **"HIGH SCHOOL**  
17 **EQUIVALENCY TEST"** means ~~a program that has high school level courses in English~~  
18 ~~language arts, social studies, science, and mathematics and that prepares a person to~~  
19 ~~successfully complete the general educational development (GED) test~~ **THE GED TEST**  
20 **DEVELOPED BY THE GED TESTING SERVICE, THE TEST ASSESSING SECONDARY COMPLETION (TASC)**  
21 **DEVELOPED BY CTB/MCGRAW-HILL, THE HISSET TEST DEVELOPED BY THE EDUCATION TESTING**  
22 **SERVICE (ETS), OR ANOTHER COMPARABLE TEST APPROVED BY THE DEPARTMENT.**

23           (6) "High school pupil" means a pupil in membership in grades 7 to 12, except in  
24 a district not maintaining grades above the eighth grade.

25           Sec. 6. (1) "Center program" means a program operated by a district or by an  
26 intermediate district for special education pupils from several districts in programs  
27 for pupils with autism spectrum disorder, pupils with severe cognitive impairment,

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

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

16 (3) "District and high school graduation report" means a report of the number of  
17 pupils, excluding adult education participants, in the district for the immediately  
18 preceding school year, adjusted for those pupils who have transferred into or out of  
19 the district or high school, who leave high school with a diploma or other credential  
20 of equal status.

21 (4) "Membership", except as otherwise provided in this article, means for a  
22 district, a public school academy, the education achievement system, or an  
23 intermediate district the sum of the product of ~~-.90~~ .50 times the number of full-time  
24 equated pupils in grades K to 12 actually enrolled and in regular daily attendance on  
25 the pupil membership count day for the current school year, plus the product of ~~-.10~~  
26 .50 times the final audited count from the supplemental count day for the immediately  
27 preceding school year. ~~A district's, public school academy's, or intermediate~~

1 ~~district's membership shall be adjusted as provided under section 25c for pupils who~~  
2 ~~enroll in the district, public school academy, or intermediate district after the~~  
3 ~~pupil membership count day.~~ All pupil counts used in this subsection are as determined  
4 by the department and calculated by adding the number of pupils registered for  
5 attendance plus pupils received by transfer and minus pupils lost as defined by rules  
6 promulgated by the superintendent, and as corrected by a subsequent department audit.  
7 For the purposes of this section and section 6a, for a school of excellence that is a  
8 cyber school, as defined in section 551 of the revised school code, MCL 380.551, and  
9 is in compliance with section 553a of the revised school code, MCL 380.553a, a pupil's  
10 participation in the cyber school's educational program is considered regular daily  
11 attendance; for the education achievement system, a pupil's participation in ~~an online~~  
12 **A VIRTUAL** educational program of the education achievement system or of an achievement  
13 school is considered regular daily attendance; and for a district a pupil's  
14 participation in ~~an online~~ **A VIRTUAL** course as defined in section 21f is considered  
15 regular daily attendance. The amount of the foundation allowance for a pupil in  
16 membership is determined under section 20. In making the calculation of membership,  
17 all of the following, as applicable, apply to determining the membership of a  
18 district, a public school academy, the education achievement system, or an  
19 intermediate district:

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

24 (b) If a pupil is educated in a district other than the pupil's district of  
25 residence, if the pupil is not being educated as part of a cooperative education  
26 program, if the pupil's district of residence does not give the educating district its  
27 approval to count the pupil in membership in the educating district, and if the pupil

1 is not covered by an exception specified in subsection (6) to the requirement that the  
2 educating district must have the approval of the pupil's district of residence to  
3 count the pupil in membership, the pupil shall not be counted in membership in any  
4 district.

5 (c) A special education pupil educated by the intermediate district shall be  
6 counted in membership in the intermediate district.

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

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

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

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

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

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

26 (i) If operations begin before the pupil membership count day for the fiscal  
27 year, membership is the average number of full-time equated pupils in grades K to 12

1 actually enrolled and in regular daily attendance on the pupil membership count day  
2 for the current school year and on the supplemental count day for the current school  
3 year, as determined by the department and calculated by adding the number of pupils  
4 registered for attendance on the pupil membership count day plus pupils received by  
5 transfer and minus pupils lost as defined by rules promulgated by the superintendent,  
6 and as corrected by a subsequent department audit, plus the final audited count from  
7 the supplemental count day for the current school year, and dividing that sum by 2.

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

13 (j) If a district is the authorizing body for a public school academy, then, in  
14 the first school year in which pupils are counted in membership on the pupil  
15 membership count day in the public school academy, the determination of the district's  
16 membership shall exclude from the district's pupil count for the immediately preceding  
17 supplemental count day any pupils who are counted in the public school academy on that  
18 first pupil membership count day who were also counted in the district on the  
19 immediately preceding supplemental count day.

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

24 (l) To be counted in membership, a pupil shall meet the minimum age requirement  
25 to be eligible to attend school under section 1147 of the revised school code, MCL  
26 380.1147, or shall be enrolled under subsection (3) of that section, and shall be less  
27 than 20 years of age on September 1 of the school year except as follows:

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

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

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

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

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

11 (D) Is considered to be homeless under 42 USC 11302, ~~or was counted in membership~~  
12 ~~under this subparagraph in 2014-2015.~~

13 (iii) If a child does not meet the minimum age requirement to be eligible to  
14 attend school for that school year under section 1147 of the revised school code, MCL  
15 380.1147, but will be 5 years of age not later than December 1 of that school year,  
16 the district may count the child in membership for that school year if the parent or  
17 legal guardian has notified the district in writing that he or she intends to enroll  
18 the child in kindergarten for that school year.

19 (m) An individual who has obtained a high school diploma shall not be counted in  
20 membership. An individual who has obtained a ~~general educational development (G.E.D.)~~  
21 **HIGH SCHOOL EQUIVALENCY** certificate shall not be counted in membership unless the  
22 individual is a student with a disability as defined in R 340.1702 of the Michigan  
23 administrative code. An individual participating in a job training program funded  
24 under former section 107a or a jobs program funded under former section 107b,  
25 administered by the ~~Michigan strategic fund~~ **TALENT AND ECONOMIC DEVELOPMENT AGENCY**, or  
26 participating in any successor of either of those 2 programs, shall not be counted in  
27 membership.



1           (n) If a pupil counted in membership in a public school academy or the education  
2 achievement system is also educated by a district or intermediate district as part of  
3 a cooperative education program, the pupil shall be counted in membership only in the  
4 public school academy or the education achievement system unless a written agreement  
5 signed by all parties designates the party or parties in which the pupil shall be  
6 counted in membership, and the instructional time scheduled for the pupil in the  
7 district or intermediate district shall be included in the full-time equated  
8 membership determination under subdivision (q) and section 101. However, for pupils  
9 receiving instruction in both a public school academy or the education achievement  
10 system and in a district or intermediate district but not as a part of a cooperative  
11 education program, the following apply:

12           (i) If the public school academy or the education achievement system provides  
13 instruction for at least 1/2 of the class hours required under section 101, the public  
14 school academy or the education achievement system shall receive as its prorated share  
15 of the full-time equated membership for each of those pupils an amount equal to 1  
16 times the product of the hours of instruction the public school academy or the  
17 education achievement system provides divided by the number of hours required under  
18 section 101 for full-time equivalency, and the remainder of the full-time membership  
19 for each of those pupils shall be allocated to the district or intermediate district  
20 providing the remainder of the hours of instruction.

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

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

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

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

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

15 (r) Full-time equated memberships for pupils in kindergarten shall be determined  
16 by dividing the number of instructional hours scheduled and provided per year per  
17 kindergarten pupil by the same number used for determining full-time equated  
18 memberships for pupils in grades 1 to 12. However, to the extent allowable under  
19 federal law, for a district or public school academy that provides evidence  
20 satisfactory to the department that it used federal title I money in the 2 immediately  
21 preceding school fiscal years to fund full-time kindergarten, full-time equated  
22 memberships for pupils in kindergarten shall be determined by dividing the number of  
23 class hours scheduled and provided per year per kindergarten pupil by a number equal  
24 to 1/2 the number used for determining full-time equated memberships for pupils in  
25 grades 1 to 12. The change in the counting of full-time equated memberships for pupils  
26 in kindergarten that took effect for 2012-2013 is not a mandate.

27 (s) For a district, a public school academy, or the education achievement system

1 that has pupils enrolled in a grade level that was not offered by the district, the  
2 public school academy, or the education achievement system in the immediately  
3 preceding school year, the number of pupils enrolled in that grade level to be counted  
4 in membership is the average of the number of those pupils enrolled and in regular  
5 daily attendance on the pupil membership count day and the supplemental count day of  
6 the current school year, as determined by the department. Membership shall be  
7 calculated by adding the number of pupils registered for attendance in that grade  
8 level on the pupil membership count day plus pupils received by transfer and minus  
9 pupils lost as defined by rules promulgated by the superintendent, and as corrected by  
10 subsequent department audit, plus the final audited count from the supplemental count  
11 day for the current school year, and dividing that sum by 2.

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

15 (u) If, as a result of a disciplinary action, a district determines through the  
16 district's alternative or disciplinary education program that the best instructional  
17 placement for a pupil is in the pupil's home or otherwise apart from the general  
18 school population, if that placement is authorized in writing by the district  
19 superintendent and district alternative or disciplinary education supervisor, and if  
20 the district provides appropriate instruction as described in this subdivision to the  
21 pupil at the pupil's home or otherwise apart from the general school population, the  
22 district may count the pupil in membership on a pro rata basis, with the proration  
23 based on the number of hours of instruction the district actually provides to the  
24 pupil divided by the number of hours required under section 101 for full-time  
25 equivalency. For the purposes of this subdivision, a district shall be considered to  
26 be providing appropriate instruction if all of the following are met:

27 (i) The district provides at least 2 nonconsecutive hours of instruction per week

1 to the pupil at the pupil's home or otherwise apart from the general school population  
2 under the supervision of a certificated teacher.

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

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

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

9 (v) If a pupil was enrolled in a public school academy on the pupil membership  
10 count day, if the public school academy's contract with its authorizing body is  
11 revoked or the public school academy otherwise ceases to operate, and if the pupil  
12 enrolls in a district or the education achievement system within 45 days after the  
13 pupil membership count day, the department shall adjust the district's or the  
14 education achievement system's pupil count for the pupil membership count day to  
15 include the pupil in the count.

16 (w) For a public school academy that has been in operation for at least 2 years  
17 and that suspended operations for at least 1 semester and is resuming operations,  
18 membership is the sum of the product of ~~-.90~~ .50 times the number of full-time equated  
19 pupils in grades K to 12 actually enrolled and in regular daily attendance on the  
20 first pupil membership count day or supplemental count day, whichever is first,  
21 occurring after operations resume, plus the product of ~~-.10~~ .50 times the final audited  
22 count from the most recent pupil membership count day or supplemental count day that  
23 occurred before suspending operations, as determined by the superintendent.

24 (x) If a district's membership for a particular fiscal year, as otherwise  
25 calculated under this subsection, would be less than 1,550 pupils and the district has  
26 4.5 or fewer pupils per square mile, as determined by the department, and if the  
27 district does not receive funding under section 22d(2), the district's membership

1 shall be considered to be the membership figure calculated under this subdivision. If  
2 a district educates and counts in its membership pupils in grades 9 to 12 who reside  
3 in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the  
4 affected districts request the department to use the determination allowed under this  
5 sentence, the department shall include the square mileage of both districts in  
6 determining the number of pupils per square mile for each of the districts for the  
7 purposes of this subdivision. The membership figure calculated under this subdivision  
8 is the greater of the following:

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

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

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

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

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

1 membership count day in a middle college program, the membership is the average of the  
2 full-time equated membership on the pupil membership count day and on the supplemental  
3 count day for the current school year, as determined by the department. If a pupil  
4 described in this subdivision was counted in membership by the operating district on  
5 the immediately preceding supplemental count day, the pupil shall be excluded from the  
6 district's immediately preceding supplemental count for the purposes of determining  
7 the district's membership.

8 (bb) A district, a public school academy, or the education achievement system  
9 that educates a pupil who attends a United States Olympic Education Center may count  
10 the pupil in membership regardless of whether or not the pupil is a resident of this  
11 state.

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

15 (dd) For a pupil enrolled in a dropout recovery program that meets the  
16 requirements of section 23a, the pupil shall be counted as 1/12 of a full-time equated  
17 membership for each month that the district operating the program reports that the  
18 pupil was enrolled in the program and was in full attendance. However, if the special  
19 membership counting provisions under this subdivision and the operation of the other  
20 membership counting provisions under this subsection result in a pupil being counted  
21 as more than 1.0 FTE in a fiscal year, the payment made for the pupil under sections  
22 22a and 22b shall not be based on more than 1.0 FTE for that pupil, and any portion of  
23 an FTE for that pupil that exceeds 1.0 shall instead be paid under section 25g. The  
24 district operating the program shall report to the center the number of pupils who  
25 were enrolled in the program and were in full attendance for a month not later than  
26 ~~the tenth day of the next~~ **30 DAYS AFTER THE END OF THE** month. A district shall not  
27 report a pupil as being in full attendance for a month unless both of the following

1 are met:

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

4 (ii) The pupil meets the district's definition under section 23a of satisfactory  
5 monthly progress for that month or, if the pupil does not meet that definition of  
6 satisfactory monthly progress for that month, the pupil did meet that definition of  
7 satisfactory monthly progress in the immediately preceding month and appropriate  
8 interventions are implemented within 10 school days after it is determined that the  
9 pupil does not meet that definition of satisfactory monthly progress.

10 (ee) A pupil participating in ~~an online~~ **A VIRTUAL** course under section 21f shall  
11 be counted in membership in the district enrolling the pupil.

12 (ff) If a public school academy that is not in its first or second year of  
13 operation closes at the end of a school year and does not reopen for the next school  
14 year, the department shall adjust the membership count of the district or the  
15 education achievement system in which a former pupil of the public school academy  
16 enrolls and is in regular daily attendance for the next school year to ensure that the  
17 district or the education achievement system receives the same amount of membership  
18 aid for the pupil as if the pupil were counted in the district or the education  
19 achievement system on the supplemental count day of the preceding school year.

20 **(GG) A NONPUBLIC PART-TIME PUPIL ENROLLED IN GRADES 1 TO 12 IN ACCORDANCE WITH**  
21 **SECTION 166B SHALL BE COUNTED FOR NO MORE THAN 1/3 OF A FULL-TIME EQUATED MEMBERSHIP.**

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

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

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

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

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

7 (d) A pupil enrolled in a district other than the pupil's district of residence  
8 under an intermediate district schools of choice pilot program as described in section  
9 91a or former section 91 if the intermediate district and its constituent districts  
10 have been exempted from section 105.

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

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

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

27 (ii) "Serious assault" means an act that constitutes a felony violation of



1 chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90h, or that  
2 constitutes an assault and infliction of serious or aggravated injury under section  
3 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

4 (g) A pupil whose district of residence changed after the pupil membership count  
5 day and before the supplemental count day and who continues to be enrolled on the  
6 supplemental count day as a nonresident in the district in which he or she was  
7 enrolled as a resident on the pupil membership count day of the same school year.

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

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

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

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

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

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

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

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

27 (l) A pupil enrolled in a district other than the pupil's district of residence

1 in a middle college program if the pupil's district of residence and the enrolling  
2 district are both constituent districts of the same intermediate district.

3 (m) A pupil enrolled in a district other than the pupil's district of residence  
4 who attends a United States Olympic Education Center.

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

7 (o) A pupil who enrolls in a district other than the pupil's district of  
8 residence as a result of the pupil's school not making adequate yearly progress under  
9 the no child left behind act of 2001, Public Law 107-110 **OR THE EVERY STUDENT SUCCEEDS**  
10 **ACT OF 2015, PUBLIC LAW 114-95.**

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

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

17 (a) Except as provided in subdivision (b), the first Wednesday in October each  
18 school year or, for a district or building in which school is not in session on that  
19 Wednesday due to conditions not within the control of school authorities, with the  
20 approval of the superintendent, the immediately following day on which school is in  
21 session in the district or building.

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

24 (i) Fourth Wednesday in July.

25 (ii) First Wednesday in October.

26 (iii) Second Wednesday in February.

27 (iv) Fourth Wednesday in April.

1           (8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance"  
2 means pupils in grades K to 12 in attendance and receiving instruction in all classes  
3 for which they are enrolled on the pupil membership count day or the supplemental  
4 count day, as applicable. Except as otherwise provided in this subsection, a pupil who  
5 is absent from any of the classes in which the pupil is enrolled on the pupil  
6 membership count day or supplemental count day and who does not attend each of those  
7 classes during the 10 consecutive school days immediately following the pupil  
8 membership count day or supplemental count day, except for a pupil who has been  
9 excused by the district, shall not be counted as 1.0 full-time equated membership. A  
10 pupil who is excused from attendance on the pupil membership count day or supplemental  
11 count day and who fails to attend each of the classes in which the pupil is enrolled  
12 within 30 calendar days after the pupil membership count day or supplemental count day  
13 shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was  
14 enrolled and in attendance in a district, an intermediate district, a public school  
15 academy, or the education achievement system before the pupil membership count day or  
16 supplemental count day of a particular year but was expelled or suspended on the pupil  
17 membership count day or supplemental count day shall only be counted as 1.0 full-time  
18 equated membership if the pupil resumed attendance in the district, intermediate  
19 district, public school academy, or education achievement system within 45 days after  
20 the pupil membership count day or supplemental count day of that particular year.  
21 Pupils not counted as 1.0 full-time equated membership due to an absence from a class  
22 shall be counted as a prorated membership for the classes the pupil attended. For  
23 purposes of this subsection, "class" means a period of time in 1 day when pupils and a  
24 certificated teacher or legally qualified substitute teacher are together and  
25 instruction is taking place.

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

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

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

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

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

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

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

14 (16) "Tuition pupil" means a pupil of school age attending school in a district  
15 other than the pupil's district of residence for whom tuition may be charged to the  
16 district of residence. Tuition pupil does not include a pupil who is a special  
17 education pupil, a pupil described in subsection (6)(c) to (p), or a pupil whose  
18 parent or guardian voluntarily enrolls the pupil in a district that is not the pupil's  
19 district of residence. A pupil's district of residence shall not require a high school  
20 tuition pupil, as provided under section 111, to attend another school district after  
21 the pupil has been assigned to a school district.

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

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

26 (19) "Textbook" means a book, electronic book, or other instructional print or  
27 electronic resource that is selected and approved by the governing board of a district

1 or, for an achievement school, by the chancellor of the achievement authority and that  
 2 contains a presentation of principles of a subject, or that is a literary work  
 3 relevant to the study of a subject required for the use of classroom pupils, or  
 4 another type of course material that forms the basis of classroom instruction.

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

8 Sec. 11. (1) ~~For the fiscal year ending September 30, 2015, there is appropriated~~  
 9 ~~for the public schools of this state and certain other state purposes relating to~~  
 10 ~~education the sum of \$11,814,097,400.00 from the state school aid fund, the sum of~~  
 11 ~~\$18,000,000.00 from the MPSERS retirement obligation reform reserve fund created under~~  
 12 ~~section 147b, and the sum of \$33,700,000.00 from the general fund. For the fiscal year~~  
 13 ~~ending September 30, 2016 2017, there is appropriated for the public schools of this~~  
 14 ~~state and certain other state purposes relating to education the sum of~~  
 15 ~~\$12,078,985,100.00~~ **\$12,062,479,300.00** from the state school aid fund, **THE SUM OF**  
 16 **\$72,000,000.00 FROM THE DETROIT PUBLIC SCHOOLS TRUST FUND**, and the sum of  
 17 ~~\$45,900,000.00~~ **\$230,000,000.00** from the general fund. In addition, all other available  
 18 federal funds are appropriated ~~each fiscal year~~ for the fiscal ~~years~~ **YEAR** ending  
 19 ~~September 30, 2015 and September 30, 2016 2017.~~

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

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

27 Sec. 11a. (1) The school aid stabilization fund is created as a separate account

1 within the state school aid fund established by section 11 of article IX of the state  
2 constitution of 1963.

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

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

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

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

10 (3) Money available in the school aid stabilization fund may not be expended  
11 without a specific appropriation from the school aid stabilization fund. Money in the  
12 school aid stabilization fund shall be expended only for purposes for which state  
13 school aid fund money may be expended.

14 (4) The state treasurer shall direct the investment of the school aid  
15 stabilization fund. The state treasurer shall credit to the school aid stabilization  
16 fund interest and earnings from fund investments.

17 (5) Money in the school aid stabilization fund at the close of a fiscal year  
18 shall remain in the school aid stabilization fund and shall not lapse to the  
19 unreserved school aid fund balance or the general fund.

20 (6) If the maximum amount appropriated under section 11 from the state school aid  
21 fund for a fiscal year exceeds the amount available for expenditure from the state  
22 school aid fund for that fiscal year, there is appropriated from the school aid  
23 stabilization fund to the state school aid fund an amount equal to the projected  
24 shortfall as determined by the department of treasury, but not to exceed available  
25 money in the school aid stabilization fund. If the money in the school aid  
26 stabilization fund is insufficient to fully fund an amount equal to the projected  
27 shortfall, the state budget director shall notify the legislature as required under

1 section 296(2) and state payments in an amount equal to the remainder of the projected  
2 shortfall shall be prorated in the manner provided under section 296(3).

3 (7) For ~~2015-2016~~ 2016-2017, in addition to the appropriations in section 11,  
4 there is appropriated from the school aid stabilization fund to the state school aid  
5 fund the amount necessary to fully fund the allocations under this article.

6 Sec. 11j. From the appropriation in section 11, there is allocated an amount not  
7 to exceed \$126,500,000.00 for ~~2015-2016~~ 2016-2017 for payments to the school loan bond  
8 redemption fund in the department of treasury on behalf of districts and intermediate  
9 districts. Notwithstanding section 296 or any other provision of this act, funds  
10 allocated under this section are not subject to proration and shall be paid in full.

11 Sec. 11k. For ~~2015-2016~~ 2016-2017, there is appropriated from the general fund to  
12 the school loan revolving fund an amount equal to the amount of school bond loans  
13 assigned to the Michigan finance authority, not to exceed the total amount of school  
14 bond loans held in reserve as long-term assets. As used in this section, "school loan  
15 revolving fund" means that fund created in section 16c of the shared credit rating  
16 act, 1985 PA 227, MCL 141.1066c.

17 Sec. 11m. From the appropriation in section 11, there is allocated for ~~2014-2015~~  
18 ~~an amount not to exceed \$0.00 and there is allocated for 2015-2016~~ 2016-2017 an amount  
19 not to exceed ~~\$2,000,000.00~~ \$3,000,000.00 for fiscal year cash-flow borrowing costs  
20 solely related to the state school aid fund established by section 11 of article IX of  
21 the state constitution of 1963.

22 **SEC. 11S. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS**  
23 **ALLOCATED \$10,142,500.00 FOR 2016-2017 FOR THE PURPOSE OF PROVIDING SERVICES AND**  
24 **PROGRAMS TO CHILDREN WHO RESIDE WITHIN THE BOUNDARIES OF A DISTRICT WITH THE MAJORITY**  
25 **OF ITS TERRITORY LOCATED WITHIN THE BOUNDARIES OF A CITY IN WHICH A DECLARATION OF**  
26 **EMERGENCY WAS ISSUED ON JANUARY 5, 2016. IN ADDITION TO THE FUNDING APPROPRIATED IN**  
27 **SECTION 11, THERE IS APPROPRIATED AND ALLOCATED \$100.00 FROM THE FLINT EMERGENCY**

1 RESERVE FUND FOR THE PURPOSES OF THIS SECTION.

2 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED TO A DISTRICT WHOSE  
3 TERRITORY IS LOCATED OR MOSTLY LOCATED IN A CITY IN WHICH A DECLARATION OF EMERGENCY  
4 WAS ISSUED ON JANUARY 5, 2016 AND THAT HAS A PUPIL MEMBERSHIP OF AT LEAST 5,000, AN  
5 AMOUNT NOT TO EXCEED \$1,292,500.00 FOR THE PURPOSE OF EMPLOYING SCHOOL NURSES AND  
6 SCHOOL SOCIAL WORKERS. THE DISTRICT SHALL PROVIDE A REPORT TO THE DEPARTMENT IN A  
7 FORM, MANNER AND FREQUENCY APPROVED BY THE DEPARTMENT. THE DEPARTMENT SHALL PROVIDE A  
8 COPY OF THAT REPORT TO THE GOVERNOR, THE HOUSE AND SENATE SCHOOL AID SUBCOMMITTEES,  
9 THE HOUSE AND SENATE FISCAL AGENCIES AND THE STATE BUDGET DIRECTOR WITHIN 5 DAYS OF  
10 RECEIPT. THE REPORT SHALL PROVIDE THE FOLLOWING INFORMATION:

11 (A) HOW MANY PERSONNEL WERE HIRED USING THE FUNDS APPROPRIATED IN THIS  
12 SUBSECTION.

13 (B) A DESCRIPTION OF THE SERVICES PROVIDED TO STUDENTS BY THOSE PERSONNEL.

14 (C) HOW MANY STUDENTS RECEIVED EACH TYPE OF SERVICE IDENTIFIED IN SUBDIVISION  
15 (B).

16 (D) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY TO ENSURE THE  
17 CHILDREN DESCRIBED IN SUBSECTION (1) RECEIVED APPROPRIATE LEVELS AND TYPES OF  
18 SERVICES.

19 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED TO AN INTERMEDIATE  
20 DISTRICT THAT HAS A CONSTITUENT DISTRICT DESCRIBED IN SUBSECTION (2) AN AMOUNT NOT TO  
21 EXCEED \$950,000.00 TO AUGMENT STAFF FOR THE PURPOSE OF PROVIDING ADDITIONAL EARLY  
22 CHILDHOOD SERVICES AND NUTRITIONAL SERVICES TO CHILDREN DESCRIBED IN SUBSECTION (1),  
23 REGARDLESS OF LOCATION OF SCHOOL OF ATTENDANCE. EARLY CHILDHOOD SERVICES MEANS STATE  
24 EARLY ON SERVICES AS DEFINED IN SUBSECTION (4) AND EARLY LITERACY SERVICES. IN  
25 ADDITION, FUNDS ALLOCATED UNDER THIS SUBSECTION MAY ALSO BE EXPENDED TO PROVIDE  
26 INFORMATIONAL RESOURCES TO PARENTS, EDUCATORS AND THE COMMUNITY AND COORDINATE  
27 SERVICES WITH OTHER LOCAL AGENCIES. THE INTERMEDIATE DISTRICT SHALL PROVIDE A REPORT



1 TO THE DEPARTMENT IN A FORM, MANNER AND FREQUENCY APPROVED BY THE DEPARTMENT. THE  
2 DEPARTMENT SHALL PROVIDE A COPY OF THAT REPORT TO THE GOVERNOR, THE HOUSE AND SENATE  
3 SCHOOL AID SUBCOMMITTEES, THE HOUSE AND SENATE FISCAL AGENCIES AND THE STATE BUDGET  
4 DIRECTOR WITHIN 5 DAYS OF RECEIPT. THE REPORT SHALL PROVIDE THE FOLLOWING INFORMATION:

5 (A) HOW MANY PERSONNEL WERE HIRED USING THE FUNDS APPROPRIATED IN THIS  
6 SUBSECTION.

7 (B) A DESCRIPTION OF THE SERVICES PROVIDED TO CHILDREN BY THOSE PERSONNEL.

8 (C) WHAT TYPES OF ADDITIONAL NUTRITIONAL SERVICES WERE PROVIDED.

9 (D) HOW MANY CHILDREN RECEIVED EACH TYPE OF SERVICE IDENTIFIED IN SUBDIVISIONS  
10 (B) AND (C).

11 (E) WHAT TYPES OF INFORMATIONAL RESOURCES AND COORDINATION EFFORTS WERE PROVIDED.

12 (F) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS NECESSARY TO ENSURE THE  
13 CHILDREN DESCRIBED IN SUBSECTION (1) RECEIVED APPROPRIATE LEVELS AND TYPES OF  
14 SERVICES.

15 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED \$6,400,000.00 TO  
16 INTERMEDIATE DISTRICTS DESCRIBED IN SUBSECTION (3) TO PROVIDE STATE EARLY ON SERVICES  
17 FOR CHILDREN DESCRIBED IN SUBSECTION (1) LESS THAN FOUR YEARS OF AGE AS OF SEPTEMBER  
18 1, 2016. THE DEPARTMENT SHALL ADMINISTER THE STATE EARLY ON SERVICES CONSISTENT WITH  
19 THE DEFINITIONS OF SERVICES CONTAINED IN THE EARLY ON MICHIGAN STATE PLAN; HOWEVER,  
20 ALL CHILDREN LESS THAN FOUR YEARS OF AGE AS OF SEPTEMBER 1, 2016 DESCRIBED IN  
21 SUBSECTION (1) SHALL BE ASSESSED AND EVALUATED AT LEAST TWICE ANNUALLY.

22 (5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED \$1,500,000.00 TO  
23 INTERMEDIATE DISTRICTS DESCRIBED IN SUBSECTION (3) TO ENROLL CHILDREN DESCRIBED IN  
24 SUBSECTION (1) IN SCHOOL-DAY GREAT START READINESS PROGRAMS, REGARDLESS OF HOUSEHOLD  
25 INCOME ELIGIBILITY REQUIREMENTS CONTAINED IN SECTION 39. THE DEPARTMENT SHALL  
26 ADMINISTER THIS FUNDING CONSISTENT WITH ALL OTHER PROVISIONS OF THE GREAT START  
27 READINESS PROGRAMS CONTAINED IN SECTION 32D AND SECTION 39.

1           (6) IN ADDITION TO OTHER FUNDING ALLOCATED AND APPROPRIATED IN THIS SECTION,  
2 THERE IS APPROPRIATED AN AMOUNT NOT TO EXCEED \$15,000,000.00 FOR STATE RESTRICTED  
3 CONTINGENCY FUNDS. THESE CONTINGENCY FUNDS ARE NOT AVAILABLE FOR EXPENDITURE UNTIL  
4 THEY HAVE BEEN TRANSFERRED TO A SECTION WITHIN THIS ARTICLE UNDER SECTION 393(2) OF  
5 THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1393.

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

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

1 from the district, an intermediate district, the department of treasury, or the office  
2 of auditor general, shall be deducted from the district's apportionments when the  
3 adjustment is finalized. At the request of the district and upon the district  
4 presenting evidence satisfactory to the department of the hardship, the department may  
5 grant up to an additional 4 years for the adjustment and may advance payments to the  
6 district otherwise authorized under this article if the district would otherwise  
7 experience a significant hardship in satisfying its financial obligations. ~~For a~~  
8 ~~district that is a strict discipline academy established under sections 1311b to 1311m~~  
9 ~~of the revised school code, MCL 380.1311b to 380.1311m, and that claimed a hardship in~~  
10 ~~2014 2015 because of an overpayment caused by a miscalculation of its pupil membership~~  
11 ~~for 2013 2014, the department shall consider the amount of repayment made by the~~  
12 ~~district as of the effective date of the amendatory act that added this sentence to~~  
13 ~~constitute full repayment and the district is not required to continue making~~  
14 ~~repayment for the overpayment that occurred in 2013 2014.~~

15 (3) If, based on an audit by the department or the department's designee or  
16 because of new or updated information received by the department, the department  
17 determines that the amount paid to a district or intermediate district under this  
18 article for the current fiscal year or a prior fiscal year was incorrect, the  
19 department shall make the appropriate deduction or payment in the district's or  
20 intermediate district's allocation in the next apportionment after the adjustment is  
21 finalized. The deduction or payment shall be calculated according to the law in effect  
22 in the fiscal year in which the incorrect amount was paid. If the district does not  
23 receive an allocation for the fiscal year or if the allocation is not sufficient to  
24 pay the amount of any deduction, the amount of any deduction otherwise applicable  
25 shall be satisfied from the proceeds of a loan to the district under the emergency  
26 municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of  
27 millage levied or pledged under section 1211 of the revised school code, MCL 380.1211,

1 as determined by the department.

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

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

9 (6) In addition to funds appropriated in section 11 for all programs and  
10 services, there is appropriated for ~~2014-2015 and for 2015-2016~~ 2016-2017 for  
11 obligations in excess of applicable appropriations an amount equal to the collection  
12 of overpayments, but not to exceed amounts available from overpayments.

13 Sec. 18. (1) Except as provided in another section of this article, each district  
14 or other entity shall apply the money received by the district or entity under this  
15 article to salaries and other compensation of teachers and other employees, tuition,  
16 transportation, lighting, heating, ventilation, water service, the purchase of  
17 textbooks, other supplies, and any other school operating expenditures defined in  
18 section 7. However, not more than 20% of the total amount received by a district under  
19 sections 22a and 22b or received by an intermediate district under section 81 may be  
20 transferred by the board to either the capital projects fund or to the debt retirement  
21 fund for debt service. The money shall not be applied or taken for a purpose other  
22 than as provided in this section. The department shall determine the reasonableness of  
23 expenditures and may withhold from a recipient of funds under this article the  
24 apportionment otherwise due upon a violation by the recipient.

25 (2) A district or intermediate district shall adopt an annual budget in a manner  
26 that complies with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to  
27 141.440a. Within 15 days after a district board adopts its annual operating budget for

1 the following school fiscal year, or after a district board adopts a subsequent  
2 revision to that budget, the district shall make all of the following available  
3 through a link on its website homepage, or may make the information available through  
4 a link on its intermediate district's website homepage, in a form and manner  
5 prescribed by the department:

6 (a) The annual operating budget and subsequent budget revisions.

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

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

11 (A) Salaries and wages.

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

14 (C) Retirement benefit costs.

15 (D) All other personnel costs.

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

18 (A) Instruction.

19 (B) Support services.

20 (C) Business and administration.

21 (D) Operations and maintenance.

22 (c) Links to all of the following:

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

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

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

3 (iv) The bids required under section 5 of the public employees health benefits  
4 act, 2007 PA 106, MCL 124.75.

5 (v) The district's written policy governing procurement of supplies, materials,  
6 and equipment.

7 (vi) The district's written policy establishing specific categories of  
8 reimbursable expenses, as described in section 1254(2) of the revised school code, MCL  
9 380.1254.

10 (vii) Either the district's accounts payable check register for the most recent  
11 school fiscal year or a statement of the total amount of expenses incurred by board  
12 members or employees of the district that were reimbursed by the district for the most  
13 recent school fiscal year.

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

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

18 (f) The annual amount spent on lobbying or lobbying services. As used in this  
19 subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL  
20 4.415.

21 (g) Any deficit elimination plan or enhanced deficit elimination plan the  
22 district was required to submit under the revised school code.

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

27 (i) Costs incurred for each instance of out-of-state travel by the school

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

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

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

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

21 (b) If a district operates in a single building with fewer than 700 full-time  
22 equated pupils, if the district has stable membership, and if the error rate of the  
23 immediately preceding 2 pupil accounting field audits of the district is less than 2%,  
24 the district may have a pupil accounting field audit conducted biennially but must  
25 continue to have desk audits for each pupil count. The auditor must document  
26 compliance with the audit cycle in the pupil auditing manual. As used in this  
27 subdivision, "stable membership" means that the district's membership for the current

1 fiscal year varies from the district's membership for the immediately preceding fiscal  
2 year by less than 5%.

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

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

9 (e) All of the following shall be done not later than November 1 each year for  
10 reporting the prior fiscal year data:

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

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

15 (iii) The intermediate district shall enter the pupil membership audit reports  
16 for its constituent districts and for the intermediate district, for the pupil  
17 membership count day and supplemental count day, in the Michigan student data system.

18 (f) The annual financial audit reports and pupil accounting procedures reports  
19 shall be available to the public in compliance with the freedom of information act,  
20 1976 PA 442, MCL 15.231 to 15.246.

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

26 (5) By November 1 each fiscal year, each district and intermediate district shall  
27 submit to the center, in a manner prescribed by the center, annual comprehensive



1 financial data **CONSISTENT WITH THE DISTRICT OR INTERMEDIATE DISTRICT'S AUDITED**  
2 **FINANCIAL STATEMENTS AND** consistent with accounting manuals and charts of accounts  
3 approved and published by the department. For an intermediate district, the report  
4 shall also contain the website address where the department can access the report  
5 required under section 620 of the revised school code, MCL 380.620. The department  
6 shall ensure that the prescribed Michigan public school accounting manual chart of  
7 accounts includes standard conventions to distinguish expenditures by allowable fund  
8 function and object. The functions shall include at minimum categories for  
9 instruction, pupil support, instructional staff support, general administration,  
10 school administration, business administration, transportation, facilities operation  
11 and maintenance, facilities acquisition, and debt service; and shall include object  
12 classifications of salary, benefits, including categories for active employee health  
13 expenditures, purchased services, supplies, capital outlay, and other. Districts shall  
14 report the required level of detail consistent with the manual as part of the  
15 comprehensive annual financial report.

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

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

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

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

1           (10) If a district or intermediate district does not comply with subsections (4),  
2           (5), (6), and (7), **OR IF THE DEPARTMENT DETERMINES THAT THE FINANCIAL DATA REQUIRED**  
3           **UNDER SUBSECTION (5) IS NOT CONSISTENT WITH AUDITED FINANCIAL STATEMENTS**, the  
4           department shall withhold all state school aid due to the district or intermediate  
5           district under this article, beginning with the next payment due to the district or  
6           intermediate district, until the district or intermediate district complies with  
7           subsections (4), (5), (6), and (7). If the district or intermediate district does not  
8           comply with subsections (4), (5), (6), and (7) by the end of the fiscal year, the  
9           district or intermediate district forfeits the amount withheld.

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

17           (12) Not later than November 1, ~~2015~~ **2016**, if a district or intermediate district  
18           offers ~~online~~ **VIRTUAL** learning under section 21f, the district or intermediate  
19           district shall submit to the department a report that details the per-pupil costs of  
20           operating the ~~online~~ **VIRTUAL** learning by vendor type. The report shall include at  
21           least all of the following information concerning the operation of ~~online~~ **VIRTUAL**  
22           learning for the school fiscal year ending June 30, ~~2015~~ **2016**:

23           (a) The name of the district operating the ~~online~~ **VIRTUAL** learning and of each  
24           district that enrolled students in the ~~online~~ **VIRTUAL** learning.

25           (b) The total number of students enrolled in the ~~online~~ **VIRTUAL** learning and the  
26           total number of membership pupils enrolled in the ~~online~~ **VIRTUAL** learning.

27           (c) For each pupil who is enrolled in a district other than the district offering

1 ~~online~~ **VIRTUAL** learning, the name of that district.

2 (d) The district in which the pupil was enrolled before enrolling in the district  
3 offering ~~online~~ **VIRTUAL** learning.

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

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

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

14 (h) The name of each ~~online~~ **VIRTUAL** education provider contracted by the district  
15 and the state in which each ~~online~~ **VIRTUAL** education provider is headquartered.

16 (13) Not later than March 31, ~~2016~~ 2017, the department shall submit to the house  
17 and senate appropriations subcommittees on state school aid, the state budget  
18 director, and the house and senate fiscal agencies a report summarizing the per-pupil  
19 costs by vendor type of ~~online~~ **VIRTUAL** courses available under section 21f.

20 (14) As used in subsections (12) and (13), "vendor type" means the following:

21 (a) ~~Online~~ **VIRTUAL** courses provided by the Michigan Virtual University.

22 (b) ~~Online~~ **VIRTUAL** courses provided by a school of excellence that is a cyber  
23 school, as defined in section 551 of the revised school code, MCL 380.551.

24 (c) ~~Online~~ **VIRTUAL** courses provided by third party vendors not affiliated with a  
25 Michigan public school.

26 (d) ~~Online~~ **VIRTUAL** courses created and offered by a district or intermediate  
27 district.

1           (15) An allocation to a district or another entity under this article is  
2 contingent upon the district's or entity's compliance with this section.

3           Sec. 19. (1) A district or intermediate district shall comply with all applicable  
4 reporting requirements specified in state and federal law. Data provided to the  
5 center, in a form and manner prescribed by the center, shall be aggregated and  
6 disaggregated as required by state and federal law. In addition, a district or  
7 intermediate district shall cooperate with all measures taken by the center to  
8 establish and maintain a statewide P-20 longitudinal data system.

9           (2) Each district shall furnish to the center not later than 5 weeks after the  
10 pupil membership count day and by June 30 of the school fiscal year ending in the  
11 fiscal year, in a manner prescribed by the center, the information necessary for the  
12 preparation of the district and high school graduation report. This information shall  
13 meet requirements established in the pupil auditing manual approved and published by  
14 the department. The center shall calculate an annual graduation and pupil dropout rate  
15 for each high school, each district, and this state, in compliance with nationally  
16 recognized standards for these calculations. The center shall report all graduation  
17 and dropout rates to the senate and house education committees and appropriations  
18 committees, the state budget director, and the department not later than 30 days after  
19 the publication of the list described in subsection (6).

20           (3) By the first business day in December and by June 30 of each year, a district  
21 shall furnish to the center, in a manner prescribed by the center, information related  
22 to educational personnel as necessary for reporting required by state and federal law.

23           (4) By June 30 of each year, a district shall furnish to the center, in a manner  
24 prescribed by the center, information related to safety practices and criminal  
25 incidents as necessary for reporting required by state and federal law.

26           (5) If a district or intermediate district fails to meet the requirements of this  
27 section, the department shall withhold 5% of the total funds for which the district or

1 intermediate district qualifies under this article until the district or intermediate  
 2 district complies with all of those subsections. If the district or intermediate  
 3 district does not comply with all of those subsections by the end of the fiscal year,  
 4 the department shall place the amount withheld in an escrow account until the district  
 5 or intermediate district complies with all of those subsections.

6 (6) Before publishing a list of school or district accountability designations as  
 7 required by the no child left behind act of 2001, Public Law 107-110 **OR THE EVERY**  
 8 **STUDENT SUCCEEDS ACT OF 2015, PUBLIC LAW 114-95**, the department shall allow a school  
 9 or district to appeal that determination. The department shall consider and act upon  
 10 the appeal within 30 days after it is submitted and shall not publish the list until  
 11 after all appeals have been considered and decided.

12 ~~(7) It is the intent of the legislature to implement not later than 2016-2017,~~  
 13 ~~statewide standard reporting requirements for education data approved by the~~  
 14 ~~department in conjunction with the center. The department shall work with the center,~~  
 15 ~~intermediate districts, districts, and other interested stakeholders to develop~~  
 16 ~~recommendations on the implementation of this policy change. A district or~~  
 17 ~~intermediate district shall implement the statewide standard reporting requirements~~  
 18 ~~not later than 2014-2015 or when a district or intermediate district updates its~~  
 19 ~~education data reporting system, whichever is later.~~

20 Sec. 20. (1) For ~~2015-2016~~ **2016-2017**, both of the following apply:

21 (a) The basic foundation allowance is ~~\$8,169.00~~ **\$8,229.00**.

22 (b) The minimum foundation allowance is ~~\$7,391.00~~ **\$7,511.00**.

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

26 (3) Except as otherwise provided in this section, the amount of a district's  
 27 foundation allowance shall be calculated as follows, using in all calculations the

1 total amount of the district's foundation allowance as calculated before any  
2 proration:

3 (a) Except as otherwise provided in this subdivision, for a district that had a  
4 foundation allowance for the immediately preceding state fiscal year that was equal to  
5 the minimum foundation allowance for the immediately preceding state fiscal year, but  
6 less than the basic foundation allowance for the immediately preceding state fiscal  
7 year, the district shall receive a foundation allowance in an amount equal to the sum  
8 of the district's foundation allowance for the immediately preceding state fiscal year  
9 plus the difference between twice the dollar amount of the adjustment from the  
10 immediately preceding state fiscal year to the current state fiscal year made in the  
11 basic foundation allowance and [(the difference between the basic foundation allowance  
12 for the current state fiscal year and basic foundation allowance for the immediately  
13 preceding state fiscal year minus ~~\$23.00~~ \$20.00) times (the difference between the  
14 district's foundation allowance for the immediately preceding state fiscal year and  
15 the minimum foundation allowance for the immediately preceding state fiscal year)  
16 divided by the difference between the basic foundation allowance for the current state  
17 fiscal year and the minimum foundation allowance for the immediately preceding state  
18 fiscal year]. However, the foundation allowance for a district that had less than the  
19 basic foundation allowance for the immediately preceding state fiscal year shall not  
20 exceed the basic foundation allowance for the current state fiscal year. ~~For the~~  
21 ~~purposes of this subdivision, for 2015-2016, the minimum foundation allowance for the~~  
22 ~~immediately preceding state fiscal year shall be considered to be \$7,251.00.~~

23 (b) Except as otherwise provided in this subsection, for a district that in the  
24 immediately preceding state fiscal year had a foundation allowance in an amount equal  
25 to the amount of the basic foundation allowance for the immediately preceding state  
26 fiscal year, the district shall receive a foundation allowance for 2015-2016 in an  
27 amount equal to the basic foundation allowance for 2015-2016.

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

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

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

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

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

13 (5) The allocation calculated under this section for a pupil shall be based on  
14 the foundation allowance of the pupil's district of residence. For a pupil enrolled  
15 pursuant to section 105 or 105c in a district other than the pupil's district of  
16 residence, the allocation calculated under this section shall be based on the lesser  
17 of the foundation allowance of the pupil's district of residence or the foundation  
18 allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8  
19 district who is enrolled in another district in a grade not offered by the pupil's  
20 district of residence, the allocation calculated under this section shall be based on  
21 the foundation allowance of the educating district if the educating district's  
22 foundation allowance is greater than the foundation allowance of the pupil's district  
23 of residence. **THE CALCULATION UNDER THIS SUBSECTION SHALL TAKE INTO ACCOUNT A**  
24 **DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION 20J(2).**

25 (6) Except as otherwise provided in this subsection, for pupils in membership,  
26 other than special education pupils, in a public school academy, the allocation  
27 calculated under this section is an amount per membership pupil other than special



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

22 (7) Except as otherwise provided in this subsection, for pupils attending an  
23 achievement school and in membership in the education achievement system, other than  
24 special education pupils, the allocation calculated under this section is an amount  
25 per membership pupil other than special education pupils equal to the foundation  
26 allowance of the district in which the achievement school is located, not to exceed  
27 the basic foundation allowance. Notwithstanding section 101, for an achievement school

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

15 (8) Subject to subsection (4), for a district that is formed or reconfigured  
16 after June 1, 2002 by consolidation of 2 or more districts or by annexation, the  
17 resulting district's foundation allowance under this section beginning after the  
18 effective date of the consolidation or annexation shall be the lesser of the sum of  
19 the average of the foundation allowances of each of the original or affected  
20 districts, calculated as provided in this section, weighted as to the percentage of  
21 pupils in total membership in the resulting district who reside in the geographic area  
22 of each of the original or affected districts plus \$100.00 or the highest foundation  
23 allowance among the original or affected districts. This subsection does not apply to  
24 a receiving district unless there is a subsequent consolidation or annexation that  
25 affects the district. **THE CALCULATION UNDER THIS SUBSECTION SHALL TAKE INTO ACCOUNT A**  
26 **DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION 20J(2).**

27 (9) Each fraction used in making calculations under this section shall be rounded

1 to the fourth decimal place and the dollar amount of an increase in the basic  
2 foundation  
3 allowance shall be rounded to the nearest whole dollar.

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

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

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

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

1 fund revenue for the current state fiscal year plus the estimated total state school  
2 aid fund revenue for the immediately preceding state fiscal year, adjusted for any  
3 change in the rate or base of a tax the proceeds of which are deposited in that fund.  
4 If a consensus revenue factor is not determined at the revenue estimating conference,  
5 the principals of the revenue estimating conference shall report their estimates to  
6 the house and senate subcommittees responsible for school aid appropriations not later  
7 than 7 days after the conclusion of the revenue conference.

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

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

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

21 (14) As used in this section:

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

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

27 (c) "Combined state and local revenue per membership pupil" means the district's

1 combined state and local revenue divided by the district's membership excluding  
2 special education pupils.

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

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

8 (f) "Immediately preceding state fiscal year" means the state fiscal year  
9 immediately preceding the current state fiscal year.

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

19 (h) "Local school operating revenue" means school operating taxes levied under  
20 section 1211 of the revised school code, MCL 380.1211. For a receiving district, if  
21 school operating taxes are to be levied on behalf of a dissolved district that has  
22 been attached in whole or in part to the receiving district to satisfy debt  
23 obligations of the dissolved district under section 12 of the revised school code, MCL  
24 380.12, local school operating revenue does not include school operating taxes levied  
25 within the geographic area of the dissolved district.

26 (i) "Local school operating revenue per membership pupil" means a district's  
27 local school operating revenue divided by the district's membership excluding special

1 education pupils.

2 (j) "Maximum public school academy allocation", except as otherwise provided in  
3 this subdivision, means the maximum per-pupil allocation as calculated by adding the  
4 highest per-pupil allocation among all public school academies for the immediately  
5 preceding state fiscal year plus the difference between twice the amount of the  
6 difference between the basic foundation allowance for the current state fiscal year  
7 and the basic foundation allowance for the immediately preceding state fiscal year and  
8 [(the amount of the difference between the basic foundation allowance for the current  
9 state fiscal year and the basic foundation allowance for the immediately preceding  
10 state fiscal year minus ~~\$23.00~~ \$20.00) times (the difference between the highest per-  
11 pupil allocation among all public school academies for the immediately preceding state  
12 fiscal year and the minimum foundation allowance for the immediately preceding state  
13 fiscal year) divided by the difference between the basic foundation allowance for the  
14 current state fiscal year and the minimum foundation allowance for the immediately  
15 preceding state fiscal year]. For the purposes of this subdivision, for ~~2015-2016~~  
16 2016-2017, the maximum public school academy allocation is ~~\$7,391.00~~ \$7,511.00.

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

19 (l) "Nonexempt property" means property that is not a principal residence,  
20 qualified agricultural property, qualified forest property, supportive housing  
21 property, industrial personal property, commercial personal property, or property  
22 occupied by a public school academy.

23 (m) "Principal residence", "qualified agricultural property", "qualified forest  
24 property", "supportive housing property", "industrial personal property", and  
25 "commercial personal property" mean those terms as defined in section 1211 of the  
26 revised school code, MCL 380.1211.

27 (n) "Receiving district" means a district to which all or part of the territory

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

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

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

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

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

18 Sec. 20d. In making the final determination required under former section 20a of  
19 a district's combined state and local revenue per membership pupil in 1993-94 and in  
20 making calculations under section 20 for ~~2015-2016~~ 2016-2017, the department and the  
21 department of treasury shall comply with all of the following:

22 (a) For a district that had combined state and local revenue per membership pupil  
23 in the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal agent for  
24 a state board designated area vocational education center in the 1993-94 school year,  
25 total state school aid received by or paid on behalf of the district pursuant to this  
26 act in 1993-94 shall exclude payments made under former section 146 and under section  
27 147 on behalf of the district's employees who provided direct services to the area

1 vocational education center. Not later than June 30, 1996, the department shall make  
2 an adjustment under this subdivision to the district's combined state and local  
3 revenue per membership pupil in the 1994-95 state fiscal year and the department of  
4 treasury shall make a final certification of the number of mills that may be levied by  
5 the district under section 1211 of the revised school code, MCL 380.1211, as a result  
6 of the adjustment under this subdivision.

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

20 Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an  
21 amount not to exceed \$18,000,000.00 for ~~2015-2016~~ 2016-2017 for payments to eligible  
22 districts under this section.

23 (2) The funding under this subsection is from the allocation under subsection  
24 (1). A district is eligible for funding under this subsection if the district received  
25 a payment under this section as it was in effect for 2013-2014. A district was  
26 eligible for funding in 2013-2014 if the sum of the following was less than \$5.00:

27 (a) The increase in the district's foundation allowance or per-pupil payment as



1 calculated under section 20 from 2012-2013 to 2013-2014.

2 (b) The district's equity payment per membership pupil under section 22c for  
3 2013-2014.

4 (c) The quotient of the district's allocation under section 147a for 2012-2013  
5 divided by the district's membership pupils for 2012-2013 minus the quotient of the  
6 district's allocation under section 147a for 2013-2014 divided by the district's  
7 membership pupils for 2013-2014.

8 (3) The amount allocated to each eligible district under subsection (2) is an  
9 amount per membership pupil equal to the amount per membership pupil the district  
10 received under this section in 2013-2014.

11 (4) The funding under this subsection is from the allocation under subsection  
12 (1). A district is eligible for funding under this subsection for ~~2015-2016~~ 2016-2017  
13 if the sum of the following is less than \$25.00:

14 (a) The increase in the district's foundation allowance or per-pupil payment as  
15 calculated under section 20 from 2014-2015 to 2015-2016.

16 (b) The decrease in the district's best practices per-pupil funding under section  
17 22f from 2014-2015 to 2015-2016.

18 (c) The decrease in the district's pupil performance per-pupil funding under  
19 section 22j from 2014-2015 to 2015-2016.

20 (d) The quotient of the district's allocation under section 31a for 2015-2016  
21 divided by the district's membership pupils for 2015-2016 minus the quotient of the  
22 district's allocation under section 31a for 2014-2015 divided by the district's  
23 membership pupils for 2014-2015.

24 (5) The amount allocated to each eligible district under subsection (4) is an  
25 amount per membership pupil equal to \$25.00 minus the sum of the following:

26 (a) The increase in the district's foundation allowance or per-pupil payment as  
27 calculated under section 20 from 2014-2015 to 2015-2016.

1 (b) The decrease in the district's best practices per-pupil funding under section  
2 22f from 2014-2015 to 2015-2016.

3 (c) The decrease in the district's pupil performance per-pupil funding under  
4 section 22j from 2014-2015 to 2015-2016.

5 (d) The quotient of the district's allocation under section 31a for 2015-2016  
6 divided by the district's membership pupils for 2015-2016 minus the quotient of the  
7 district's allocation under section 31a for 2014-2015 divided by the district's  
8 membership pupils for 2014-2015.

9 (6) If the allocation under subsection (1) is insufficient to fully fund payments  
10 under subsections (3) and (5) as otherwise calculated under this section, the  
11 department shall prorate payments under this section on an equal per-pupil basis.

12 Sec. 20g. (1) From the money appropriated under section 11, there is allocated an  
13 amount not to exceed \$2,200,000.00 for ~~2015-2016~~ 2016-2017 for grants to eligible  
14 districts that first received payments under this section in 2013-2014 for transition  
15 costs related to the enrollment of pupils who were previously enrolled in a district  
16 that was dissolved under section 12 of the revised school code, MCL 380.12, allocated  
17 as provided under subsection (3). Payments under this section shall continue for a  
18 total of 4 fiscal years following the dissolution of a district, after which the  
19 payments shall cease.

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

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

1 section 20 or the basic foundation allowance under section 20(1).

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

5 SEC. 20J. (1) FOUNDATION ALLOWANCE SUPPLEMENTAL PAYMENTS FOR 2016-2017 TO  
6 DISTRICTS THAT IN THE 2015-2016 FISCAL YEAR HAD A FOUNDATION ALLOWANCE GREATER THAN  
7 \$8,169.00 SHALL BE CALCULATED UNDER THIS SECTION.

8 (2) THE PER PUPIL ALLOCATION TO EACH DISTRICT UNDER THIS SECTION SHALL BE THE  
9 DIFFERENCE BETWEEN THE DOLLAR AMOUNT OF THE ADJUSTMENT FROM THE IMMEDIATELY PRECEDING  
10 STATE FISCAL YEAR TO THE CURRENT STATE FISCAL YEAR IN THE BASIC FOUNDATION ALLOWANCE  
11 MINUS THE DOLLAR AMOUNT OF THE ADJUSTMENT FROM THE IMMEDIATELY PRECEDING FISCAL YEAR  
12 TO THE CURRENT STATE FISCAL YEAR IN A QUALIFYING DISTRICT'S FOUNDATION ALLOWANCE.

13 (3) IF A DISTRICT'S LOCAL REVENUE PER PUPIL DOES NOT EXCEED THE SUM OF ITS  
14 FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER PUPIL ALLOCATION UNDER SUBSECTION  
15 (2), THE TOTAL PAYMENT TO THE DISTRICT CALCULATED UNDER THIS SECTION SHALL BE THE  
16 PRODUCT OF THE PER PUPIL ALLOCATION UNDER SUBSECTION (2) MULTIPLIED BY THE DISTRICT'S  
17 MEMBERSHIP EXCLUDING SPECIAL EDUCATION PUPILS. IF A DISTRICT'S LOCAL REVENUE PER PUPIL  
18 EXCEEDS THE FOUNDATION ALLOWANCE UNDER SECTION 20 BUT DOES NOT EXCEED THE SUM OF THE  
19 FOUNDATION ALLOWANCE UNDER SECTION 20 PLUS THE PER PUPIL ALLOCATION UNDER SUBSECTION  
20 (2), THE TOTAL PAYMENT TO THE DISTRICT CALCULATED UNDER THIS SECTION SHALL BE THE  
21 PRODUCT OF THE DIFFERENCE BETWEEN THE SUM OF THE FOUNDATION ALLOWANCE UNDER SECTION 20  
22 PLUS THE PER PUPIL ALLOCATION UNDER SUBSECTION (2) MINUS THE LOCAL REVENUE PER PUPIL  
23 MULTIPLIED BY THE DISTRICT'S MEMBERSHIP EXCLUDING SPECIAL EDUCATION PUPILS. IF A  
24 DISTRICT'S LOCAL REVENUE PER PUPIL EXCEEDS THE SUM OF THE FOUNDATION ALLOWANCE UNDER  
25 SECTION 20 PLUS THE PER PUPIL ALLOCATION UNDER SUBSECTION (2), THERE IS NO PAYMENT  
26 CALCULATED UNDER THIS SECTION FOR THE DISTRICT.

27 (4) PAYMENTS TO DISTRICTS SHALL NOT BE MADE UNDER THIS SECTION. RATHER, THE

1 CALCULATIONS UNDER THIS SECTION SHALL BE MADE AND USED TO DETERMINE THE AMOUNT OF  
2 STATE PAYMENTS UNDER SECTION 22B.

3 SEC. 21. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT  
4 NOT TO EXCEED \$5,000,000.00 FOR 2016-2017 TO MAKE SUPPLEMENTAL PAYMENTS TO ELIGIBLE  
5 DISTRICTS THAT ARE IDENTIFIED AS BEING AMONG THE LOWEST ACHIEVING 5 PERCENT OF ALL  
6 PUBLIC SCHOOLS IN THIS STATE.

7 (2) DISTRICTS ARE ELIGIBLE TO RECEIVE THE SUPPLEMENTAL PAYMENTS CALCULATED UNDER  
8 THIS SECTION FOR THREE CONSECUTIVE FISCAL YEARS IF THE FOLLOWING CONDITIONS ARE MET:

9 (A) THE STATE SCHOOL REFORM/REDESIGN OFFICER HAS APPOINTED A CHIEF EXECUTIVE  
10 OFFICER TO TAKE CONTROL OF ONE OR MORE PUBLIC SCHOOLS IN THE DISTRICT, AS PROVIDED FOR  
11 IN SECTION 1280C(7) OF THE REVISED SCHOOL CODE, MCL 380.1280C, AND THERE IS A HIGH  
12 SCHOOL LOCATED WITHIN THE DISTRICT.

13 (B) AS DETERMINED BY THE SCHOOL REFORM OFFICE, AN INTERVENTION AGREEMENT MEETING  
14 MINIMALLY THE FOLLOWING CRITERIA HAS BEEN EXECUTED BY THE STATE SCHOOL REFORM/REDESIGN  
15 OFFICER AND THE DISTRICT. THE INTERVENTION AGREEMENT SHALL INCLUDE, BUT IS NOT LIMITED  
16 TO:

17 (I) THE RIGHTS AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER AS LONG AS THE  
18 AGREEMENT IN NO WAY MITIGATES THE AUTHORITY OUTLINED IN APPLICABLE STATUTE INCLUDING  
19 FINANCIAL AND EMPLOYMENT AUTHORITY.

20 (II) THE ALLOCATION OF SUPPLEMENTAL PAYMENTS DEFINED IN THIS SECTION.

21 (III) CHIEF EXECUTIVE OFFICER COMPENSATION.

22 (IV) ROLE OF THE DISTRICT'S BOARD AND OFFICERS DURING THE INTERVENTION TERM.

23 (V) TERMINATION AND RENEWAL RIGHTS OF THE SCHOOL REFORM OFFICE.

24 (VI) LIABILITY PROVISIONS FOR THE CHIEF EXECUTIVE OFFICER.

25 (VII) DISPUTE RESOLUTION PROCESS.

26 (VIII) LENGTH OF TERM OF AGREEMENT.

27 (IX) OTHER PROVISIONS AS DETERMINED BY THE SCHOOL REFORM OFFICE FOR SUCCESSFUL

1 IMPLEMENTATION OF THE CHIEF EXECUTIVE OFFICER INTERVENTION.

2 (3) THE SUPPLEMENTAL PAYMENT PROVIDED TO A DISTRICT UNDER THIS SECTION SHALL BE  
3 CALCULATED BY MULTIPLYING THE DISTRICT'S FOUNDATION ALLOWANCE BY 20 PERCENT OF THE  
4 HIGH SCHOOL'S PUPIL MEMBERSHIP FOR THE PRIOR FISCAL YEAR. THE SAME DOLLAR AMOUNT SHALL  
5 CONTINUE TO BE AVAILABLE TO THE DISTRICT FOR A MAXIMUM OF THREE YEARS, SUBJECT TO THE  
6 CONDITIONS SPECIFIED IN SUBSECTION (2).

7 (4) FROM THE ALLOCATION IN SUBSECTION (1), IN ADDITION TO THE SUPPLEMENTAL  
8 PAYMENTS CALCULATED UNDER SUBSECTION (3), THERE IS ALLOCATED AN AMOUNT SUFFICIENT TO  
9 PAY FOR THE APPOINTMENT OF CHIEF EXECUTIVE OFFICERS BY THE STATE SCHOOL  
10 REFORM/REDESIGN OFFICER, AS PROVIDED FOR IN SECTION 1280C(7) OF THE REVISED SCHOOL  
11 CODE, MCL 380,1280C.

12 (5) FOR THE PURPOSES OF THIS SECTION, A HIGH SCHOOL IS GRADES 9 TO 12.

13 Sec. 21f. (1) ~~A pupil enrolled in a district in any of grades 6 to 12 is eligible~~  
14 ~~to enroll in an online course as provided for in this section.~~ A PRIMARY DISTRICT  
15 SHALL ENROLL AN ELIGIBLE PUPIL IN VIRTUAL COURSES IN ACCORDANCE WITH THE PROVISIONS OF  
16 THIS SECTION. ALL VIRTUAL COURSES OFFERED TO ELIGIBLE PUPILS MUST BE PUBLISHED IN THE  
17 PRIMARY DISTRICT'S CATALOG OF BOARD-APPROVED COURSES OR IN THE STATEWIDE CATALOG OF  
18 VIRTUAL COURSES MAINTAINED BY THE MICHIGAN VIRTUAL UNIVERSITY PURSUANT TO SECTION 98.  
19 THE PRIMARY DISTRICT SHALL ALSO PROVIDE ON ITS PUBLICLY ACCESSIBLE WEBSITE A LINK TO  
20 THE STATEWIDE CATALOG OF VIRTUAL COURSES MAINTAINED BY THE MICHIGAN VIRTUAL  
21 UNIVERSITY.

22 (2) ~~With the consent of the pupil's parent or legal guardian, a district A~~  
23 PRIMARY DISTRICT shall enroll an eligible pupil in up to 2 ~~online~~ VIRTUAL courses as  
24 requested by the pupil during an academic term, semester, or trimester. ~~Unless the~~  
25 ~~pupil is newly enrolled in the pupil's primary district, the request for online course~~  
26 ~~enrollment must be made in the academic term, semester, trimester, or summer preceding~~  
27 ~~the enrollment. A district may not establish additional requirements that would~~

1 ~~prohibit a pupil from taking an online course. If a pupil has demonstrated previous~~  
2 ~~success with online courses and the school leadership and the pupil's parent or legal~~  
3 ~~guardian determine that it is in the best interest of the pupil, a pupil may be~~  
4 ~~enrolled in more than 2 online courses in a specific academic term, semester, or~~  
5 ~~semester. Consent of the pupil's parent or legal guardian is not required if the~~  
6 ~~pupil is at least age 18 or is an emancipated minor.~~

7 ~~(3) An eligible pupil may enroll in an online course published in the pupil's~~  
8 ~~primary district's catalog of online courses described in subsection (7)(a) or the~~  
9 ~~statewide catalog of online courses maintained by the Michigan Virtual University~~  
10 ~~pursuant to section 98.~~

11 (3) A PUPIL MAY BE ENROLLED IN MORE THAN 2 VIRTUAL COURSES IN A SPECIFIC ACADEMIC  
12 TERM, SEMESTER, OR TRIMESTER IF ALL OF THE FOLLOWING CONDITIONS ARE MET:

13 (A) THE PRIMARY DISTRICT HAS DETERMINED THAT IT IS IN THE BEST INTEREST OF THE  
14 PUPIL.

15 (B) THE PUPIL AGREES WITH THE RECOMMENDATION OF THE PRIMARY DISTRICT.

16 (C) THE PRIMARY DISTRICT, IN COLLABORATION WITH THE PUPIL, HAS DEVELOPED AN  
17 EDUCATION DEVELOPMENT PLAN, IN A FORM AND MANNER SPECIFIED BY THE DEPARTMENT, THAT IS  
18 KEPT ON FILE BY THE DISTRICT.

19 ~~(4) A providing district or community college shall determine whether or not it~~  
20 ~~has capacity to accept applications for enrollment from nonresident applicants in~~  
21 ~~online courses and may use that limit as the reason for refusal to enroll an~~  
22 ~~applicant. If the number of nonresident applicants eligible for acceptance in an~~  
23 ~~online A VIRTUAL course does not exceed the capacity of the providing district or~~  
24 ~~community college PROVIDER to provide the online VIRTUAL course, the providing~~  
25 ~~district or community college PROVIDER shall accept for enrollment all of the~~  
26 ~~nonresident applicants eligible for acceptance. If the number of nonresident~~  
27 ~~applicants exceeds the providing district's or community college's PROVIDER'S capacity~~

1 to provide the ~~online~~ VIRTUAL course, the ~~providing district or community college~~  
 2 PROVIDER shall use a random draw system, subject to the need to abide by state and  
 3 federal antidiscrimination laws and court orders. A PRIMARY DISTRICT THAT IS ALSO A  
 4 PROVIDER SHALL DETERMINE WHETHER OR NOT IT HAS THE CAPACITY TO ACCEPT APPLICATIONS FOR  
 5 ENROLLMENT FROM NONRESIDENT APPLICANTS IN VIRTUAL COURSES AND MAY USE THAT LIMIT AS  
 6 THE REASON FOR REFUSAL TO ENROLL A NONRESIDENT APPLICANT.

7 (5) A PRIMARY DISTRICT MAY NOT ESTABLISH ADDITIONAL REQUIREMENTS BEYOND THOSE  
 8 SPECIFIED IN THIS SUBSECTION THAT WOULD PROHIBIT A PUPIL FROM TAKING A VIRTUAL COURSE.  
 9 A pupil's primary district may deny the pupil enrollment in an ~~online~~ A VIRTUAL course  
 10 if any of the following apply, as determined by the district:

11 (A) THE PUPIL IS IN ANY OF GRADES KINDERGARTEN THROUGH 5.

12 (B) ~~(a)~~ The pupil has previously gained the credits THAT WOULD BE provided from  
 13 the completion of the ~~online~~ VIRTUAL course.

14 (C) ~~(b)~~ The ~~online~~ VIRTUAL course is not capable of generating academic credit.

15 (D) ~~(c)~~ The ~~online~~ VIRTUAL course is inconsistent with the remaining graduation  
 16 requirements or career interests of the pupil.

17 (E) ~~(d)~~ The pupil does not possess the prerequisite knowledge and skills to be  
 18 successful in the ~~online~~ course or has demonstrated failure in previous online  
 19 coursework in the same subject. THE PUPIL HAS NOT COMPLETED THE PREREQUISITE  
 20 COURSEWORK FOR THE REQUESTED VIRTUAL COURSE OR HAS NOT DEMONSTRATED PROFICIENCY IN THE  
 21 PREREQUISITE COURSE CONTENT.

22 (F) THE PUPIL HAS FAILED A PREVIOUS VIRTUAL COURSE IN THE SAME SUBJECT IN THE 2  
 23 MOST RECENT ACADEMIC YEARS.

24 (G) ~~(e)~~ The ~~online~~ VIRTUAL course is of insufficient quality or rigor. A PRIMARY  
 25 district that denies a pupil enrollment REQUEST for this reason shall ~~make a~~  
 26 ~~reasonable effort to assist the pupil to find an alternative course~~ ENROLL THE PUPIL  
 27 IN A VIRTUAL COURSE in the same or a similar subject that THE PRIMARY DISTRICT

1 DETERMINES is of acceptable rigor and quality.

2 (H) ~~(f)~~ The cost of the ~~online~~ VIRTUAL course exceeds the amount identified in  
3 subsection ~~(10)~~(9), unless the ~~pupil's parent or legal guardian agrees~~ PUPIL, PARENT,  
4 OR LEGAL GUARDIAN AGREE to pay the cost that exceeds this amount.

5 (I) ~~(g)~~ The ~~online course enrollment request does not occur within the same~~  
6 ~~timelines established by the primary district for enrollment and schedule changes for~~  
7 ~~regular courses.~~ THE REQUEST FOR A VIRTUAL COURSE ENROLLMENT WAS NOT MADE IN THE  
8 ACADEMIC TERM, SEMESTER, TRIMESTER, OR SUMMER PRECEDING THE ENROLLMENT. THIS  
9 SUBDIVISION DOES NOT APPLY TO THE REQUEST OF A PUPIL WHO IS NEWLY ENROLLED IN THE  
10 PRIMARY DISTRICT.

11 (6) If a pupil is denied enrollment in an ~~online~~ A VIRTUAL course by the pupil's  
12 primary district, the PRIMARY DISTRICT SHALL PROVIDE WRITTEN NOTIFICATION TO THE PUPIL  
13 OF THE DENIAL, THE REASON OR REASONS FOR THE DENIAL PURSUANT TO SUBSECTION (5), AND A  
14 DESCRIPTION OF THE APPEAL PROCESS. THE pupil may appeal the denial by submitting a  
15 letter to the superintendent of the intermediate district in which the pupil's primary  
16 district is located. The letter of appeal shall include the reason provided by the  
17 primary district for not enrolling the pupil and the reason why the pupil is claiming  
18 that the enrollment should be approved. The intermediate district superintendent or  
19 designee shall respond to the appeal within 5 days after it is received. If the  
20 intermediate district superintendent or designee determines that the denial of  
21 enrollment does not meet 1 or more of the reasons specified in subsection (5), the  
22 primary district shall allow ENROLL the pupil ~~to enroll~~ in the ~~online~~ VIRTUAL course.

23 (7) To provide an ~~online~~ A VIRTUAL course TO AN ELIGIBLE PUPIL under this  
24 section, the ~~providing district or intermediate district~~ A PROVIDER shall do all of  
25 the following:

26 (a) ~~Provide the Michigan Virtual University with the course syllabus in a form~~  
27 ~~and method prescribed by the Michigan Virtual University for inclusion in a statewide~~



1 ~~online course catalog. The district or intermediate district shall also provide on its~~  
 2 ~~publicly accessible website a link to the course syllabi for all of the online courses~~  
 3 ~~offered by the district or intermediate district and a link to the statewide catalog~~  
 4 ~~of online courses maintained by the Michigan Virtual University. ENSURE THAT THE~~  
 5 **VIRTUAL COURSE HAS BEEN PUBLISHED IN THE PUPIL'S PRIMARY DISTRICT'S CATALOG OF BOARD-**  
 6 **APPROVED COURSES OR PUBLISHED IN THE STATEWIDE CATALOG OF ONLINE COURSES MAINTAINED BY**  
 7 **THE MICHIGAN VIRTUAL UNIVERSITY.**

8 (b) Assign to each pupil a teacher of record and provide the primary district  
 9 with the ~~personal~~ **PERSONNEL** identification code **ASSIGNED BY THE CENTER** for the teacher  
 10 of record. **IF THE PROVIDER IS A COMMUNITY COLLEGE, THE VIRTUAL COURSE MUST BE TAUGHT**  
 11 **BY AN INSTRUCTOR EMPLOYED BY OR CONTRACTED THROUGH THE PROVIDING COMMUNITY COLLEGE.**

12 (c) Offer the ~~online~~ **VIRTUAL** course on an open entry and exit method, or aligned  
 13 to a semester, trimester, or accelerated academic term format.

14 (D) **IF THE VIRTUAL COURSE IS OFFERED TO ELIGIBLE PUPILS IN MORE THAN ONE**  
 15 **DISTRICT, THE FOLLOWING ADDITIONAL REQUIREMENTS MUST ALSO BE MET:**

16 (I) **PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH A COURSE SYLLABUS THAT MEETS THE**  
 17 **REQUIREMENTS UNDER SUBSECTION (13) (F) IN A FORM AND MANNER PRESCRIBED BY THE MICHIGAN**  
 18 **VIRTUAL UNIVERSITY FOR INCLUSION IN A STATEWIDE CATALOG OF VIRTUAL COURSES.**

19 (II) ~~(d)~~ **Not later than October 1, 2015 2016 AND BY OCTOBER 1 OF EACH YEAR**  
 20 **THEREAFTER,** provide the Michigan Virtual University with the ~~number of enrollments~~  
 21 **AGGREGATED COUNT OF ENROLLMENTS FOR** ~~in~~ each ~~online~~ **VIRTUAL** course the ~~district or~~  
 22 ~~intermediate district provided~~ **PROVIDER DELIVERED** to pupils pursuant to this section  
 23 ~~in~~ **DURING** the immediately preceding school year, and the number of enrollments in  
 24 which the pupil earned 60% or more of the total course points for each ~~online~~ **VIRTUAL**  
 25 course.

26 ~~(e) To provide an online course under this section, a community college shall do~~  
 27 ~~all of the following:~~

1           ~~(a) Provide the Michigan Virtual University with the course syllabus in a form~~  
2 ~~and method prescribed by the Michigan Virtual University for inclusion in a statewide~~  
3 ~~online course catalog.~~

4           ~~(b) Offer the online course on an open entry and exit method, or aligned to a~~  
5 ~~semester, trimester, or accelerated academic term format.~~

6           ~~(c) Ensure that each online course it provides under this section generates~~  
7 ~~postsecondary credit.~~

8           ~~(d) Beginning with October 1, 2016, and by October 1 of each year thereafter,~~  
9 ~~provide the Michigan Virtual University with the number of enrollments in each online~~  
10 ~~course the community college provided to pupils pursuant to this section in the~~  
11 ~~immediately preceding school year, and the number of enrollments in which the pupil~~  
12 ~~earned 60% or more of the total course points for each online course.~~

13           ~~(e) Be taught by an instructor employed by or contracted through the community~~  
14 ~~college.~~

15           (8) ~~(9)~~ For any online **VIRTUAL** course a pupil enrolls in under this section, the  
16 pupil's primary district must assign to the pupil a mentor ~~to monitor the pupil's~~  
17 ~~progress during the online course~~ and shall supply the ~~providing district~~ **PROVIDER**  
18 with the mentor's contact information.

19           (9) ~~(10)~~ For a pupil enrolled in 1 or more online **VIRTUAL** courses ~~published in~~  
20 ~~the pupil's primary district's catalog of online courses under subsection (7) or in~~  
21 ~~the statewide catalog of online courses maintained by the Michigan Virtual University,~~  
22 the primary district shall use foundation allowance or per-pupil funds calculated  
23 under section 20 to pay for the expenses associated with the online **VIRTUAL** course or  
24 courses. A **PRIMARY** district is not required to pay toward the cost of an online **A**  
25 **VIRTUAL** course an amount that exceeds 6.67% of the minimum foundation allowance for  
26 the current fiscal year as calculated under section 20.

27           (10) ~~(11)~~ An online **A VIRTUAL** learning pupil shall have the same rights and

1 access to technology in his or her primary district's school facilities as all other  
2 pupils enrolled in the pupil's primary district. **THE DEPARTMENT SHALL ESTABLISH**  
3 **STANDARDS FOR HARDWARE, SOFTWARE AND INTERNET ACCESS FOR PUPILS ENROLLED IN MORE THAN**  
4 **2 VIRTUAL COURSES IN AN ACADEMIC TERM, SEMESTER, OR TRIMESTER TAKEN AT A LOCATION**  
5 **OTHER THAN A SCHOOL FACILITY. THE PRIMARY DISTRICT SHALL BE RESPONSIBLE FOR PROVIDING**  
6 **THE PUPIL WITH THE APPROPRIATE HARDWARE, SOFTWARE AND INTERNET ACCESS WITHOUT CHARGE**  
7 **TO THE PUPIL AND IN ADDITION TO ANY COSTS INCURRED UNDER SUBSECTION (9).**

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

14 (12) ~~(13)~~ The enrollment of a pupil in 1 or more ~~online~~ **VIRTUAL** courses shall not  
15 result in a pupil being counted as more than 1.0 full-time equivalent ~~pupils~~ **PUPIL**  
16 under this article. **THE DEPARTMENT SHALL ESTABLISH THE MINIMUM REQUIREMENTS TO COUNT**  
17 **THE PUPIL IN PUPIL MEMBERSHIP.**

18 ~~(14) The portion of the full time equated pupil membership for which a pupil is~~  
19 ~~enrolled in 1 or more online courses under this section shall not be transferred under~~  
20 ~~the pupil transfer process under section 25c.~~

21 (13) ~~(15)~~ As used in this section:

22 (A) "INSTRUCTOR" AS USED IN THIS SECTION MEANS A PERSON WHO IS EMPLOYED BY OR  
23 CONTRACTED THROUGH A COMMUNITY COLLEGE.

24 (B) ~~(a)~~ "Mentor" means a professional employee of the primary district who  
25 monitors the pupil's progress, ensures the pupil has access to needed technology, is  
26 available for assistance, and ensures access to the teacher of record. A mentor may  
27 also serve as the teacher of record if **THE PRIMARY DISTRICT IS THE PROVIDER FOR THE**

1 VIRTUAL COURSE AND the mentor meets the requirements under subdivision ~~(g)~~ (D).

2 ~~(b) "Online course" means a course of study that is capable of generating a~~  
3 ~~credit or a grade, that is provided in an interactive Internet connected learning~~  
4 ~~environment, in which pupils are separated from their teachers by time or location, or~~  
5 ~~both, and, if the course is provided by a district or intermediate district, in which~~  
6 ~~a teacher who holds a valid Michigan teaching certificate that qualifies the teacher~~  
7 ~~to teach the course is responsible for providing instruction, determining appropriate~~  
8 ~~instructional methods for each pupil, diagnosing learning needs, assessing pupil~~  
9 ~~learning, prescribing intervention strategies, reporting outcomes, and evaluating the~~  
10 ~~effects of instruction and support strategies.~~

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

12 ~~(i) The state academic standards addressed in an online course.~~

13 ~~(ii) The online course content outline.~~

14 ~~(iii) The online course required assessments.~~

15 ~~(iv) The online course prerequisites.~~

16 ~~(v) Expectations for actual instructor contact time with the online learning~~  
17 ~~pupil and other pupil to instructor communications.~~

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

19 ~~(vii) The online course learning outcomes and objectives.~~

20 ~~(viii) The name of the institution or organization providing the online content.~~

21 ~~(ix) The name of the institution or organization providing the online instructor.~~

22 ~~(x) The course titles assigned by the district or intermediate district and the~~  
23 ~~course titles and course codes from the National Center for Education Statistics~~  
24 ~~(NCES) school codes for the exchange of data (SCED).~~

25 ~~(xi) The number of eligible nonresident pupils that will be accepted by the~~  
26 ~~district or intermediate district in the online course.~~

27 ~~(xii) The results of the online course quality review using the guidelines and~~

1 ~~model review process published by the Michigan Virtual University.~~

2 ~~(d) "Online learning pupil" means a pupil enrolled in 1 or more online courses.~~

3 (C) ~~(e)~~ "Primary district" means the district that enrolls the pupil and reports  
4 the pupil as a full time equated pupil for pupil membership purposes.

5 (D) ~~(f)~~ "Providing district" "PROVIDER" means the district, intermediate  
6 district, MICHIGAN VIRTUAL UNIVERSITY, or community college that the primary district  
7 pays to provide the online VIRTUAL course.

8 (E) ~~(g)~~ "Teacher of record" means a teacher who **MEETS ALL OF THE FOLLOWING**  
9 **REQUIREMENTS:** ~~holds a valid Michigan teaching certificate; who, if applicable, is~~  
10 ~~endorsed in the subject area and grade of the online course; and is responsible for~~  
11 ~~providing instruction, determining instructional methods for each pupil, diagnosing~~  
12 ~~learning needs, assessing pupil learning, prescribing intervention strategies,~~  
13 ~~reporting outcomes, and evaluating the effects of instruction and support strategies.~~

14 (I) **HOLDS A VALID MICHIGAN TEACHING CERTIFICATE OR A TEACHING PERMIT RECOGNIZED**  
15 **BY THE DEPARTMENT.**

16 (II) **IF APPLICABLE, IS ENDORSED IN THE SUBJECT AREA AND GRADE OF THE VIRTUAL**  
17 **COURSE.**

18 (III) **IS RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL METHODS**  
19 **FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING, PRESCRIBING**  
20 **INTERVENTION STRATEGIES AND MODIFYING LESSONS, REPORTING OUTCOMES, AND EVALUATING THE**  
21 **EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.**

22 (IV) **HAS A PERSONNEL IDENTIFICATION CODE PROVIDED BY THE CENTER.**

23 (V) **IF THE PROVIDER IS A COMMUNITY COLLEGE, THE VIRTUAL COURSE MUST BE TAUGHT BY**  
24 **AN INSTRUCTOR EMPLOYED BY OR CONTRACTED THROUGH THE PROVIDING COMMUNITY COLLEGE.**

25 (F) **"VIRTUAL COURSE" MEANS A COURSE OF STUDY THAT IS CAPABLE OF GENERATING A**  
26 **CREDIT OR A GRADE, THAT IS PROVIDED IN AN INTERACTIVE LEARNING ENVIRONMENT WHERE THE**  
27 **MAJORITY OF THE CURRICULUM IS DELIVERED USING THE INTERNET AND IN WHICH PUPILS MAY BE**

1 SEPARATED FROM THEIR INSTRUCTOR OR TEACHER OF RECORD BY TIME OR LOCATION, OR BOTH.

2 (G) "VIRTUAL COURSE SYLLABUS" MEANS A DOCUMENT THAT INCLUDES ALL OF THE  
3 FOLLOWING:

4 (I) AN ALIGNMENT DOCUMENT DETAILING HOW THE COURSE MEETS APPLICABLE STATE  
5 STANDARDS OR, IF THE STATE DOES NOT HAVE STANDARDS, NATIONALLY RECOGNIZED STANDARDS.

6 (II) THE VIRTUAL COURSE CONTENT OUTLINE.

7 (III) THE VIRTUAL COURSE REQUIRED ASSESSMENTS.

8 (IV) THE VIRTUAL COURSE PREREQUISITES.

9 (V) EXPECTATIONS FOR ACTUAL INSTRUCTOR OR TEACHER OF RECORD CONTACT TIME WITH THE  
10 VIRTUAL LEARNING PUPIL AND OTHER PUPIL-TO-INSTRUCTOR OR TEACHER OF RECORD  
11 COMMUNICATIONS.

12 (VI) ACADEMIC SUPPORT AVAILABLE TO THE VIRTUAL LEARNING PUPIL.

13 (VII) THE VIRTUAL COURSE LEARNING OUTCOMES AND OBJECTIVES.

14 (VIII) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE VIRTUAL CONTENT.

15 (IX) THE NAME OF THE INSTITUTION OR ORGANIZATION PROVIDING THE VIRTUAL INSTRUCTOR  
16 OR TEACHER OF RECORD.

17 (X) THE COURSE TITLES ASSIGNED BY THE PROVIDER AND THE COURSE TITLES AND COURSE  
18 CODES FROM THE NATIONAL CENTER FOR EDUCATION STATISTICS (NCES) SCHOOL CODES FOR THE  
19 EXCHANGE OF DATA (SCED).

20 (XI) THE NUMBER OF ELIGIBLE PUPILS THAT WILL BE ACCEPTED BY THE PROVIDER IN THE  
21 VIRTUAL COURSE. PRIMARY DISTRICTS THAT ARE ALSO THE PROVIDER MAY LIMIT THE NUMBER OF  
22 ELIGIBLE PUPILS TO THOSE PUPILS ENROLLED IN THE PRIMARY DISTRICT.

23 (XII) THE RESULTS OF THE VIRTUAL COURSE QUALITY REVIEW USING THE GUIDELINES AND  
24 MODEL REVIEW PROCESS PUBLISHED BY THE MICHIGAN VIRTUAL UNIVERSITY.

25 (H) "VIRTUAL LEARNING PUPIL" MEANS A PUPIL ENROLLED IN 1 OR MORE VIRTUAL COURSES.  
26 THE CONSENT OF THE PUPIL'S PARENT OR LEGAL GUARDIAN TO ENROLL IN A VIRTUAL COURSE IS  
27 REQUIRED IF THE PUPIL IS LESS THAN AGE 18, BUT IS NOT REQUIRED IF THE PUPIL IS AT

1 LEAST AGE 18 OR IS AN EMANCIPATED MINOR.

2 Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount  
3 not to exceed ~~\$5,377,000,000.00 for 2014-2015 and an amount not to exceed~~  
4 ~~\$5,281,700,000.00~~ \$5,206,000,000.00 for ~~2015-2016~~ 2016-2017 for payments to districts  
5 and qualifying public school academies to guarantee each district and qualifying  
6 public school academy an amount equal to its 1994-95 total state and local per pupil  
7 revenue for school operating purposes under section 11 of article IX of the state  
8 constitution of 1963. Pursuant to section 11 of article IX of the state constitution  
9 of 1963, this guarantee does not apply to a district in a year in which the district  
10 levies a millage rate for school district operating purposes less than it levied in  
11 1994. However, subsection (2) applies to calculating the payments under this section.  
12 Funds allocated under this section that are not expended in the state fiscal year for  
13 which they were allocated, as determined by the department, may be used to supplement  
14 the allocations under sections 22b and 51c in order to fully fund those calculated  
15 allocations for the same fiscal year.

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

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

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

16 (b) For a district that had a 1994-95 foundation allowance greater than  
17 \$6,500.00, the state payment under this subsection shall be the sum of the amount  
18 calculated under subdivision (a) plus the amount calculated under this subdivision.  
19 The amount calculated under this subdivision shall be equal to the difference between  
20 the district's 1994-95 foundation allowance minus \$6,500.00 and the current year hold  
21 harmless school operating taxes per pupil. If the result of the calculation under  
22 subdivision (a) is negative, the negative amount shall be an offset against any state  
23 payment calculated under this subdivision. If the result of a calculation under this  
24 subdivision is negative, there shall not be a state payment or a deduction under this  
25 subdivision. The taxable values per membership pupil used in the calculations under  
26 this subdivision are as adjusted by ad valorem property tax revenue captured under tax  
27 increment financing acts divided by the district's membership. For a receiving



1 district, if school operating taxes are to be levied on behalf of a dissolved district  
2 that has been attached in whole or in part to the receiving district to satisfy debt  
3 obligations of the dissolved district under section 12 of the revised school code, MCL  
4 380.12, ad valorem property tax revenue captured under tax increment financing acts do  
5 not include ad valorem property tax revenue captured within the geographic boundaries  
6 of the dissolved district under tax increment financing acts.

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

12 (4) A district or qualifying public school academy may use funds allocated under  
13 this section in conjunction with any federal funds for which the district or  
14 qualifying public school academy otherwise would be eligible.

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

1 consolidation or annexation that affects the district.

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

3 (7) As used in this section:

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

7 (b) "Certified mills" means the lesser of 18 mills or the number of mills of  
8 school operating taxes levied by the district in 1993-94.

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

11 (d) "Current year hold harmless school operating taxes per pupil" means the per  
12 pupil revenue generated by multiplying a district's 1994-95 hold harmless millage by  
13 the district's current year taxable value per membership pupil. For a receiving  
14 district, if school operating taxes are to be levied on behalf of a dissolved district  
15 that has been attached in whole or in part to the receiving district to satisfy debt  
16 obligations of the dissolved district under section 12 of the revised school code, MCL  
17 380.12, taxable value per membership pupil does not include the taxable value of  
18 property within the geographic area of the dissolved district.

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

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

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

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

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

15 (i) "Nonexempt property" means property that is not a principal residence,  
16 qualified agricultural property, qualified forest property, supportive housing  
17 property, industrial personal property, commercial personal property, or property  
18 occupied by a public school academy.

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

22 (k) "Receiving district" means a district to which all or part of the territory  
23 of a dissolved district is attached under section 12 of the revised school code, MCL  
24 380.12.

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

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

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

8 (i) For the number of mills by which the exemption from the levy of school  
9 operating taxes on a homestead, qualified agricultural property, qualified forest  
10 property, supportive housing property, industrial personal property, commercial  
11 personal property, and property occupied by a public school academy may be reduced as  
12 provided in section 1211 of the revised school code, MCL 380.1211, the taxable value  
13 of homestead, qualified agricultural property, qualified forest property, supportive  
14 housing property, industrial personal property, commercial personal property, and  
15 property occupied by a public school academy for the calendar year ending in the  
16 current state fiscal year. For a receiving district, if school operating taxes are to  
17 be levied on behalf of a dissolved district that has been attached in whole or in part  
18 to the receiving district to satisfy debt obligations of the dissolved district under  
19 section 12 of the revised school code, MCL 380.12, mills do not include mills within  
20 the geographic area of the dissolved district.

21 (ii) For the number of mills of school operating taxes that may be levied on all  
22 property as provided in section 1211(2) of the revised school code, MCL 380.1211, the  
23 taxable value of all property for the calendar year ending in the current state fiscal  
24 year. For a receiving district, if school operating taxes are to be levied on behalf  
25 of a dissolved district that has been attached in whole or in part to the receiving  
26 district to satisfy debt obligations of the dissolved district under section 12 of the  
27 revised school code, MCL 380.12, school operating taxes do not include school

1 operating taxes levied within the geographic area of the dissolved district.

2           Sec. 22b. (1) From the **SCHOOL AID FUND** appropriation in section 11, there is  
3 allocated an amount not to exceed ~~\$3,440,000,000.00 for 2014-2015 and an amount not to~~  
4 ~~exceed \$3,728,000,000.00~~ **\$3,828,000,000.00 for 2015-2016 2016-2017, AND FROM THE**  
5 **DETROIT PUBLIC SCHOOLS TRUST FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN**  
6 **AMOUNT NOT TO EXCEED \$72,000,000.00 FOR 2016-2017** for discretionary nonmandated  
7 payments to districts under this section. Funds allocated under this section that are  
8 not expended in the state fiscal year for which they were allocated, as determined by  
9 the department, may be used to supplement the allocations under sections 22a and 51c  
10 in order to fully fund those calculated allocations for the same fiscal year.

11           (2) Subject to subsection (3) and section 296, the allocation to a district under  
12 this section shall be an amount equal to the sum of the amounts calculated under  
13 sections 20, **20J**, 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the  
14 district under sections 22a and 51c.

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

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

18           (b) Comply with sections 1278a and 1278b of the revised school code, MCL  
19 380.1278a and 380.1278b.

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

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

24           (e) Comply with section 21f.

25           (4) Districts are encouraged to use funds allocated under this section for the  
26 purchase and support of payroll, human resources, and other business function software  
27 that is compatible with that of the intermediate district in which the district is

1 located and with other districts located within that intermediate district.

2 (5) From the allocation in subsection (1), the department shall pay up to  
3 \$1,000,000.00 in litigation costs incurred by this state related to commercial or  
4 industrial property tax appeals, including, but not limited to, appeals of  
5 classification, that impact revenues dedicated to the state school aid fund.

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

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

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

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

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

10 (10) If payments resulting from a final determination by the local claims review  
11 board or a court of competent jurisdiction that there has been a violation of section  
12 29 of article IX of the state constitution of 1963 exceed the amount allocated for  
13 discretionary nonmandated payments under this section, the legislature shall provide  
14 for adequate funding for this state's constitutional obligations at its next  
15 legislative session.

16 (11) If a lawsuit challenging payments made to districts related to costs  
17 reimbursed by federal title XIX Medicaid funds is filed against this state, then, for  
18 the purpose of addressing potential liability under such a lawsuit, the state budget  
19 director may place funds allocated under this section in escrow or allocate money from  
20 the funds otherwise allocated under this section, up to a maximum of 50% of the amount  
21 allocated in subsection (1). If funds are placed in escrow under this subsection,  
22 those funds are a work project appropriation and the funds are carried forward into  
23 the following fiscal year. The purpose of the work project is to provide for any  
24 payments that may be awarded to districts as a result of the litigation. The work  
25 project shall be completed upon resolution of the litigation. In addition, this state  
26 reserves the right to terminate future federal title XIX Medicaid reimbursement  
27 payments to districts if the amount or allocation of reimbursed funds is challenged in

1 the lawsuit. As used in this subsection, "title XIX" means title XIX of the social  
2 security act, 42 USC 1396 to 1396v.

3 ~~(12) Payments under this section are subject to section 25g.~~

4 Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed  
5 \$5,000,000.00 is allocated for ~~2015-2016~~ 2016-2017 for supplemental payments to rural  
6 districts under this section.

7 (2) From the allocation under subsection (1), there is allocated for ~~2015-2016~~  
8 2016-2017 an amount not to exceed \$957,300.00 for payments under this subsection to  
9 districts that meet all of the following:

10 (a) Operates grades K to 12.

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

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

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

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

17 (3) The amount of the additional funding to each eligible district under  
18 subsection (2) shall be determined under a spending plan developed as provided in this  
19 subsection and approved by the superintendent of public instruction. The spending plan  
20 shall be developed cooperatively by the intermediate superintendents of each  
21 intermediate district in which an eligible district is located. The intermediate  
22 superintendents shall review the financial situation of each eligible district,  
23 determine the minimum essential financial needs of each eligible district, and develop  
24 and agree on a spending plan that distributes the available funding under subsection  
25 (2) to the eligible districts based on those financial needs. The intermediate  
26 superintendents shall submit the spending plan to the superintendent of public  
27 instruction for approval. Upon approval by the superintendent of public instruction,



1 the amounts specified for each eligible district under the spending plan are allocated  
2 under subsection (2) and shall be paid to the eligible districts in the same manner as  
3 payments under section 22b.

4 (4) Subject to subsection (6), from the allocation in subsection (1), there is  
5 allocated for ~~2015-2016~~ 2016-2017 an amount not to exceed \$4,042,700.00 for payments  
6 under this subsection to districts that have 7.3 or fewer pupils per square mile as  
7 determined by the department.

8 (5) The funds allocated under subsection (4) shall be allocated on an equal per-  
9 pupil basis.

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

12 Sec. 22g. (1) From the funds appropriated in section 11, there is allocated for  
13 ~~2015-2016~~ 2016-2017 only an amount not to exceed \$5,000,000.00 for competitive  
14 assistance grants to districts and intermediate districts.

15 (2) Funds received under this section may be used for reimbursement of transition  
16 costs associated with the **DISSOLUTION**, consolidation or annexation of districts or  
17 intermediate districts. Grant funding shall be available for **DISSOLUTIONS**,  
18 consolidations or annexations that occur on or after June 1, ~~2015~~ 2016. Districts may  
19 spend funds allocated under this section over 3 fiscal years.

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

24 (a) Enrolls only eligible pupils.

25 (b) Provides an advocate. An advocate may serve in that role for more than 1  
26 pupil but no more than 50 pupils. An advocate may be employed by the district or may  
27 be provided by an education management organization that is partnering with the

1 district. Before an individual is assigned to be an advocate for a pupil in the  
2 dropout recovery program, the district shall comply with sections 1230 and 1230a of  
3 the revised school code, MCL 380.1230 and 380.1230a, with respect to that individual.

4 (c) Develops a written learning plan.

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

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

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

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

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

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

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

20 (3) As used in this section:

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

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

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

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

13 (E) FOR PURPOSES OF THIS SECTION, "TEACHER OF RECORD" MEANS A TEACHER WHO HOLDS A  
14 VALID MICHIGAN TEACHING CERTIFICATE; WHO, IF APPLICABLE, IS ENDORSED IN THE SUBJECT  
15 AREA AND GRADE OF THE COURSE; AND IS RESPONSIBLE FOR PROVIDING INSTRUCTION,  
16 DETERMINING INSTRUCTIONAL METHODS FOR EACH PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING  
17 PUPIL LEARNING, PRESCRIBING INTERVENTION STRATEGIES, REPORTING OUTCOMES, AND  
18 EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT STRATEGIES.

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

23 Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2015-~~  
24 ~~2016-2016-2017~~ an amount not to exceed \$8,000,000.00 for payments to the educating  
25 district or intermediate district for educating pupils assigned by a court or the  
26 department of health and human services to reside in or to attend a juvenile detention  
27 facility or child caring institution licensed by the department of health and human

1 services and approved by the department to provide an on-grounds education program.  
2 The amount of the payment under this section to a district or intermediate district  
3 shall be calculated as prescribed under subsection (2).

4 (2) The total amount allocated under this section shall be allocated by paying to  
5 the educating district or intermediate district an amount equal to the lesser of the  
6 district's or intermediate district's added cost or the department's approved per-  
7 pupil allocation for the district or intermediate district. For the purposes of this  
8 subsection:

9 (a) "Added cost" means 100% of the added cost each fiscal year for educating all  
10 pupils assigned by a court or the department of health and human services to reside in  
11 or to attend a juvenile detention facility or child caring institution licensed by the  
12 department of health and human services or the department of licensing and regulatory  
13 affairs and approved by the department to provide an on-grounds education program.  
14 Added cost shall be computed by deducting all other revenue received under this  
15 article for pupils described in this section from total costs, as approved by the  
16 department, in whole or in part, for educating those pupils in the on-grounds  
17 education program or in a program approved by the department that is located on  
18 property adjacent to a juvenile detention facility or child caring institution. Costs  
19 reimbursed by federal funds are not included.

20 (b) "Department's approved per-pupil allocation" for a district or intermediate  
21 district shall be determined by dividing the total amount allocated under this section  
22 for a fiscal year by the full-time equated membership total for all pupils approved by  
23 the department to be funded under this section for that fiscal year for the district  
24 or intermediate district.

25 (3) A district or intermediate district educating pupils described in this  
26 section at a residential child caring institution may operate, and receive funding  
27 under this section for, a department-approved on-grounds educational program for those

1 pupils that is longer than 181 days, but not longer than 233 days, if the child caring  
2 institution was licensed as a child caring institution and offered in 1991-92 an on-  
3 grounds educational program that was longer than 181 days but not longer than 233 days  
4 and that was operated by a district or intermediate district.

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

7 Sec. 24a. From the appropriation in section 11, there is allocated an amount not  
8 to exceed ~~\$2,189,800.00~~ **\$1,328,100.00** for ~~2015-2016~~ **2016-2017** for payments to  
9 intermediate districts for pupils who are placed in juvenile justice service  
10 facilities operated by the department of health and human services. Each intermediate  
11 district shall receive an amount equal to the state share of those costs that are  
12 clearly and directly attributable to the educational programs for pupils placed in  
13 facilities described in this section that are located within the intermediate  
14 district's boundaries. The intermediate districts receiving payments under this  
15 section shall cooperate with the department of health and human services to ensure  
16 that all funding allocated under this section is utilized by the intermediate district  
17 and department of health and human services for educational programs for pupils  
18 described in this section. Pupils described in this section are not eligible to be  
19 funded under section 24. However, a program responsibility or other fiscal  
20 responsibility associated with these pupils shall not be transferred from the  
21 department of health and human services to a district or intermediate district unless  
22 the district or intermediate district consents to the transfer.

23 Sec. 24c. From the appropriation in section 11, there is allocated an amount not  
24 to exceed ~~\$1,497,400.00~~ **\$1,522,400.00** for ~~2015-2016~~ **2016-2017** for payments to  
25 districts for pupils who are enrolled in a nationally administered community-based  
26 education and youth mentoring program, known as the youth challenge program, that is  
27 administered by the department of military and veterans affairs. Both of the following

1 apply to a district receiving payments under this section:

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

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

8 Sec. 25f. (1) From the state school aid fund money appropriated in section 11,  
9 there is allocated an amount not to exceed ~~\$1,000,000.00~~ **\$250,000.00** for ~~2015-2016~~  
10 **2016-2017** for payments to strict discipline academies established under sections 1311b  
11 to 1311m of the revised school code, MCL 380.1311b to 380.1311m, as provided under  
12 this section.

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

16 ~~(2)(3)~~ The total amount allocated to a strict discipline academy under this  
17 section is an amount equal to the lesser of the strict discipline academy's added cost  
18 or the department's approved per-pupil allocation for the strict discipline academy.  
19 However, the sum of the amounts received by a strict discipline academy under this  
20 section and under section 24 shall not exceed the product of the strict discipline  
21 academy's per-pupil allocation calculated under section 20 multiplied by the strict  
22 discipline academy's full-time equated membership. The department shall allocate funds  
23 to strict discipline academies under this section on a monthly basis. For the purposes  
24 of this subsection:

25 (a) "Added cost" means 100% of the added cost each fiscal year for educating all  
26 pupils enrolled and in regular daily attendance at a strict discipline academy. Added  
27 cost shall be computed by deducting all other revenue received under this article for

1 pupils described in this subsection from total costs, as approved by the department,  
2 in whole or in part, for educating those pupils in a strict discipline academy. The  
3 department shall include all costs including, but not limited to, educational costs,  
4 insurance, management fees, technology costs, legal fees, auditing fees, interest,  
5 pupil accounting costs, and any other administrative costs necessary to operate the  
6 program or to comply with statutory requirements. Costs reimbursed by federal funds  
7 are not included.

8 (b) "Department's approved per-pupil allocation" for a strict discipline academy  
9 shall be determined by dividing the total amount allocated under this subsection for a  
10 fiscal year by the full-time equated membership total for all pupils approved by the  
11 department to be funded under this subsection for that fiscal year for the strict  
12 discipline academy.

13 (3)~~(4)~~ Special education pupils funded under section 53a shall not be funded  
14 under this section.

15 (4)~~(5)~~ If the funds allocated under this section are insufficient to fully fund  
16 the adjustments under subsection (3), payments under this section shall be prorated on  
17 an equal per-pupil basis.

18 (5)~~(6)~~ Payments to districts under this section shall be made according to the  
19 payment schedule under section 17b.

20 Sec. 25g. (1) From the state school aid fund money appropriated in section 11,  
21 there is allocated an amount not to exceed ~~\$1,000,000.00~~ \$250,000.00 for ~~2015-2016~~  
22 2016-2017 for the purposes of this section. If the operation of the special membership  
23 counting provisions under section 6(4)(dd) and the other membership counting  
24 provisions under section 6(4) result in a pupil being counted as more than 1.0 FTE in  
25 a fiscal year, then the payment made for the pupil under sections 22a and 22b shall  
26 not be based on more than 1.0 FTE for that pupil, and that portion of the FTE that  
27 exceeds 1.0 shall be paid under this section in an amount equal to that portion

1 multiplied by the educating district's foundation allowance or per-pupil payment  
2 calculated under section 20.

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

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

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

10 Sec. 26a. From the funds appropriated in section 11, there is allocated an amount  
11 not to exceed ~~\$26,300,000.00~~ **\$20,000,000.00** for ~~2015-2016~~ **2016-2017** to reimburse  
12 districts and intermediate districts pursuant to section 12 of the Michigan  
13 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in ~~2015~~ **2016**. The  
14 allocations shall be made not later than 60 days after the department of treasury  
15 certifies to the department and to the state budget director that the department of  
16 treasury has received all necessary information to properly determine the amounts due  
17 to each eligible recipient.

18 Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2015-~~  
19 ~~2016~~ **2016-2017** an amount not to exceed ~~\$4,276,800.00~~ **\$4,405,100.00** for payments to  
20 districts, intermediate districts, and community college districts for the portion of  
21 the payment in lieu of taxes obligation that is attributable to districts,  
22 intermediate districts, and community college districts pursuant to section 2154 of  
23 the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

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

27 Sec. 26c. (1) From the appropriation in section 11, there is allocated an amount



1 not to exceed ~~\$610,000.00~~ \$1,000,000.00 for ~~2015-2016~~ 2016-2017 to the promise zone  
2 fund created in subsection (3).

3 (2) Funds allocated to the promise zone fund under this section shall be used  
4 solely for payments to eligible districts and intermediate districts that have a  
5 promise zone development plan approved by the department of treasury under section 7  
6 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1667.

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

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

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

16 (4) Subject to subsection (2), the state treasurer may make payments from the  
17 promise zone fund to eligible districts and intermediate districts pursuant to the  
18 Michigan promise zone 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 act.

20 Sec. 31a. (1) From the state school aid fund money appropriated in section 11,  
21 there is allocated for ~~2015-2016~~ 2016-2017 an amount not to exceed \$389,695,500.00 for  
22 payments to eligible districts, eligible public school academies, and the education  
23 achievement system for the purposes of ensuring that pupils are proficient in reading  
24 by the end of grade 3 and that high school graduates are career and college ready and  
25 for the purposes under subsections (7) and (8).

26 (2) For a district or public school academy, or the education achievement system,  
27 to be eligible to receive funding under this section, other than funding under

1 subsection (7) or (8), the sum of the district's or public school academy's or the  
2 education achievement system's combined state and local revenue per membership pupil  
3 in the current state fiscal year, as calculated under section 20, **PLUS THE AMOUNT OF**  
4 **THE DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION 20J(2)**, must be less than or equal  
5 to the basic foundation allowance under section 20 for the current state fiscal year.

6 (3) For a district or public school academy that operates grades K to 3, or the  
7 education achievement system, to be eligible to receive funding under this section,  
8 other than funding under subsection (7) or (8), the district or public school academy,  
9 or the education achievement system, must implement, for at least grades K to 3, a  
10 multi-tiered system of supports that is an evidence-based model that uses data-driven  
11 problem solving to integrate academic and behavioral instruction and that uses  
12 intervention delivered to all pupils in varying intensities based on pupil needs. This  
13 multi-tiered system of supports must provide at least all of the following essential  
14 elements:

15 (a) Implements effective instruction for all learners.

16 (b) Intervenes early.

17 (c) Provides a multi-tiered model of instruction and intervention that provides  
18 the following:

19 (i) A core curriculum and classroom interventions available to all pupils that  
20 meet the needs of most pupils.

21 (ii) Targeted group interventions.

22 (iii) Intense individual interventions.

23 (d) Monitors pupil progress to inform instruction.

24 (e) Uses data to make instructional decisions.

25 (f) Uses assessments including universal screening, diagnostics, and progress  
26 monitoring.

27 (g) Engages families and the community.

1 (h) Implements evidence-based, scientifically validated, instruction and  
2 intervention.

3 (i) Implements instruction and intervention practices with fidelity.

4 (j) Uses a collaborative problem-solving model.

5 (4) Except as otherwise provided in this subsection, an eligible district or  
6 eligible public school academy or the education achievement system shall receive under  
7 this section for each membership pupil in the district or public school academy or the  
8 education achievement system who met the income eligibility criteria for free  
9 breakfast, lunch, or milk, as determined under the Richard B. Russell national school  
10 lunch act, 42 USC 1751 to 1769, and as reported to the department in the form and  
11 manner prescribed by the department not later than the fifth Wednesday after the pupil  
12 membership count day of the immediately preceding fiscal year and adjusted not later  
13 than December 31 of the immediately preceding fiscal year, an amount per pupil equal  
14 to 11.5% of the sum of the district's foundation allowance or the public school  
15 academy's or the education achievement system's per pupil amount calculated under  
16 section 20, **PLUS THE AMOUNT OF THE DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION**  
17 **20J(2)**, not to exceed the basic foundation allowance under section 20 for the current  
18 state fiscal year, or of the public school academy's or the education achievement  
19 system's per membership pupil amount calculated under section 20 for the current state  
20 fiscal year. However, a public school academy that began operations as a public school  
21 academy, or an achievement school that began operations as an achievement school,  
22 after the pupil membership count day of the immediately preceding school year shall  
23 receive under this section for each membership pupil in the public school academy or  
24 in the education achievement system who met the income eligibility criteria for free  
25 breakfast, lunch, or milk, as determined under the Richard B. Russell national school  
26 lunch act and as reported to the department not later than the fifth Wednesday after  
27 the pupil membership count day of the current fiscal year and adjusted not later than

1 December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the  
2 public school academy's or the education achievement system's per membership pupil  
3 amount calculated under section 20 for the current state fiscal year.

4 (5) Except as otherwise provided in this section, a district or public school  
5 academy, or the education achievement system, receiving funding under this section  
6 shall use that money only to provide instructional programs and direct  
7 noninstructional services, including, but not limited to, medical, mental health, or  
8 counseling services, for at-risk pupils; for school health clinics; and for the  
9 purposes of subsection (6), (7), (8), or (11). In addition, a district that is a  
10 school district of the first class or a district or public school academy in which at  
11 least 50% of the pupils in membership met the income eligibility criteria for free  
12 breakfast, lunch, or milk in the immediately preceding state fiscal year, as  
13 determined and reported as described in subsection (4), or the education achievement  
14 system if it meets this requirement, may use not more than 20% of the funds it  
15 receives under this section for school security. A district, the public school  
16 academy, or the education achievement system shall not use any of that money for  
17 administrative costs. The instruction or direct noninstructional services provided  
18 under this section may be conducted before or after regular school hours or by adding  
19 extra school days to the school year.

20 (6) A district or public school academy that receives funds under this section  
21 and that operates a school breakfast program under section 1272a of the revised school  
22 code, MCL 380.1272a, or the education achievement system if it operates a school  
23 breakfast program, shall use from the funds received under this section an amount, not  
24 to exceed \$10.00 per pupil for whom the district or public school academy or the  
25 education achievement system receives funds under this section, necessary to pay for  
26 costs associated with the operation of the school breakfast program.

27 (7) From the funds allocated under subsection (1), there is allocated for ~~2015-~~

1 ~~2016~~ 2016-2017 an amount not to exceed ~~\$3,557,300.00~~ \$5,557,300.00 to support child  
2 and adolescent health centers. These grants shall be awarded for 5 consecutive years  
3 beginning with 2003-2004 in a form and manner approved jointly by the department and  
4 the department of health and human services. Each grant recipient shall remain in  
5 compliance with the terms of the grant award or shall forfeit the grant award for the  
6 duration of the 5-year period after the noncompliance. To continue to receive funding  
7 for a child and adolescent health center under this section a grant recipient shall  
8 ensure that the child and adolescent health center has an advisory committee and that  
9 at least one-third of the members of the advisory committee are parents or legal  
10 guardians of school-aged children. A child and adolescent health center program shall  
11 recognize the role of a child's parents or legal guardian in the physical and  
12 emotional well-being of the child. Funding under this subsection shall be used to  
13 support child and adolescent health center services provided to children up to age 21.  
14 If any funds allocated under this subsection are not used for the purposes of this  
15 subsection for the fiscal year in which they are allocated, those unused funds shall  
16 be used that fiscal year to avoid or minimize any proration that would otherwise be  
17 required under subsection (12) for that fiscal year. ~~In addition to the funds~~  
18 ~~otherwise allocated under this subsection, from the money allocated in subsection (1),~~  
19 ~~there is allocated an amount not to exceed \$2,000,000.00 for 2015 2016 only for child~~  
20 ~~and adolescent health centers to increase access to nurses and behavioral health~~  
21 ~~services in schools, using 3 existing school clinics as hubs for services and using~~  
22 ~~mobile teams to serve satellite school sites.~~

23 (8) From the funds allocated under subsection (1), there is allocated for ~~2015-~~  
24 ~~2016~~ 2016-2017 an amount not to exceed \$5,150,000.00 for the state portion of the  
25 hearing and vision screenings as described in section 9301 of the public health code,  
26 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of  
27 the total cost of the screenings. The frequency of the screenings shall be as required

1 under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan  
2 administrative code. Funds shall be awarded in a form and manner approved jointly by  
3 the department and the department of health and human services. Notwithstanding  
4 section 17b, payments to eligible entities under this subsection shall be paid on a  
5 schedule determined by the department.

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

23 (10) In order to receive funds under this section, a district or public school  
24 academy or the education achievement system shall allow access for the department or  
25 the department's designee to audit all records related to the program for which it  
26 receives those funds. The district or public school academy or the education  
27 achievement system shall reimburse the state for all disallowances found in the audit.

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

6           (12) If necessary, and before any proration required under section 296, the  
7 department shall prorate payments under this section by reducing the amount of the per  
8 pupil payment under this section by a dollar amount calculated by determining the  
9 amount by which the amount necessary to fully fund the requirements of this section  
10 exceeds the maximum amount allocated under this section and then dividing that amount  
11 by the total statewide number of pupils who met the income eligibility criteria for  
12 free breakfast, lunch, or milk in the immediately preceding fiscal year, as described  
13 in subsection (4).

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

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

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

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

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

6 (d) For pupils for whom the results of the state summative assessment have been  
7 received, is a pupil who did not achieve proficiency on the English language arts,  
8 mathematics, science, or social studies content area assessment.

9 (e) Is a pupil who is at risk of not meeting the district's core academic  
10 curricular objectives in English language arts or mathematics, as demonstrated on  
11 local assessments.

12 (f) The pupil is enrolled in a priority or priority-successor school, as defined  
13 in the elementary and secondary education act of 2001 flexibility waiver approved by  
14 the United States Department of Education.

15 (g) In the absence of state or local assessment data, the pupil meets at least 2  
16 of the following criteria, as documented in a form and manner approved by the  
17 department:

18 (i) The pupil is eligible for free or reduced price breakfast, lunch, or milk.

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

21 (iii) The pupil is homeless.

22 (iv) The pupil is a migrant.

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

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

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



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

12           (a) The district, public school academy, or the education achievement system  
13 shall determine the proportion of total at-risk pupils that represents the number of  
14 pupils in grade 3 that are not ~~reading at grade level~~ **PROFICIENT IN ENGLISH LANGUAGE**  
15 **ARTS** by the end of grade 3, and the district, public school academy, or the education  
16 achievement system shall expend that same proportion multiplied by 1/2 of its total  
17 at-risk funds under this section on tutoring and other methods of improving grade 3  
18 ~~reading levels~~ **ENGLISH LANGUAGE ARTS PROFICIENCY**.

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

1 (16) As used in subsection (15), "total at-risk pupils" means the sum of the  
2 number of pupils in grade 3 that are not reading at grade level by the end of third  
3 grade as measured on the state assessment and the number of pupils in grade 11 that  
4 are not career- and college-ready as measured by the student's score on the English  
5 language arts, mathematics, and science content area assessments on the grade 11  
6 summative assessment under section 1279g(2)(a) of the revised school code, MCL  
7 380.1279g.

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

11 (18) The department shall collaborate with the department of health and human  
12 services to prioritize assigning Pathways to Potential Success coaches to elementary  
13 schools that have a high percentage of pupils in grades K to 3 who are not reading at  
14 grade level.

15 Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount  
16 not to exceed \$22,495,100.00 for ~~2015-2016~~ 2016-2017 for the purpose of making  
17 payments to districts and other eligible entities under this section.

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

25 (3) The payments made under this section include all state payments made to  
26 districts so that each district receives at least 6.0127% of the necessary costs of  
27 operating the state mandated portion of the school lunch program in a fiscal year.

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

6 (5) From the federal funds appropriated in section 11, there is allocated for  
7 ~~2015-2016~~ 2016-2017 all available federal funding, estimated at \$510,000,000.00 for  
8 the national school lunch program and all available federal funding, estimated at  
9 \$3,200,000.00 for the emergency food assistance program.

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

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

15 Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount  
16 not to exceed ~~\$5,625,000.00~~ \$2,500,000.00 for ~~2015-2016~~ 2016-2017 for the purpose of  
17 making payments to districts to reimburse for the cost of providing breakfast.

18 (2) The funds allocated under this section for school breakfast programs shall be  
19 made available to all eligible applicant districts that meet all of the following  
20 criteria:

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

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

25 (3) The payment for a district under this section is at a per meal rate equal to  
26 the lesser of the district's actual cost or 100% of the statewide average cost of a  
27 breakfast served, as determined and approved by the department, less federal

1 reimbursement, participant payments, and other state reimbursement. The statewide  
2 average cost shall be determined by the department using costs as reported in a manner  
3 approved by the department for the preceding school year.

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

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

9 Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to  
10 eligible intermediate districts and consortia of intermediate districts for great  
11 start readiness programs an amount not to exceed \$243,600,000.00 for ~~2015-2016-2016-~~  
12 ~~2017~~. Funds allocated under this section for great start readiness programs shall be  
13 used to provide part-day, school-day, or GSRP/head start blended comprehensive free  
14 compensatory classroom programs designed to improve the readiness and subsequent  
15 achievement of educationally disadvantaged children who meet the participant  
16 eligibility and prioritization guidelines as defined by the department. For a child to  
17 be eligible to participate in a program under this section, the child shall be at  
18 least 4, but less than 5, years of age as of ~~the date specified for determining a~~  
19 ~~child's eligibility to attend school under section 1147 of the revised school code,~~  
20 ~~MCL 380.1147~~ **SEPTEMBER 1 OF THE SCHOOL YEAR IN WHICH PROGRAMS ARE OFFERED AND MEET**  
21 **PROGRAM ELIGIBILITY.**

22 (2) Funds allocated under subsection (1) shall be allocated to intermediate  
23 districts or consortia of intermediate districts based on the formula in section 39.  
24 An intermediate district or consortium of intermediate districts receiving funding  
25 under this section shall act as the fiduciary for the great start readiness programs.  
26 In order to be eligible to receive funds allocated under this subsection from an  
27 intermediate district or consortium of intermediate districts, a district, a

1 consortium of districts, or a public or private for-profit or nonprofit legal entity  
2 or agency shall comply with this section and section 39.

3 (3) In addition to the allocation under subsection (1), from the general fund  
4 money appropriated under section 11, there is allocated an amount not to exceed  
5 \$300,000.00 for ~~2015-2016~~ 2016-2017 for a competitive grant to continue a longitudinal  
6 evaluation of children who have participated in great start readiness programs.

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

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

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

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

19 (d) Physical and dental health and developmental screening services for all  
20 program participants.

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

23 (f) Active and continuous involvement of the parents or guardians of the program  
24 participants.

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

27 (h) Participation in a school readiness advisory committee convened as a

1 workgroup of the great start collaborative that provides for the involvement of  
2 classroom teachers, parents or guardians of program participants, and community,  
3 volunteer, and social service agencies and organizations, as appropriate. The advisory  
4 committee annually shall review and make recommendations regarding the program  
5 components listed in this subsection. The advisory committee also shall make  
6 recommendations to the great start collaborative regarding other community services  
7 designed to improve all children's school readiness.

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

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

12 (5) An application for funding under this section shall provide for the  
13 following, in a form and manner determined by the department:

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

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

1 plans recommending placement in an inclusive preschool setting shall be considered to  
2 live with families with household income equal to or less than 250% of the federal  
3 poverty level regardless of actual family income **AND BE PRIORITIZED WITHIN THE LOWEST**  
4 **QUINTILE FOR ENROLLMENT.**

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

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

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

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

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

12 (6) For a grant recipient that enrolls pupils in a school-day program funded  
13 under this section, each child enrolled in the school-day program shall be counted as  
14 ~~2 children served by the program~~ **DESCRIBED IN SECTION 39** for purposes of determining  
15 ~~the number of children to be served and for determining~~ the amount of the grant award.  
16 ~~A grant award shall not be increased solely on the basis of providing a school day~~  
17 ~~program.~~

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

22 (8) An intermediate district or consortium of intermediate districts receiving a  
23 grant under this section shall designate an early childhood coordinator, and may  
24 provide services directly or may contract with 1 or more districts or public or  
25 private for-profit or nonprofit providers that meet all requirements of ~~subsection (4)~~  
26 **SUBSECTIONS (4) AND (5)**.

27 (9) Funds received under this section may be retained for administrative services



1 as follows:

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

6 (b) For the portion of the total grant amount for which services are contracted,  
7 the intermediate district or consortium of intermediate districts receiving the grant  
8 may retain an amount equal to not more than 4% of that portion of the grant amount and  
9 the subrecipients engaged by the intermediate district to provide program services may  
10 retain for administrative services an amount equal to not more than 4% of that portion  
11 of the grant amount.

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

15 (11) Each grant recipient shall enroll children identified under subsection  
16 (5)(b) according to how far the child's household income is below 250% of the federal  
17 poverty level by ranking each applicant child's household income from lowest to  
18 highest and dividing the applicant children into quintiles based on how far the  
19 child's household income is below 250% of the federal poverty level, and then  
20 enrolling children in the quintile with the lowest household income before enrolling  
21 children in the quintile with the next lowest household income until slots are  
22 completely filled. If the grant recipient determines that all eligible children are  
23 being served and that there are no children on the waiting list under section 39(1)(d)  
24 who live with families with a household income that is equal to or less than 250% of  
25 the federal poverty level, the grant recipient may then enroll children who live with  
26 families with a household income that is equal to or less than 300% of the federal  
27 poverty level. The enrollment process shall consider income and risk factors, such

1 that children determined with higher need are enrolled before children with lesser  
2 need. For purposes of this subdivision, all age-eligible children served in foster  
3 care or who are experiencing homelessness or who have individualized education plans  
4 recommending placement in an inclusive preschool setting shall be considered to live  
5 with families with household income equal to or less than 250% of the federal poverty  
6 level regardless of actual family income **AND BE PRIORITIZED WITHIN THE LOWEST QUINTILE**  
7 **FOR ENROLLMENT.**

8 (12) An intermediate district or consortium of intermediate districts receiving a  
9 grant under this section shall allow parents of eligible children who are residents of  
10 the intermediate district or within the consortium to choose a program operated by or  
11 contracted with another intermediate district or consortium of intermediate districts  
12 and shall ~~pay to the educating intermediate district or consortium the per child~~  
13 ~~amount attributable to each child enrolled pursuant to this sentence, as determined~~  
14 ~~under section 39~~ **ENTER INTO A WRITTEN AGREEMENT, IN A MANNER PRESCRIBED BY THE**  
15 **DEPARTMENT.**

16 (13) An intermediate district or consortium of intermediate districts receiving a  
17 grant under this section shall conduct a local process to contract with interested and  
18 eligible public and private for-profit and nonprofit community-based providers that  
19 meet all requirements of subsection (4) for at least 30% of its total slot allocation.  
20 The intermediate district or consortium shall report to the department, in a manner  
21 prescribed by the department, a detailed list of community-based providers by provider  
22 type, including private for-profit, private nonprofit, community college or  
23 university, head start grantee or delegate, and district or intermediate district, and  
24 the number and proportion of its total slot allocation allocated to each provider as  
25 subrecipient. If the intermediate district or consortium is not able to contract for  
26 at least 30% of its total slot allocation, the grant recipient shall notify the  
27 department and, if the department verifies that the intermediate district or

1 consortium attempted to contract for at least 30% of its total slot allocation and was  
2 not able to do so, then the intermediate district or consortium may retain and use all  
3 of its allocated slots as provided under this section. To be able to use this  
4 exemption, the intermediate district or consortium shall demonstrate to the department  
5 that the intermediate district or consortium increased the percentage of its total  
6 slot allocation for which it contracts with a community-based provider and the  
7 intermediate district or consortium shall submit evidence satisfactory to the  
8 department, and the department must be able to verify this evidence, demonstrating  
9 that the intermediate district or consortium took measures to contract for at least  
10 30% of its total slot allocation as required under this subsection, including, but not  
11 limited to, at least all of the following measures:

12 (a) The intermediate district or consortium notified each **NONPARTICIPATING**  
13 licensed child care center located in the service area of the intermediate district or  
14 consortium ~~at least twice~~ regarding the center's eligibility to participate, ~~One of~~  
15 ~~these notifications may be made electronically, but at least 1 of these notifications~~  
16 ~~shall be made via hard copy through the United States mail. At least 1 of these~~  
17 ~~notifications shall be made within 7 days after the intermediate district or~~  
18 ~~consortium receives notice from the department of its slot allocations. IN A MANNER~~  
19 **PRESCRIBED BY THE DEPARTMENT.**

20 (b) The intermediate district or consortium provided to each **NONPARTICIPATING**  
21 licensed child care center located in the service area of the intermediate district or  
22 consortium information regarding great start readiness program requirements and a  
23 description of the application and selection process for community-based providers.

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

27 (14) If an intermediate district or consortium of intermediate districts

1 receiving a grant under this section fails to submit satisfactory evidence to  
2 demonstrate its effort to contract for at least 30% of its total slot allocation, as  
3 required under subsection (1), the department shall reduce the slots allocated to the  
4 intermediate district or consortium by a percentage equal to the difference between  
5 the percentage of an intermediate district's or consortium's total slot allocation  
6 awarded to community-based providers and 30% of its total slot allocation.

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

10 (a) Ensure that a great start resource center or the department provides each  
11 intermediate district or consortium receiving a grant under this section with the  
12 contact information 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 department contracts  
15 provides, a community-based provider with a validated great start to quality rating  
16 within 90 days of the provider's having submitted a request and self-assessment.

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

23 (d) Not later than ~~November~~ **DECEMBER** 1 of each year, compile the results of the  
24 information reported by each intermediate district or consortium under subsection (10)  
25 and report to the legislature a list by intermediate district or consortium with the  
26 number and percentage of each intermediate district's or consortium's total slot  
27 allocation allocated to community-based providers by provider type, including private

1 for-profit, private nonprofit, community college or university, head start grantee or  
2 delegate, and district or intermediate district.

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

13 (17) As used in this section:

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

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

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

23 (18) An intermediate district or consortium of intermediate districts receiving  
24 funds under this section shall establish a sliding scale of tuition rates based upon  
25 household income for children participating in an eligible great start readiness  
26 program who live with families with a household income that is more than 250% of the  
27 federal poverty level to be used by all of its providers, as approved by the

1 department. A grant recipient shall charge tuition according to that sliding scale of  
2 tuition rates on a uniform basis for any child who does not meet the income  
3 eligibility requirements under this section.

4 (19) From the amount appropriated in subsection (1), there is allocated an amount  
5 not to exceed \$10,000,000.00 for reimbursement of transportation costs for children  
6 attending great start readiness programs funded under this section. To receive  
7 reimbursement under this subsection, not later than November 1, ~~2015~~ 2016, a program  
8 funded under this section that provides transportation shall submit to the  
9 intermediate district that is the fiscal agent for the program a projected  
10 transportation budget. The amount of the reimbursement for transportation under this  
11 subsection shall be no more than the projected transportation budget or \$150.00  
12 multiplied by the number of slots funded for the program under this section. If the  
13 amount allocated under this subsection is insufficient to fully reimburse the  
14 transportation costs for all programs that provide transportation and submit the  
15 required information, the reimbursement shall be prorated in an equal amount per slot  
16 funded. Payments shall be made to the intermediate district that is the fiscal agent  
17 for each program, and the intermediate district shall then reimburse the program  
18 provider for transportation costs as prescribed under this subsection.

19 Sec. 32p. (1) From the school aid fund appropriation in section 11, there is  
20 allocated an amount not to exceed \$13,400,000.00 to intermediate districts for ~~2015-~~  
21 ~~2016~~ 2016-2017 for the purpose of providing early childhood funding to intermediate  
22 school districts to support the activities under subsection (2) and subsection (4),  
23 and to provide early childhood programs for children from birth through age 8. The  
24 funding provided to each intermediate district under this section shall be determined  
25 by the distribution formula established by the department's office of great start to  
26 provide equitable funding statewide. In order to receive funding under this section,  
27 each intermediate district shall provide an application to the office of great start

1 not later than September 15 of the immediately preceding fiscal year indicating the  
2 activities planned to be provided.

3 (2) Each intermediate district or consortium of intermediate districts that  
4 receives funding under this section shall convene a local great start collaborative  
5 and a parent coalition. The goal of each great start collaborative and parent  
6 coalition shall be to ensure the coordination and expansion of local early childhood  
7 infrastructure and programs that allow every child in the community to achieve the  
8 following outcomes:

9 (a) Children born healthy.

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

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

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

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

20 (a) Physical health.

21 (b) Social-emotional health.

22 (c) Family supports and basic needs.

23 (d) Parent education.

24 (e) Early education and care.

25 (4) From the funds allocated in subsection (1), at least \$2,500,000.00 shall be  
26 used for the purpose of providing home visits to at-risk children and their families.

27 The home visits shall be conducted as part of a locally coordinated, family-centered,

1 evidence-based, data-driven home visit strategic plan that is approved by the  
2 department. The goals of the home visits funded under this subsection shall be to  
3 improve school readiness, reduce the number of pupils retained in grade level, and  
4 reduce the number of pupils requiring special education services. The department shall  
5 coordinate the goals of the home visit strategic plans approved under this subsection  
6 with other state agency home visit programs in a way that strengthens Michigan's home  
7 visiting infrastructure and maximizes federal funds available for the purposes of at-  
8 risk family home visits.

9 (5) Not later than December 1 of each year, each intermediate district shall  
10 provide a report to the department detailing the activities actually provided during  
11 the immediately preceding school year and the families and children actually served.  
12 At a minimum, the report shall include an evaluation of the services provided with  
13 additional funding under subsection (4) for home visits, using the goals identified in  
14 subsection (4) as the basis for the evaluation, including the degree to which school  
15 readiness was improved, any change in the number of pupils retained at grade level,  
16 and any change in the number of pupils receiving special education services. The  
17 department shall compile and summarize these reports and submit its summary to the  
18 house and senate appropriations subcommittees on school aid and to the house and  
19 senate fiscal agencies not later than February 15 of each year.

20 (6) An intermediate district or consortium of intermediate districts that  
21 receives funding under this section may carry over any unexpended funds received under  
22 this section into the next fiscal year and may expend those unused funds through June  
23 30 of the next fiscal year. A recipient of a grant shall return any unexpended grant  
24 funds to the department in the manner prescribed by the department not later than  
25 September 30 of the next fiscal year after the fiscal year in which the funds are  
26 received.

27 Sec. 35. (1) The funds allocated under section 35a shall be used for programs to



1 ensure children are reading at grade level by the end of grade 3. The superintendent  
2 shall designate staff or contracted employees funded under section 35a as critical  
3 shortage. Programs funded under section 35a are intended to ensure that this state  
4 will be in the top 10 most improved states in grade 4 reading proficiency by the 2019  
5 National Assessment of Educational Progress (NAEP) and will be in the top 10 states  
6 overall in grade 4 reading proficiency by 2025.

7 (2) From the general fund appropriation in section 11, there is allocated to the  
8 department an amount not to exceed \$1,000,000.00 for ~~2015-2016~~ 2016-2017 for  
9 implementation costs associated with programs funded under section 35a.

10 ~~(3) From the amount allocated under subsection (2), there is allocated an amount~~  
11 ~~not to exceed \$100,000.00 for the purpose of performing an evaluation of the pilot~~  
12 ~~programs under section 35a(2) in a manner approved by the department. The evaluation~~  
13 ~~report shall include at least all of the following:~~

14 ~~(a) A description of the components of the pilot programs that were effective in~~  
15 ~~helping parents prepare their children for success in school.~~

16 ~~(b) A description of any barriers that parents and their children encountered~~  
17 ~~that prevented them from participating in the pilot programs.~~

18 ~~(c) An assessment of whether these pilot programs should be expanded to other~~  
19 ~~locations in the state.~~

20 Sec. 35a. (1) From the appropriations in section 11, there is allocated for ~~2015-~~  
21 ~~2016~~ 2016-2017 for the purposes of this section an amount not to exceed \$23,900,000.00  
22 from the state school aid fund appropriation and an amount not to exceed \$1,500,000.00  
23 from the general fund appropriation \$22,900,000.00.

24 ~~(2) From the allocations under subsection (1), there is allocated an amount not~~  
25 ~~to exceed \$1,000,000.00 for 2015 2016 for the purpose of conducting parent education~~  
26 ~~pilot programs for parents of children less than 4 years of age so that children are~~  
27 ~~developmentally ready to succeed in school at the time of school entry. All of the~~

1 following apply to programs funded under this subsection:

2       (a) ~~The department shall develop a competitive application process and method of~~  
3 ~~grant distribution consistent with the provisions of this subsection. The amount of a~~  
4 ~~grant award to a pilot program shall be an amount equal to the number of children~~  
5 ~~residing in the district or consortium of districts operating the program who are~~  
6 ~~younger than 4 years of age as of the date specified for determining a child's~~  
7 ~~eligibility to attend school under section 1147 of the revised school code, MCL~~  
8 ~~380.1147, multiplied by \$120.00 per child or \$130,000.00, whichever is less. The~~  
9 ~~department shall ensure that grants are awarded in each prosperity region or~~  
10 ~~subregion.~~

11       (b) ~~An application for a competitive grant under this subsection shall be~~  
12 ~~submitted by an intermediate district on behalf of a district or consortium of~~  
13 ~~districts within the intermediate district. The application shall be submitted in a~~  
14 ~~form and manner approved by the department and shall contain at least the following~~  
15 ~~components:~~

16       (i) ~~A description of the program design including the names of the district or~~  
17 ~~consortium of districts that will operate the program, the physical location of the~~  
18 ~~program, and the anticipated number of families that will be served.~~

19       (ii) ~~An assurance that the program will be supervised by a teacher who has a~~  
20 ~~valid teaching certificate with an early childhood (ZA or ZS) endorsement, a valid~~  
21 ~~teaching certificate in career education with both a KH and VH endorsement, a~~  
22 ~~bachelor's degree in child development or early child development, or a bachelor's~~  
23 ~~degree related to adult learning.~~

24       (iii) ~~An estimate of the number of families residing in the district or~~  
25 ~~consortium of districts that will operate the pilot program that have at least 1 child~~  
26 ~~less than 4 years of age as of the date specified for determining a child's~~  
27 ~~eligibility to attend school under section 1147 of the revised school code, MCL~~

1 ~~380.1147.~~

2 ~~(iv) A description of the public awareness and outreach efforts that will be~~  
3 ~~made.~~

4 ~~(v) An assurance that the intermediate district and the district or consortium of~~  
5 ~~districts operating the program will provide information in a form and manner as~~  
6 ~~approved by the department to allow for an evaluation of the pilot projects.~~

7 ~~(vi) A description of the sliding fee scale that will be established for tuition,~~  
8 ~~with fees reduced or waived for those unable to pay.~~

9 ~~(vii) A budget for the program. A program may use not more than 5% of a grant to~~  
10 ~~administer the program.~~

11 ~~(c) To be eligible for a grant under this subsection, a program shall provide at~~  
12 ~~least 2 hours per week throughout the school year for parents and their eligible~~  
13 ~~children to participate in parent education programs and meet at least the following~~  
14 ~~minimum requirements:~~

15 ~~(i) Require that parents be physically present in classes with their children or~~  
16 ~~be in concurrent classes.~~

17 ~~(ii) Use research-based information to educate parents about the physical,~~  
18 ~~cognitive, social, and emotional development of children.~~

19 ~~(iii) Provide structured learning activities requiring interaction between~~  
20 ~~children and their parents.~~

21 ~~(iv) Provide structured learning activities for children that promote positive~~  
22 ~~interaction with their peers.~~

23 ~~(d) For a child to be eligible to participate in a program under this subsection,~~  
24 ~~the child shall be less than 4 years of age as of the date specified for determining a~~  
25 ~~child's eligibility to attend school under section 1147 of the revised school code,~~  
26 ~~MCL 380.1147.~~

27 (2) ~~(3)~~ From the allocations under subsection (1), there is allocated an amount

1 not to exceed \$950,000.00 for ~~2015-2016~~ 2016-2017 for professional development  
2 purposes under this subsection. This allocation represents the ~~first~~ **SECOND** of 2 years  
3 of funding for the purposes of this subsection. All of the following apply to funding  
4 under this subsection:

5 (a) The department shall award grants to districts to support professional  
6 development for educators in a department-approved research-based training program  
7 related to current state literacy standards for pupils in grades K to 3. The  
8 professional development shall also include training in the use of screening and  
9 diagnostic tools, progress monitoring, and intervention methods used to address  
10 barriers to learning and delays in learning that are diagnosed through the use of  
11 these tools. The department shall determine the amount of the grant awards.

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

15 (c) The funds allocated under this subsection are a work project appropriation,  
16 and any unexpended funds for ~~2015-2016~~ 2016-2017 are carried forward into ~~2016-2017~~  
17 2017-2018. The purpose of the work project is to continue to implement the  
18 professional development training described in this subsection. The estimated  
19 completion date of the work project is September 30, ~~2017~~ 2018.

20 (3) ~~(4)~~ From the allocations under subsection (1), there is allocated an amount  
21 not to exceed \$1,450,000.00 for ~~2015-2016~~ 2016-2017 for grants under this subsection.  
22 This allocation represents the ~~first~~ **SECOND** of 2 years of funding. All of the  
23 following apply to grants under this subsection:

24 (a) The department shall award grants to districts to administer department-  
25 approved screening and diagnostic tools to monitor the development of early literacy  
26 and early reading skills of pupils in grades K to 3 and to support research-based  
27 professional development for educators in administering screening and diagnostic tools

1 and in data interpretation of the results obtained through the use of those tools for  
2 the purpose of implementing a multi-tiered system of support to improve reading  
3 proficiency among pupils in grades K to 3. The department shall award grants to  
4 eligible districts in an amount determined by the department.

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

8 (c) The funds allocated under this subsection are a work project appropriation,  
9 and any unexpended funds for ~~2015-2016~~ **2016-2017** are carried forward into ~~2016-2017~~  
10 **2017-2018**. The purpose of the work project is to continue to implement the  
11 professional development training described in this subsection. The estimated  
12 completion date of the work project is September 30, ~~2017~~ **2018**.

13 (4) ~~(5)~~ From the allocations under subsection (1), there is allocated an amount  
14 not to exceed \$3,000,000.00 **FOR 2016-2017** for the purpose of providing early literacy  
15 coaches at intermediate districts to assist teachers in developing and implementing  
16 instructional strategies for pupils in grades K to 3 so that pupils are reading at  
17 grade level by the end of grade 3. All of the following apply to funding under this  
18 subsection:

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

22 (i) Current state literacy standards for pupils in grades K to 3.

23 (ii) Implementing an instructional delivery model based on frequent use of  
24 formative, screening, and diagnostic tools, known as a multi-tiered system of support,  
25 to determine individual progress for pupils in grades K to 3 so that pupils are  
26 reading at grade level by the end of grade 3.

27 (iii) The use of data from diagnostic tools to determine the necessary additional

1 supports and interventions needed by individual pupils in grades K to 3 in order to be  
2 reading at grade level.

3 (b) From the allocation under this subsection, the department shall award grants  
4 to intermediate districts for the support of early literacy coaches. An intermediate  
5 district must provide matching funds for at least 50% of the cost of the literacy  
6 coach. The department shall provide this funding in the following manner:

7 (i) Each intermediate district shall be awarded grant funding to support the cost  
8 of 1 early literacy coach in an equal amount per early literacy coach, not to exceed  
9 \$37,500.00.

10 (ii) After distribution of the grant funding under subparagraph (i), the  
11 department shall distribute the remainder of grant funding for additional early  
12 literacy coaches in an amount not to exceed \$37,500.00 per early literacy coach. The  
13 number of funded early literacy coaches for each intermediate district shall be based  
14 on the percentage of the total statewide number of pupils in grades K to 3 who meet  
15 the income eligibility standards for the federal free and reduced-price lunch programs  
16 who are enrolled in districts in the intermediate district. For each additional early  
17 literacy coach funded under this subparagraph, the department shall not make an award  
18 to an intermediate district under this subparagraph in an amount that is less than the  
19 amount necessary to pay 1/2 of the total cost of that additional early literacy coach.

20 (c) The funds allocated under this subsection are a work project appropriation,  
21 and any unexpended funds for ~~2015-2016~~ 2016-2017 are carried forward into ~~2016-2017~~  
22 2017-2018. The purpose of the work project is to continue to provide early literacy  
23 coaches as described in this subsection. The estimated completion date of the work  
24 project is September 30, ~~2017-2018~~.

25 (5) ~~(6)~~ From the allocations under subsection (1), there is allocated an amount  
26 not to exceed \$17,500,000.00 for ~~2015-2016~~ 2016-2017 to districts that provide  
27 additional instructional time to those pupils in grades K to 3 who have been

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

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

8 (i) Implemented a multi-tiered system of support instructional delivery model  
9 that is an evidence-based model that uses data-driven problem solving to integrate  
10 academic and behavioral instruction and that uses intervention delivered to all pupils  
11 in varying intensities based on pupil needs. The multi-tiered system of supports must  
12 provide at least all of the following essential elements:

13 (A) Implements effective instruction for all learners.

14 (B) Intervenes early.

15 (C) Provides a multi-tiered model of instruction and intervention that provides  
16 the following:

17 (I) ~~a~~ **A** core curriculum and classroom interventions available to all pupils that  
18 meet the needs of most pupils.

19 (II) ~~targeted~~ **TARGETED** group interventions.

20 (III) ~~and intense~~ **INTENSE** individual interventions.

21 (D) Monitors pupil progress to inform instruction.

22 (E) Uses data to make instructional decisions.

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

25 (G) Engages families and the community.

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

1 (I) Implements instruction and intervention practices with fidelity.

2 (J) Uses a collaborative problem-solving model.

3 (ii) Used department-approved research-based diagnostic tools to identify  
4 individual pupils in need of additional instructional time.

5 (iii) Used a reading instruction method that focuses on the 5 fundamental  
6 building blocks of reading: phonics, phonemic awareness, fluency, vocabulary, and  
7 comprehension and content knowledge.

8 (iv) Provided teachers of pupils in grades K to 3 with research-based  
9 professional development in diagnostic data interpretation.

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

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

16 ~~(7) From the general fund money allocated in subsection (1), the department shall~~  
17 ~~allocate the amount of \$1,000,000.00 for 2015-2016 to the Michigan Education Corps.~~  
18 ~~All of the following apply to funding under this subsection:~~

19 ~~(a) By August 1, 2016, the Michigan Education Corps shall provide a report~~  
20 ~~concerning its use of the funding to the senate and house appropriations subcommittees~~  
21 ~~on state school aid, the senate and house fiscal agencies, and the senate and house~~  
22 ~~caucus policy offices on outcomes and performance measures of the Michigan Education~~  
23 ~~Corps, including, but not limited to, the degree to which the Michigan Education~~  
24 ~~Corps's replication of the Michigan Reading Corps program is demonstrating sufficient~~  
25 ~~efficacy and impact. The report must include data pertaining to at least all of the~~  
26 ~~following:~~

27 ~~(i) The current impact of the Michigan Reading Corps on this state in terms of~~



1 ~~numbers of children and programs receiving support. This portion of the report shall~~  
2 ~~specify the number of children tutored, including dosage and completion, and the~~  
3 ~~demographics of those children.~~

4 ~~(ii) Whether the assessments and interventions are implemented with fidelity.~~  
5 ~~This portion of the report shall include details on the total number of assessments~~  
6 ~~and interventions completed and the range, median, mean, and standard deviation for~~  
7 ~~all assessments.~~

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

11 ~~(A) Growth rate by grade level, in comparison to targeted growth rate.~~

12 ~~(B) Average linear growth rates.~~

13 ~~(C) Exit rates.~~

14 ~~(D) Percentage of children who exit who also meet or exceed spring benchmarks.~~

15 ~~(iv) The impact of the Michigan Reading Corps on organizations and stakeholders,~~  
16 ~~including, but not limited to, school administrators, internal coaches, and AmeriCorps~~  
17 ~~members.~~

18 ~~(b) If the department determines that the Michigan Education Corps has misused~~  
19 ~~the funds allocated under this subsection, the Michigan Education Corps shall~~  
20 ~~reimburse this state for the amount of state funding misused.~~

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

25 Sec. 39. (1) An eligible applicant receiving funds under section 32d shall submit  
26 an application, in a form and manner prescribed by the department, by a date specified  
27 by the department in the immediately preceding state fiscal year. The application

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

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

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

11 (c) The number of **SLOTS THE APPLICANT WILL BE ABLE TO FILL WITH** children ~~the~~  
12 ~~applicant will be able to serve~~ who meet the criteria of section 32d including a  
13 verification of physical facility and staff resources capacity.

14 (d) The estimated number of **SLOTS WHICH WILL REMAIN UNFILLED AND** children who  
15 meet the criteria of section 32d who will remain unserved after the applicant and  
16 community early childhood programs have met their funded enrollments. The applicant  
17 shall maintain a waiting list of identified unserved eligible children who would be  
18 served when openings are available.

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

24 (3) The number of prekindergarten children construed to be in need of special  
25 readiness assistance under section 32d shall be calculated for each applicant in the  
26 following manner: 1/2 of the percentage of the applicant's pupils in grades 1 to 5 in  
27 all districts served by the applicant who are eligible for free lunch, as determined

1 using the district's pupil membership count as of the pupil membership count day in  
2 the school year prior to the fiscal year for which the calculation is made, under the  
3 Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, shall be  
4 multiplied by the average kindergarten enrollment of the districts served by the  
5 applicant on the pupil membership count day of the 2 immediately preceding fiscal  
6 years.

7 (4) The initial allocation for each fiscal year to each eligible applicant under  
8 section 32d shall be determined by multiplying the number of ~~children~~ **SLOTS** determined  
9 by the formula under subsection (3) or the number of ~~children~~ **SLOTS** the applicant  
10 indicates it will be able to ~~serve~~ **FILL** under subsection (1)(c), whichever is less, by  
11 \$3,625.00 and shall be distributed among applicants in decreasing order of  
12 concentration of eligible children as determined by the formula under subsection (3).  
13 If the number of ~~children~~ **SLOTS** an applicant indicates it will be able to ~~serve~~ **FILL**  
14 under subsection (1)(c) includes children able to be served in a school-day program,  
15 then the ~~number able to be served in~~ **SLOTS FOR** a school-day program shall be doubled  
16 for the purposes of making this calculation of the lesser of the number of ~~children~~  
17 **SLOTS** determined by the formula under subsection (3) and the number of ~~children~~ **SLOTS**  
18 the applicant indicates it will be able to ~~serve~~ **FILL** under subsection (1)(c) and  
19 determining the amount of the initial allocation to the applicant under section 32d. A  
20 district may contract with a head start agency to serve children enrolled in head  
21 start with a school-day program by blending head start funds with a part-day great  
22 start readiness program allocation. All head start and great start readiness program  
23 policies and regulations apply to the blended program.

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

1 The allocation shall be determined by multiplying the number of ~~children~~ **SLOTS** in each  
2 district within the applicant's service area ~~served~~ **FILLED** in the immediately  
3 preceding fiscal year or the number of ~~children~~ **SLOTS** the applicant indicates it will  
4 be able to ~~serve~~ **FILL** under subsection (1)(c), whichever is less, minus the number of  
5 ~~children~~ **SLOTS** for which the applicant received funding in subsection (4) by  
6 \$3,625.00.

7 (6) If funds allocated for eligible applicants under section 32d remain after the  
8 allocations under subsections (4) and (5), remaining funds shall be distributed to  
9 each eligible applicant under section 32d in decreasing order of concentration of  
10 eligible children as determined by the formula under subsection (3). If the number of  
11 ~~children~~ **SLOTS** the applicant indicates it will be able to ~~serve~~ **FILL** under subsection  
12 (1)(c) exceeds the number of ~~children~~ **SLOTS** for which funds have been received under  
13 subsections (4) and (5), the allocation under this subsection shall be determined by  
14 multiplying the number of ~~children~~ **SLOTS** the applicant indicates it will be able to  
15 ~~serve~~ **FILL** under subsection (1)(c) less the number of ~~children~~ **SLOTS** for which funds  
16 have been received under subsections (4) and (5) by \$3,625.00 until the funds  
17 allocated for eligible applicants in section 32d are distributed.

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

24 (7) ~~(8)~~ If, taking into account the total amount to be allocated to the applicant  
25 as calculated under this section, an applicant determines that it is able to include  
26 additional eligible children in the great start readiness program without additional  
27 funds under section 32d, the applicant may include additional eligible children but

1 shall not receive additional funding under section 32d for those children.

2           Sec. 39a. (1) From the federal funds appropriated in section 11, there is  
3 allocated for ~~2015-2016~~ **2016-2017** to districts, intermediate districts, and other  
4 eligible entities all available federal funding, estimated at ~~\$779,076,400.00~~  
5 **\$821,939,900.00** for the federal programs under the no child left behind act of 2001,  
6 Public Law 107-110 **OR THE EVERY STUDENT SUCCEEDS ACT OF 2015, PUBLIC LAW 114-95**. These  
7 funds are allocated as follows:

8           (a) An amount estimated at ~~\$5,000,000.00~~ **\$2,000,000.00** to provide students with  
9 drug- and violence-prevention programs and to implement strategies to improve school  
10 safety, funded from DED-OESE, drug-free schools and communities funds.

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

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

17           (d) An amount estimated at ~~\$10,286,500.00~~ **\$250,000.00** for the Michigan charter  
18 school subgrant program, funded from DED-OESE, charter school funds.

19           (e) An amount estimated at \$3,000,000.00 for rural and low income schools, funded  
20 from DED-OESE, rural and low income school funds.

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

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

26           (h) An amount estimated at \$39,000,000.00 for the purpose of providing high-  
27 quality extended learning opportunities, after school and during the summer, for

1 children in low-performing schools, funded from DED-OESE, twenty-first century  
2 community learning center funds.

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

5 **(J) AN AMOUNT ESTIMATED AT \$55,900,000.00 TO IMPROVE THE ACADEMIC ACHIEVEMENT OF**  
6 **STUDENTS, FUNDED FROM DED-OESE, TITLE IV, STUDENT SUPPORT AND ACADEMIC ENRICHMENT**  
7 **GRANTS.**

8 (2) From the federal funds appropriated in section 11, there is allocated for  
9 ~~2015-2016~~ 2016-2017 to districts, intermediate districts, and other eligible entities  
10 all available federal funding, estimated at \$30,800,000.00 for the following programs  
11 that are funded by federal grants:

12 (a) An amount estimated at \$200,000.00 for acquired immunodeficiency syndrome  
13 education grants, funded from HHS - Centers for Disease Control and Prevention, AIDS  
14 funding.

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

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

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

21 (3) All federal funds allocated under this section shall be distributed in  
22 accordance with federal law and with flexibility provisions outlined in Public Law  
23 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.  
24 Notwithstanding section 17b, payments of federal funds to districts, intermediate  
25 districts, and other eligible entities under this section shall be paid on a schedule  
26 determined by the department.

27 (4) For the purposes of applying for federal grants appropriated under this

1 article, the department shall allow an intermediate district to submit a consortium  
 2 application on behalf of 2 or more districts with the agreement of those districts as  
 3 appropriate according to federal rules and guidelines.

4 (5) As used in this section:

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

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

7 (c) "DED-OVAE" means the DED Office of Vocational and Adult Education.

8 (d) "HHS" means the United States Department of Health and Human Services.

9 (e) "HHS-SAMHSA" means the HHS Substance Abuse and Mental Health Services  
 10 Administration.

11 Sec. 41. From the appropriation in section 11, there is allocated an amount not  
 12 to exceed \$1,200,000.00 for ~~2015-2016~~ **2016-2017** to applicant districts and  
 13 intermediate districts offering programs of instruction for pupils of limited English-  
 14 speaking ability under section 1153 of the revised school code, MCL 380.1153.  
 15 Reimbursement shall be on a per-pupil basis and shall be based on the number of pupils  
 16 of limited English-speaking ability in membership on the pupil membership count day.  
 17 Funds allocated under this section shall be used solely for instruction in speaking,  
 18 reading, writing, or comprehension of English. A pupil shall not be counted under this  
 19 section or instructed in a program under this section for more than 3 years.

20 Sec. 51a. (1) From the appropriation in section 11, there is allocated an amount  
 21 not to exceed ~~\$901,946,100.00 for 2014-2015 and an amount not to exceed~~  
 22 ~~\$918,546,100.00~~ **\$973,046,100.00** for **2016-2017** from state sources and all available  
 23 federal funding under sections 611 to 619 of part B of the individuals with  
 24 disabilities education act, 20 USC 1411 to 1419, estimated at \$370,000,000.00 ~~each~~  
 25 ~~fiscal year for 2014-2015 and for 2015-2016~~ **2016-2017**, plus any carryover federal  
 26 funds from previous year appropriations. The allocations under this subsection are for  
 27 the purpose of reimbursing districts and intermediate districts for special education

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

15 (2) From the funds allocated under subsection (1), there is allocated the amount  
16 necessary, estimated at ~~\$248,100,000.00 for 2014-2015 and estimated at \$251,800,000.00~~  
17 **\$271,600,000.00** for ~~2015-2016~~ **2016-2017**, for payments toward reimbursing districts and  
18 intermediate districts for 28.6138% of total approved costs of special education,  
19 excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of  
20 special education transportation. Allocations under this subsection shall be made as  
21 follows:

22 (a) The initial amount allocated to a district under this subsection toward  
23 fulfilling the specified percentages shall be calculated by multiplying the district's  
24 special education pupil membership, excluding pupils described in subsection (11),  
25 times the foundation allowance under section 20 of the pupil's district of residence  
26 **PLUS THE AMOUNT OF THE DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION 20J(2)**, not to  
27 exceed the basic foundation allowance under section 20 for the current fiscal year,



1 or, for a special education pupil in membership in a district that is a public school  
2 academy, times an amount equal to the amount per membership pupil calculated under  
3 section 20(6) or, for a pupil described in this subsection who is counted in  
4 membership in the education achievement system, times an amount equal to the amount  
5 per membership pupil under section 20(7). For an intermediate district, the amount  
6 allocated under this subdivision toward fulfilling the specified percentages shall be  
7 an amount per special education membership pupil, excluding pupils described in  
8 subsection (11), and shall be calculated in the same manner as for a district, using  
9 the foundation allowance under section 20 of the pupil's district of residence, not to  
10 exceed the basic foundation allowance under section 20 for the current fiscal year **AND**  
11 **THAT DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION 20J(2)**.

12 (b) After the allocations under subdivision (a), districts and intermediate  
13 districts for which the payments calculated under subdivision (a) do not fulfill the  
14 specified percentages shall be paid the amount necessary to achieve the specified  
15 percentages for the district or intermediate district.

16 (3) From the funds allocated under subsection (1), there is allocated for ~~2014-~~  
17 ~~2015 an amount not to exceed \$1,000,000.00 and there is allocated for 2015-2016~~ **2016-**  
18 **2017** an amount not to exceed ~~\$1,300,000.00~~ **\$1,100,000.00** to make payments to districts  
19 and intermediate districts under this subsection. If the amount allocated to a  
20 district or intermediate district for a fiscal year under subsection (2)(b) is less  
21 than the sum of the amounts allocated to the district or intermediate district for  
22 1996-97 under sections 52 and 58, there is allocated to the district or intermediate  
23 district for the fiscal year an amount equal to that difference, adjusted by applying  
24 the same proration factor that was used in the distribution of funds under section 52  
25 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of  
26 special education used in calculations for the fiscal year. This adjustment is to  
27 reflect reductions in special education program operations or services between 1996-97

1 and subsequent fiscal years. Adjustments for reductions in special education program  
2 operations or services shall be made in a manner determined by the department and  
3 shall include adjustments for program or service shifts.

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

19 (5) State funds shall be allocated on a total approved cost basis. Federal funds  
20 shall be allocated under applicable federal requirements, except that an amount not to  
21 exceed \$3,500,000.00 may be allocated by the department ~~each fiscal year for 2014-2015~~  
22 ~~and for 2015-2016~~ 2016-2017 to districts, intermediate districts, or other eligible  
23 entities on a competitive grant basis for programs, equipment, and services that the  
24 department determines to be designed to benefit or improve special education on a  
25 statewide scale.

26 (6) From the amount allocated in subsection (1), there is allocated an amount not  
27 to exceed \$2,200,000.00 ~~each fiscal year for 2014-2015 and for 2015-2016~~ 2016-2017 to

1 reimburse 100% of the net increase in necessary costs incurred by a district or  
2 intermediate district in implementing the revisions in the administrative rules for  
3 special education that became effective on July 1, 1987. As used in this subsection,  
4 "net increase in necessary costs" means the necessary additional costs incurred solely  
5 because of new or revised requirements in the administrative rules minus cost savings  
6 permitted in implementing the revised rules. Net increase in necessary costs shall be  
7 determined in a manner specified by the department.

8 (7) For purposes of sections 51a to 58, all of the following apply:

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

25 (b) Beginning with the 2004-2005 fiscal year, a district or intermediate district  
26 that employed special education support services staff to provide special education  
27 support services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year

1 after 2003-2004 receives the same type of support services from another district or  
2 intermediate district shall report the cost of those support services for special  
3 education reimbursement purposes under this article. This subdivision does not  
4 prohibit the transfer of special education classroom teachers and special education  
5 classroom aides if the pupils counted in membership associated with those special  
6 education classroom teachers and special education classroom aides are transferred and  
7 counted in membership in the other district or intermediate district in conjunction  
8 with the transfer of those teachers and aides.

9 (c) If the department determines before bookclosing for a fiscal year that the  
10 amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and  
11 sections 53a, 54, and 56 will exceed expenditures for that fiscal year under  
12 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district  
13 or intermediate district whose reimbursement for that fiscal year would otherwise be  
14 affected by subdivision (b), subdivision (b) does not apply to the calculation of the  
15 reimbursement for that district or intermediate district and reimbursement for that  
16 district or intermediate district shall be calculated in the same manner as it was for  
17 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6),  
18 and (11) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation  
19 of reimbursement to those districts and intermediate districts under this subdivision,  
20 then the calculations and resulting reimbursement under this subdivision shall be  
21 prorated on an equal percentage basis. Beginning in 2015-2016, the amount of  
22 reimbursement under this subdivision for a fiscal year shall not exceed \$2,000,000.00  
23 for any district or intermediate district.

24 (d) Reimbursement for ancillary and other related services, as defined by R  
25 340.1701c of the Michigan administrative code, shall not be provided when those  
26 services are covered by and available through private group health insurance carriers  
27 or federal reimbursed program sources unless the department and district or

1 intermediate district agree otherwise and that agreement is approved by the state  
2 budget director. Expenses, other than the incidental expense of filing, shall not be  
3 borne by the parent. In addition, the filing of claims shall not delay the education  
4 of a pupil. A district or intermediate district shall be responsible for payment of a  
5 deductible amount and for an advance payment required until the time a claim is paid.

6 (e) Beginning with calculations for 2004-2005, if an intermediate district  
7 purchases a special education pupil transportation service from a constituent district  
8 that was previously purchased from a private entity; if the purchase from the  
9 constituent district is at a lower cost, adjusted for changes in fuel costs; and if  
10 the cost shift from the intermediate district to the constituent does not result in  
11 any net change in the revenue the constituent district receives from payments under  
12 sections 22b and 51c, then upon application by the intermediate district, the  
13 department shall direct the intermediate district to continue to report the cost  
14 associated with the specific identified special education pupil transportation service  
15 and shall adjust the costs reported by the constituent district to remove the cost  
16 associated with that specific service.

17 (8) A pupil who is enrolled in a full-time special education program conducted or  
18 administered by an intermediate district or a pupil who is enrolled in the Michigan  
19 schools for the deaf and blind shall not be included in the membership count of a  
20 district, but shall be counted in membership in the intermediate district of  
21 residence.

22 (9) Special education personnel transferred from 1 district to another to  
23 implement the revised school code shall be entitled to the rights, benefits, and  
24 tenure to which the person would otherwise be entitled had that person been employed  
25 by the receiving district originally.

26 (10) If a district or intermediate district uses money received under this  
27 section for a purpose other than the purpose or purposes for which the money is

1 allocated, the department may require the district or intermediate district to refund  
2 the amount of money received. Money that is refunded shall be deposited in the state  
3 treasury to the credit of the state school aid fund.

4 (11) From the funds allocated in subsection (1), there is allocated the amount  
5 necessary, estimated at ~~\$3,400,000.00 for 2014-2015 and estimated at \$3,300,000.00~~  
6 **\$3,700,000.00** for ~~2015-2016~~ **2016-2017**, to pay the foundation allowances for pupils  
7 described in this subsection. The allocation to a district under this subsection shall  
8 be calculated by multiplying the number of pupils described in this subsection who are  
9 counted in membership in the district times the **SUM OF THE** foundation allowance under  
10 section 20 of the pupil's district of residence **PLUS THE AMOUNT OF THE DISTRICT'S PER**  
11 **PUPIL ALLOCATION UNDER SECTION 20J(2)**, not to exceed the basic foundation allowance  
12 under section 20 for the current fiscal year, or, for a pupil described in this  
13 subsection who is counted in membership in a district that is a public school academy,  
14 times an amount equal to the amount per membership pupil under section 20(6) or, for a  
15 pupil described in this subsection who is counted in membership in the education  
16 achievement system, times an amount equal to the amount per membership pupil under  
17 section 20(7). The allocation to an intermediate district under this subsection shall  
18 be calculated in the same manner as for a district, using the foundation allowance  
19 under section 20 of the pupil's district of residence, not to exceed the basic  
20 foundation allowance under section 20 for the current fiscal year, **AND THAT DISTRICT'S**  
21 **PER PUPIL ALLOCATION UNDER SECTION 20J(2)**. This subsection applies to all of the  
22 following pupils:

23 (a) Pupils described in section 53a.

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

27 (c) Pupils with an emotional impairment counted in membership by an intermediate

1 district and provided educational services by the department of health and human  
2 services.

3 (12) If it is determined that funds allocated under subsection (2) or (11) or  
4 under section 51c will not be expended, funds up to the amount necessary and available  
5 may be used to supplement the allocations under subsection (2) or (11) or under  
6 section 51c in order to fully fund those allocations. After payments under subsections  
7 (2) and (11) and section 51c, the remaining expenditures from the allocation in  
8 subsection (1) shall be made in 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) shall be allocations to  
15 intermediate districts only and shall not be allocations to districts, but instead  
16 shall be calculations used only to determine the state payments under section 22b.

17 (14) If a public school academy enrolls pursuant to this section a pupil who  
18 resides outside of the intermediate district in which the public school academy is  
19 located and who is eligible for special education programs and services according to  
20 statute or rule, or who is a child with disabilities, as defined under the individuals  
21 with disabilities education act, Public Law 108-446, the provision of special  
22 education programs and services and the payment of the added costs of special  
23 education programs and services for the pupil are the responsibility of the district  
24 and intermediate district in which the pupil resides unless the enrolling district or  
25 intermediate district has a written agreement with the district or intermediate  
26 district in which the pupil resides or the public school academy for the purpose of  
27 providing the pupil with a free appropriate public education and the written agreement

1 includes at least an agreement on the responsibility for the payment of the added  
2 costs of special education programs and services for the pupil.

3 ~~(15) It is the intent of the legislature that, beginning in 2016-2017, a~~  
4 ~~district, public school academy, or intermediate district that fails to comply with~~  
5 ~~subsection (14) or with the requirements of federal regulations regarding the~~  
6 ~~treatment of public school academies and public school academy pupils for the purposes~~  
7 ~~of special education, 34 CFR 300.209, forfeits from its total state aid an amount~~  
8 ~~equal to 10% of its total state aid.~~

9 Sec. 51c. As required by the court in the consolidated cases known as Durant v  
10 State of Michigan, Michigan supreme court docket no. 104458-104492, from the  
11 allocation under section 51a(1), there is allocated ~~each fiscal year for 2014-2015 and~~  
12 ~~for 2015-2016~~ the amount necessary, estimated at ~~\$597,300,000.00~~ **\$644,500,000.00** for  
13 ~~2014-2015 and estimated at \$610,000,000.00 for 2015-2016,~~ **2016-2017** for payments to  
14 reimburse districts for 28.6138% of total approved costs of special education  
15 excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of  
16 special education transportation. Funds allocated under this section that are not  
17 expended in the state fiscal year for which they were allocated, as determined by the  
18 department, may be used to supplement the allocations under sections 22a and 22b in  
19 order to fully fund those calculated allocations for the same fiscal year.

20 Sec. 51d. (1) From the federal funds appropriated in section 11, there is  
21 allocated for ~~2015-2016~~ **2016-2017**, all available federal funding, estimated at  
22 \$71,000,000.00, for special education programs and services that are funded by federal  
23 grants. All federal funds allocated under this section shall be distributed in  
24 accordance with federal law. Notwithstanding section 17b, payments of federal funds to  
25 districts, intermediate districts, and other eligible entities under this section  
26 shall be paid on a schedule determined by the department.

27 (2) From the federal funds allocated under subsection (1), the following amounts



1 are allocated for ~~2015-2016~~ 2016-2017:

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

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

6 (c) An amount estimated at \$45,000,000.00 for special education programs funded  
7 by DED-OSERS, handicapped program, individuals with disabilities act funds.

8 (3) As used in this section, "DED-OSERS" means the United States Department of  
9 Education Office of Special Education and Rehabilitative Services.

10 Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2)  
11 shall be 100% of the total approved costs of operating special education programs and  
12 services approved by the department and included in the intermediate district plan  
13 adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766,  
14 minus the district's foundation allowance calculated under section 20 **AND MINUS THE**  
15 **AMOUNT CALCULATED FOR THE DISTRICT UNDER SECTION 20J**. For intermediate districts,  
16 reimbursement for pupils described in subsection (2) shall be calculated in the same  
17 manner as for a district, using the foundation allowance under section 20 of the  
18 pupil's district of residence, not to exceed the basic foundation allowance under  
19 section 20 for the current fiscal year, **AND UNDER SECTION 20J**.

20 (2) Reimbursement under subsection (1) is for the following special education  
21 pupils:

22 (a) Pupils assigned to a district or intermediate district through the community  
23 placement program of the courts or a state agency, if the pupil was a resident of  
24 another intermediate district at the time the pupil came under the jurisdiction of the  
25 court or a state agency.

26 (b) Pupils who are residents of institutions operated by the department of health  
27 and human services.

1 (c) Pupils who are former residents of department of community health  
2 institutions for the developmentally disabled who are placed in community settings  
3 other than the pupil's home.

4 (d) Pupils enrolled in a department-approved on-grounds educational program  
5 longer than 180 days, but not longer than 233 days, at a residential child care  
6 institution, if the child care institution offered in 1991-92 an on-grounds  
7 educational program longer than 180 days but not longer than 233 days.

8 (e) Pupils placed in a district by a parent for the purpose of seeking a suitable  
9 home, if the parent does not reside in the same intermediate district as the district  
10 in which the pupil is placed.

11 (3) Only those costs that are clearly and directly attributable to educational  
12 programs for pupils described in subsection (2), and that would not have been incurred  
13 if the pupils were not being educated in a district or intermediate district, are  
14 reimbursable under this section.

15 (4) The costs of transportation shall be funded under this section and shall not  
16 be reimbursed under section 58.

17 (5) Not more than \$10,500,000.00 of the allocation for ~~2015-2016~~ 2016-2017 in  
18 section 51a(1) shall be allocated under this section.

19 Sec. 54. Each intermediate district shall receive an amount per-pupil for each  
20 pupil in attendance at the Michigan schools for the deaf and blind. The amount shall  
21 be proportionate to the total instructional cost at each school. Not more than  
22 \$1,688,000.00 of the allocation for ~~2015-2016~~ 2016-2017 in section 51a(1) shall be  
23 allocated under this section.

24 **SEC. 54B. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS**  
25 **ALLOCATED \$1,370,000.00 FOR 2016-2017 TO BEGIN IMPLEMENTATION OF THE RECOMMENDATIONS**  
26 **OF THE SPECIAL EDUCATION REFORM TASK FORCE PUBLISHED IN JANUARY 2016.**

27 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED \$750,000.00 FOR THE

1 PURPOSE OF PILOTING STATEWIDE IMPLEMENTATION OF THE MICHIGAN INTEGRATED BEHAVIOR AND  
2 LEARNING SUPPORT INITIATIVE (MIBLSI), A NATIONALLY-RECOGNIZED PROGRAM THAT INCLUDES  
3 POSITIVE BEHAVIORAL INTERVENTION AND SUPPORTS AND PROVIDES A STATEWIDE STRUCTURE TO  
4 SUPPORT LOCAL INITIATIVES FOR AN INTEGRATED BEHAVIOR AND READING PROGRAM. WITH THE  
5 ASSISTANCE OF THE INTERMEDIATE DISTRICTS INVOLVED IN MIBLSI, THE DEPARTMENT SHALL  
6 IDENTIFY AT LEAST 3 INTERMEDIATE DISTRICTS TO PARTICIPATE IN THE PILOT TO ENSURE THAT  
7 MIBLSI CAN BE IMPLEMENTED STATEWIDE WITH FIDELITY AND SUSTAINABILITY. IN ADDITION, THE  
8 DEPARTMENT SHALL IDENTIFY AN INTERMEDIATE DISTRICT TO ACT AS A FISCAL AGENT FOR THESE  
9 FUNDS.

10 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED \$620,000.00 FOR THE  
11 PURPOSE OF PROVIDING TRAINING TO INTERMEDIATE DISTRICTS AND DISTRICTS RELATED TO THE  
12 SAFE IMPLEMENTATION OF EMERGENCY RESTRAINTS AND SECLUSION. THE DEPARTMENT SHALL  
13 DEVELOP AND IMPLEMENT A TRAINING PROGRAM THAT IS BASED ON THE STATE BOARD OF  
14 EDUCATION'S ADOPTED STANDARDS AND ANY OTHER LEGISLATION ENACTED BY THE LEGISLATURE  
15 REGARDING THE EMERGENCY USE OF SECLUSION AND RESTRAINT.

16 Sec. 55. (1) From the money appropriated in section 11, there is allocated an  
17 amount not to exceed \$150,000.00 for ~~2015-2016~~ 2016-2017 to Michigan State University,  
18 Department of Epidemiology, for a study of the Conductive Learning Center located at  
19 Aquinas College. This funding shall be used to develop and implement an evaluation of  
20 the effectiveness of conductive education for children with cerebral palsy. The  
21 evaluation shall be multidimensional and shall include a control group of children  
22 with cerebral palsy not enrolled in conductive education. It should include an  
23 assessment of the motor system itself as well as the impact of conductive education on  
24 each of the following:

- 25 (a) The acquisition of skills permitting complex motor functions.  
26 (b) The performance of tasks essential to daily living.  
27 (c) The attitudes and feelings of both children and parents.

1 (d) The long-term need for special education for children with cerebral palsy.

2 (2) ~~It is the intent of the legislature that this~~ **THIS** funding is for the ~~first~~  
3 **SECOND** of 2 years of funding for this purpose.

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

5 (a) "Membership" means for a particular fiscal year the total membership for the  
6 immediately preceding fiscal year of the intermediate district and the districts  
7 constituent to the intermediate district.

8 (b) "Millage levied" means the millage levied for special education pursuant to  
9 part 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for  
10 debt service obligations.

11 (c) "Taxable value" means the total taxable value of the districts constituent to  
12 an intermediate district, except that if a district has elected not to come under part  
13 30 of the revised school code, MCL 380.1711 to 380.1743, membership and taxable value  
14 of the district shall not be included in the membership and taxable value of the  
15 intermediate district.

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

26 (3) Reimbursement for those millages levied in ~~2014-2015~~ **2015-2016** shall be made  
27 in ~~2015-2016~~ **2016-2017** at an amount per ~~2014-2015~~ **2015-2016** membership pupil computed

1 by subtracting from ~~\$174,400.00~~ \$179,100.00 the ~~2014-2015~~ 2015-2016 taxable value  
2 behind each membership pupil and multiplying the resulting difference by the ~~2014-2015~~  
3 2015-2016 millage levied.

4 (4) The amount paid to a single intermediate district under this section shall  
5 not exceed 62.9% of the total amount allocated under subsection (2).

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

9 Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount  
10 not to exceed \$36,611,300.00 for ~~2015-2016~~ 2016-2017 to reimburse on an added cost  
11 basis districts, except for a district that served as the fiscal agent for a  
12 vocational education consortium in the 1993-94 school year, and secondary area  
13 vocational-technical education centers for secondary-level career and technical  
14 education programs according to rules approved by the superintendent. Applications for  
15 participation in the programs shall be submitted in the form prescribed by the  
16 department. The department shall determine the added cost for each career and  
17 technical education program area. The allocation of added cost funds shall be  
18 prioritized based on the capital and program expenditures needed to operate the career  
19 and technical education programs provided; the number of pupils enrolled; the  
20 advancement of pupils through the instructional program; the existence of an  
21 articulation agreement with at least 1 postsecondary institution that provides pupils  
22 with opportunities to earn postsecondary credit during the pupil's participation in  
23 the career and technical education program and transfers those credits to the  
24 postsecondary institution upon completion of the career and technical education  
25 program; the program rank in student placement, job openings, and wages; ~~and the~~  
26 ~~length of the training period provided~~, and shall not exceed 75% of the added cost of  
27 any program. Notwithstanding any rule or department determination to the contrary,

1 when determining a district's allocation or the formula for making allocations under  
2 this section, the department shall include the participation of pupils in grade 9 in  
3 all of those determinations and in all portions of the formula. With the approval of  
4 the department, the board of a district maintaining a secondary career and technical  
5 education program may offer the program for the period from the close of the school  
6 year until September 1. The program shall use existing facilities and shall be  
7 operated as prescribed by rules promulgated by the superintendent.

8 (2) Except for a district that served as the fiscal agent for a vocational  
9 education consortium in the 1993-94 school year, districts and intermediate districts  
10 shall be reimbursed for local career and technical education administration, shared  
11 time career and technical education administration, and career education planning  
12 district career and technical education administration. The definition of what  
13 constitutes administration and reimbursement shall be pursuant to guidelines adopted  
14 by the superintendent. Not more than \$800,000.00 of the allocation in subsection (1)  
15 shall be distributed under this subsection.

16 (3) A career and technical education program funded under this section may  
17 provide an opportunity for participants who are eligible to be funded under section  
18 107 to enroll in the career and technical education program funded under this section  
19 if the participation does not occur during regular school hours.

20 Sec. 61b. (1) From the appropriation in section 11, there is allocated an amount  
21 not to exceed ~~\$10,000,000.00~~ \$15,000,000.00 for ~~2015-2016~~ 2016-2017 for CTE  
22 early/middle college programs authorized under this section. The purpose of these  
23 programs is to increase the number of Michigan residents with high-quality degrees or  
24 credentials, and to increase the number of students who are college and career ready  
25 upon high school graduation.

26 (2) From the funds allocated under subsection (1), an amount as determined under  
27 this subsection shall be allocated to each intermediate district serving as a fiscal

1 agent for state-approved CTE early/middle college programs in each of the prosperity  
2 regions and subregions identified by the department. An intermediate district shall  
3 not use more than 5% of the funds allocated under this subsection for administrative  
4 costs for serving as the fiscal agent.

5 (3) To be an eligible fiscal agent, an intermediate district must agree to do all  
6 of the following in a form and manner determined by the department:

7 (a) Distribute funds to eligible CTE early/middle college programs in a  
8 prosperity region or subregion as described in this section.

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

13 (c) Implement a regional process to rank career clusters in the prosperity region  
14 or subregion as described under subsection (4). Regional processes shall be approved  
15 by the department before the ranking of career clusters.

16 (d) Report CTE early/middle college program and student data and information as  
17 prescribed by the department.

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

21 (a) An identification of regional employer need based on a ranking of all career  
22 clusters in the prosperity region or subregion ranked by 10-year job openings  
23 projections and median wage for each standard occupational code in each career cluster  
24 as obtained from the United States Bureau of Labor Statistics. Standard occupational  
25 codes within high-ranking clusters also may be further ranked by median wage. The  
26 rankings shall be reviewed by the talent district career council located in the  
27 prosperity region or subregion and modified if necessary to accurately reflect

1 employer demand for talent in the prosperity region or subregion. **THE REVIEW SHALL BE**  
2 **DOCUMENTED AND DEEMED ACCURATE BY THE TALENT DISTRICT CAREER COUNCILS.** These career  
3 cluster rankings shall be determined and updated once every 3 years.

4 (b) An identification of educational entities in the prosperity region or  
5 subregion that will provide eligible CTE early/middle college programs including  
6 districts, intermediate districts, postsecondary institutions, and noncredit  
7 occupational training programs leading to an industry-recognized credential.

8 (c) A strategy to inform parents and students of CTE early/middle college  
9 programs in the prosperity region or subregion.

10 (d) Any other requirements as defined by the department.

11 (5) An eligible CTE early/middle college program is a 5-year high school program  
12 that meets all of the following:

13 (a) Has been identified in the highest 5 career cluster rankings in any of the 10  
14 regional strategic plans jointly approved by the Michigan talent investment agency in  
15 the department of talent and economic development and the department.

16 (b) Has a coherent sequence of courses that will allow a student to earn a high  
17 school diploma and achieve at least 1 of the following in a specific career cluster:

18 (i) An associate degree.

19 (ii) An industry-recognized technical certification approved by the Michigan  
20 talent investment agency in the department of 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 postsecondary institution that  
25 provides students with opportunities to receive postsecondary credits during the  
26 student's participation in the CTE early/middle college program and transfers those  
27 credits to the postsecondary institution upon completion of the CTE early/middle



1 college program.

2 (e) Provides instruction that is supervised, directed, or coordinated by an  
3 appropriately certificated CTE teacher or, for concurrent enrollment courses, a  
4 postsecondary faculty member.

5 (f) Provides for highly integrated student support services that include at least  
6 the following:

7 (i) Teachers as academic advisors.

8 (ii) Supervised course selection.

9 (iii) Monitoring of student progress and completion.

10 (iv) Career planning services provided by a local one-stop service center as  
11 described in the Michigan works one-stop service center system act, 2006 PA 491, MCL  
12 408.111 to 408.135, or by a high school counselor or advisor.

13 (g) Has courses that are taught on a college campus, are college courses offered  
14 at the high school and taught by college faculty, or are courses taught in combination  
15 with online instruction.

16 (6) Funds to eligible CTE early/middle college programs shall be distributed as  
17 follows:

18 (a) The department shall calculate statewide average CTE costs per ~~full-time~~  
19 ~~equated~~ pupil for each career cluster by dividing total prior year statewide costs for  
20 each career cluster by prior year ~~full-time-equated~~ pupils for each career cluster.

21 (b) Distribution to each eligible CTE early/middle college program shall be the  
22 product of 50% of CTE costs per ~~full-time-equated~~ pupil times the current year ~~full-~~  
23 ~~time-equated~~ pupil enrollment of each career cluster in an eligible CTE early/middle  
24 college program.

25 (7) In order to receive funds under this section, a CTE early/middle college  
26 program shall furnish to the intermediate district that is the fiscal agent identified  
27 in subsection (1), in a form and manner determined by the department, all information

1 needed to administer this program and meet federal reporting requirements; shall allow  
2 the department or the department's designee to review all records related to the  
3 program for which it receives funds; and shall reimburse the state for all  
4 disallowances found in the review, as determined by the department.

5 (8) Funds distributed under this section may be used to fund program expenditures  
6 that would otherwise be paid from foundation allowances. **PROGRAMS RECEIVING FUNDING**  
7 **UNDER SECTION 61A MAY RECEIVE FUNDING UNDER THIS SECTION FOR ALLOWABLE COSTS THAT**  
8 **EXCEED THE REIMBURSEMENT THE PROGRAM RECEIVED UNDER SECTION 61A. THE COMBINED PAYMENTS**  
9 **RECEIVED BY A PROGRAM UNDER SECTION 61A AND THIS SECTION SHALL NOT EXCEED THE TOTAL**  
10 **ALLOWABLE COSTS OF THE PROGRAM.** A program provider shall not use more than 5% of the  
11 funds allocated under this section to the program for administrative costs.

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

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

19 (11) As used in this section:

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

22 (b) "CTE" means career and technical education.

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

26 **SEC. 61C. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2016-**  
27 **2017 AN AMOUNT NOT TO EXCEED \$10,000,000.00 TO ELIGIBLE DISTRICTS AND INTERMEDIATE**

1 DISTRICTS FOR THE CTE SKILLED TRADES EQUIPMENT INITIATIVE.

2 (2) THE DEPARTMENT SHALL DEVELOP CRITERIA FOR A COMPETITIVE GRANT PROGRAM TO  
3 IMPROVE THE CAPITAL INFRASTRUCTURE NEEDED TO ENSURE THAT CAREER AND TECHNICAL PROGRAMS  
4 CAN DELIVER EDUCATIONAL PROGRAMS IN HIGH-WAGE, HIGH-SKILL AND HIGH-DEMAND OCCUPATIONS  
5 BASED ON STANDARDS AND CRITERIA DEVELOPED BY MISTEM ADVISORY COUNCIL CREATED IN  
6 SECTION 99S.

7 (3) AT A MINIMUM, THE DEPARTMENT SHALL CONSIDER THE FINDINGS OF THE STUDY  
8 CONDUCTED UNDER FORMER SECTION 64C REGARDING CURRENT CAPITAL INFRASTRUCTURE AND  
9 REGIONAL STRATEGIC PLANS APPROVED BY THE TALENT DISTRICT CAREER COUNCILS LOCATED IN A  
10 PROSPERITY REGIONS AS DESCRIBED UNDER SECTION 61B.

11 (4) APPLICATIONS SHALL BE SUBMITTED IN A FORM AND MANNER APPROVED BY THE  
12 DEPARTMENT. THE DEPARTMENT, IN COLLABORATION WITH THE MISTEM ADVISORY COUNCIL, SHALL  
13 MAKE THE AWARDS. NO GRANT AWARD SHALL EXCEED \$500,000.00.

14 (5) ELIGIBLE COSTS INCLUDE THE COSTS OF EQUIPMENT, RENOVATIONS RELATED TO  
15 INSTALLATION OF THE EQUIPMENT, INSTALLATION COSTS OF THE EQUIPMENT AND TRAINING FOR  
16 INSTRUCTORS THAT WILL BE PROVIDING INSTRUCTION USING THE EQUIPMENT.

17 Sec. 62. (1) For the purposes of this section:

18 (a) "Membership" means for a particular fiscal year the total membership for the  
19 immediately preceding fiscal year of the intermediate district and the districts  
20 constituent to the intermediate district or the total membership for the immediately  
21 preceding fiscal year of the area vocational-technical program.

22 (b) "Millage levied" means the millage levied for area vocational-technical  
23 education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to  
24 380.690, including a levy for debt service obligations incurred as the result of  
25 borrowing for capital outlay projects and in meeting capital projects fund  
26 requirements of area vocational-technical education.

27 (c) "Taxable value" means the total taxable value of the districts constituent to

1 an intermediate district or area vocational-technical education program, except that  
2 if a district has elected not to come under sections 681 to 690 of the revised school  
3 code, MCL 380.681 to 380.690, the membership and taxable value of that district shall  
4 not be included in the membership and taxable value of the intermediate district.  
5 However, the membership and taxable value of a district that has elected not to come  
6 under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, shall be  
7 included in the membership and taxable value of the intermediate district if the  
8 district meets both of the following:

9 (i) The district operates the area vocational-technical education program  
10 pursuant to a contract with the intermediate district.

11 (ii) The district contributes an annual amount to the operation of the program  
12 that is commensurate with the revenue that would have been raised for operation of the  
13 program if millage were levied in the district for the program under sections 681 to  
14 690 of the revised school code, MCL 380.681 to 380.690.

15 (2) From the appropriation in section 11, there is allocated an amount not to  
16 exceed \$9,190,000.00 for ~~2015-2016~~ 2016-2017 to reimburse intermediate districts and  
17 area vocational-technical education programs established under section 690(3) of the  
18 revised school code, MCL 380.690, levying millages for area vocational-technical  
19 education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to  
20 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if  
21 the funds were generated by those millages.

22 (3) Reimbursement for the millages levied in ~~2014-2015~~ 2015-2016 shall be made in  
23 ~~2015-2016~~ 2016-2017 at an amount per ~~2014-2015~~ 2015-2016 membership pupil computed by  
24 subtracting from ~~\$189,400.00~~ \$196,100.00 the ~~2014-2015~~ 2015-2016 taxable value behind  
25 each membership pupil and multiplying the resulting difference by the ~~2014-2015~~ 2015-  
26 2016 millage levied.

27 (4) The amount paid to a single intermediate district under this section shall

1 not exceed 38.4% of the total amount allocated under subsection (2).

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

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

14 (2) To be eligible for payments under this section for supporting the attendance  
15 of district pupils under the postsecondary enrollment options act, 1996 PA 160, MCL  
16 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258,  
17 MCL 388.1901 to 388.1913, a district shall do all of the following:

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

22 (b) Enter into a written agreement with a postsecondary institution before the  
23 enrollment of district pupils.

24 (c) Agree to pay all eligible charges pursuant to section 21b.

25 (d) Award high school credit for the postsecondary course if the pupil  
26 successfully completes the course.

27 (3) To be eligible for payments under this section for pupils enrolled in a

1 concurrent enrollment program, a district shall do all of the following:

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

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

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

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

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

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

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

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

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

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

5 Sec. 65. (1) From the general fund money appropriated under section 11, there is  
6 allocated an amount not to exceed \$340,000.00 for ~~2015-2016~~ 2016-2017 for a pre-  
7 college engineering K-12 educational program that is focused on the development of a  
8 diverse future Michigan workforce, that serves multiple communities within southeast  
9 Michigan, that enrolls pupils from multiple districts, and that received funds  
10 appropriated for this purpose in the appropriations act that provided the Michigan  
11 strategic fund budget for 2014-2015.

12 (2) To be eligible for funding under this section, a program must have the  
13 ability to expose pupils to, and motivate and prepare pupils for, science, technology,  
14 engineering, and mathematics careers and postsecondary education with special  
15 attention given to groups of pupils who are at-risk and underrepresented in technical  
16 professions and careers.

17 Sec. 67. (1) From the general fund amount appropriated in section 11, there is  
18 allocated an amount not to exceed ~~\$3,600,000.00~~ \$3,050,000.00 for ~~2015-2016~~ 2016-2017  
19 for college and career preparation activities. The programs funded under this section  
20 are intended to inform students of college and career options and to provide a wide  
21 array of tools and resources intended to increase the number of pupils who are  
22 adequately prepared with the information needed to make informed decisions on college  
23 and career. The funds appropriated under this section are intended to be used to  
24 increase the number of Michigan residents with high-quality degrees or credentials.  
25 Funds appropriated under this section shall not be used to supplant funding for  
26 counselors already funded by districts.

27 (2) From the amount allocated in subsection (1), an amount not to exceed

1 \$3,000,000.00 shall be used for the college access program. The talent investment  
2 agency of the department of talent and economic development shall administer these  
3 funds in collaboration with the Michigan college access network. These funds may be  
4 used for any of the following purposes:

5 (a) Michigan college access network operations, programming, and services to  
6 local college access networks.

7 (b) Local college access networks, which are community-based college  
8 access/success partnerships committed to increasing the college participation and  
9 completion rates within geographically defined communities through a coordinated  
10 strategy.

11 (c) The Michigan college advising program, a program intended to place trained,  
12 recently graduated college advisors in high schools that serve significant numbers of  
13 low-income and first-generation college-going pupils. State funds used for this  
14 purpose may not exceed 33% of the total funds available under this subsection.

15 (d) Subgrants of up to \$5,000.00 to districts with comprehensive high schools  
16 that establish a college access team and implement specific strategies to create a  
17 college-going culture in a high school in a form and manner approved by the Michigan  
18 college access network and the Michigan talent investment agency.

19 (e) The Michigan college access portal, an online one-stop portal to help pupils  
20 and families plan and apply for college.

21 (f) Public awareness and outreach campaigns to encourage low-income and first-  
22 generation college-going pupils to take necessary steps toward college and to assist  
23 pupils and families in completing a timely and accurate free application for federal  
24 student aid.

25 (g) Subgrants to postsecondary institutions to recruit, hire, and train college  
26 student mentors and college advisors to assist high school pupils in navigating the  
27 postsecondary planning and enrollment process.



1 (3) From the amount allocated in subsection (1), an amount not to exceed  
2 ~~\$600,000.00~~ **\$50,000.00** shall be used for ~~the purposes of this subsection. The talent~~  
3 ~~investment agency of the department of talent and economic development shall~~  
4 ~~administer these funds in collaboration with the Michigan college access network and~~  
5 ~~the Michigan Virtual University to provide all of the following.~~

6 (a) ~~A pilot~~ **AN** outreach program to provide information to pupils, parents, and  
7 educators on dual enrollment and other opportunities available to high school pupils  
8 to earn postsecondary credits, industry-recognized technical certifications, and  
9 participation in registered apprenticeships at no cost.

10 ~~(b) An online career planning tool that meets all of the following:~~

11 ~~(i) Helps pupils create educational development plans before starting high~~  
12 ~~school.~~

13 ~~(ii) Provides information to pupils allowing them to make more informed choices~~  
14 ~~about career and education options.~~

15 ~~(iii) Is available to pupils at no cost.~~

16 (4) For the purposes of this section, "college" means any postsecondary  
17 educational opportunity that leads to a career, including, but not limited to, a  
18 postsecondary degree, industry-recognized technical certification, or registered  
19 apprenticeship.

20 Sec. 74. (1) From the amount appropriated in section 11, there is allocated an  
21 amount not to exceed ~~\$3,315,700.00~~ **\$3,320,600.00** for ~~2015-2016~~ **2016-2017** for the  
22 purposes of this section.

23 (2) From the allocation in subsection (1), there is allocated for each fiscal  
24 year the amount necessary for payments to state supported colleges or universities and  
25 intermediate districts providing school bus driver safety instruction pursuant to  
26 section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments  
27 shall be in an amount determined by the department not to exceed the actual cost of

1 instruction and driver compensation for each public or nonpublic school bus driver  
2 attending a course of instruction. For the purpose of computing compensation, the  
3 hourly rate allowed each school bus driver shall not exceed the hourly rate received  
4 for driving a school bus. Reimbursement compensating the driver during the course of  
5 instruction shall be made by the department to the college or university or  
6 intermediate district providing the course of instruction.

7 (3) From the allocation in subsection (1), there is allocated for ~~2015-2016~~ 2016-  
8 2017 the amount necessary to pay the reasonable costs of nonspecial education  
9 auxiliary services transportation provided pursuant to section 1323 of the revised  
10 school code, MCL 380.1323. Districts funded under this subsection shall not receive  
11 funding under any other section of this article for nonspecial education auxiliary  
12 services transportation.

13 (4) From the funds allocated in subsection (1), there is allocated an amount not  
14 to exceed ~~\$1,690,700.00~~ \$1,695,600.00 for ~~2015-2016~~ 2016-2017 for reimbursement to  
15 districts and intermediate districts for costs associated with the inspection of  
16 school buses and pupil transportation vehicles by the department of state police as  
17 required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a,  
18 and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The  
19 department of state police shall prepare a statement of costs attributable to each  
20 district for which bus inspections are provided and submit it to the department and to  
21 an intermediate district serving as fiduciary in a time and manner determined jointly  
22 by the department and the department of state police. Upon review and approval of the  
23 statement of cost, the department shall forward to the designated intermediate  
24 district serving as fiduciary the amount of the reimbursement on behalf of each  
25 district and intermediate district for costs detailed on the statement within 45 days  
26 after receipt of the statement. The designated intermediate district shall make  
27 payment in the amount specified on the statement to the department of state police

1 within 45 days after receipt of the statement. The total reimbursement of costs under  
2 this subsection shall not exceed the amount allocated under this subsection.  
3 Notwithstanding section 17b, payments to eligible entities under this subsection shall  
4 be paid on a schedule prescribed by the department.

5 SEC. 78. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT  
6 NOT TO EXCEED \$9,000,000.00 FOR 2016-2017 FOR REIMBURSEMENTS TO ELIGIBLE DISTRICTS FOR  
7 COSTS ASSOCIATED WITH TESTING FOR LEAD IN WATER. FUNDS APPROPRIATED UNDER THIS SECTION  
8 ARE INTENDED TO ENSURE THAT DISTRICTS ARE PROVIDING SAFE DRINKING WATER.

9 (2) NOT LATER THAN APRIL 1, 2016, THE DEPARTMENT, IN COLLABORATION WITH THE  
10 DEPARTMENT OF ENVIRONMENTAL QUALITY AND THE DEPARTMENT OF LICENSING AND REGULATORY  
11 AFFAIRS, SHALL DEVELOP A STRATEGIC STATEWIDE PLAN FOR THE VOLUNTARY TESTING FOR LEAD  
12 IN WATER BY DISTRICTS SERVED BY MUNICIPAL WATER SYSTEMS THAT PROVIDES CRITERIA FOR  
13 PRIORITIZING WHAT FACILITIES, WATER PIPES AND PLUMBING FIXTURES SHOULD BE TESTED. AT A  
14 MINIMUM, THE AGE OF THE FACILITY SHOULD BE CONSIDERED, AS WELL AS FIXTURES THAT ARE  
15 HIGH RISK SUCH AS DRINKING FOUNTAINS, ICE MAKERS, KITCHEN TAPS OR ANY OTHER FIXTURES  
16 THAT DELIVER WATER COMMONLY USED FOR CONSUMPTION. THE PLAN SHALL ALSO IDENTIFY THE  
17 PROPER SAMPLING AND ANALYSIS PROTOCOLS FOR TESTING FOR LEAD IN WATER AND MEASURES FOR  
18 REDUCING LEAD EXPOSURE AS RECOMMENDED BY THE UNITED STATES ENVIRONMENTAL PROTECTION  
19 AGENCY.

20 (3) NOT LATER THAN APRIL 30, 2016, THE DEPARTMENT SHALL PROVIDE NOTICE TO ALL  
21 DISTRICTS OF THE STRATEGIC STATEWIDE PLAN AND THE APPLICATION PROCESS FOR  
22 REIMBURSEMENT OF VOLUNTARY TESTING FOR LEAD IN WATER.

23 (4) THE APPLICATION FOR REIMBURSEMENT SHALL INCLUDE THE COLLECTION OF DATA THAT,  
24 AT A MINIMUM, ALLOWS THE DEPARTMENT TO PREPARE A REPORT TO THE GOVERNOR, THE  
25 LEGISLATURE, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR NOT  
26 LATER THAN 60 DAYS AFTER THE END OF THE STATE FISCAL YEAR CONTAINING THE FOLLOWING  
27 INFORMATION:

1 (A) THE TOTAL NUMBER OF FIXTURES WITHIN THE FACILITIES OF THE DISTRICT PROVIDING  
2 WATER FOR CONSUMPTION THAT MET THE PRIORITIZATION CRITERIA CONTAINED IN THE STATEWIDE  
3 STRATEGIC PLAN.

4 (B) THE TOTAL NUMBER OF FIXTURES TESTED FOR LEAD USING THE SAMPLING AND ANALYSIS  
5 PROTOCOLS RECOMMENDED IN THE STATEWIDE STRATEGIC PLAN.

6 (C) THE NUMBER OF FIXTURES TESTED THAT SHOWED ELEVATED LEVELS OF LEAD.

7 (D) A DESCRIPTION OF THE MEASURES IMPLEMENTED BY THE DISTRICT TO REDUCE ELEVATED  
8 LEVELS OF LEAD.

9 (E) ANY FINANCIAL OR OTHER INFORMATION THAT THE DEPARTMENT DETERMINES WOULD BE  
10 NECESSARY TO PROPERLY REIMBURSE DISTRICTS.

11 (F) ASSURANCE THAT THE DISTRICT HAS POSTED THE TESTING RESULTS ON ITS WEBSITE IN  
12 A FORM AND MANNER APPROVED BY THE DEPARTMENT.

13 (5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE MADE AS  
14 DETERMINED BY THE DEPARTMENT FOR ELIGIBLE TESTING REIMBURSEMENT REQUESTS. IF ELIGIBLE  
15 TESTING REQUESTS FOR REIMBURSEMENT EXCEED THE APPROPRIATION CONTAINED IN THIS SECTION,  
16 THOSE REIMBURSEMENT REQUESTS SHALL BE PAID FROM FUNDING MADE AVAILABLE UNDER THIS  
17 SECTION IN THE FOLLOWING FISCAL YEAR.

18 (6) AS USED IN THIS SECTION, "ELIGIBLE TESTING REIMBURSEMENT REQUEST" MEANS A  
19 REIMBURSEMENT REQUEST FOR REASONABLE COSTS ASSOCIATED WITH WATER TESTING THAT OCCURRED  
20 AFTER OCTOBER 1, 2015, THAT MEETS THE PRIORITIZATION CRITERIA IN THE STATEWIDE  
21 STRATEGIC PLAN, AND THAT HAS BEEN TESTED ACCORDING TO THE SAMPLING AND ANALYSIS  
22 PROTOCOLS CONTAINED IN THE STATEWIDE STRATEGIC PLAN.

23 Sec. 81. (1) From the appropriation in section 11, there is allocated for ~~2015-~~  
24 ~~2016~~ 2016-2017 to the intermediate districts the sum necessary, but not to exceed  
25 \$~~67,198,000.00~~ \$68,182,000.00 to provide state aid to intermediate districts under  
26 this section.

27 (2) ~~From the allocation in subsection (1), there is~~ EXCEPT AS OTHERWISE PROVIDED

1 **IN THIS SECTION, THERE IS** allocated for ~~2015-2016~~ an amount not to exceed  
2 ~~\$67,108,000.00 for allocations~~ 2016-2017 to each intermediate district in an amount  
3 equal to ~~103.1%~~ 101.6% of the amount allocated to the intermediate district under this  
4 subsection for ~~2014-2015~~ 2015-2016. Funding provided under this section shall be used  
5 to comply with requirements of this article and the revised school code that are  
6 applicable to intermediate districts, and for which funding is not provided elsewhere  
7 in this article, and to provide technical assistance to districts as authorized by the  
8 intermediate school board.

9 (3) Intermediate districts receiving funds under subsection (2) shall collaborate  
10 with the department to develop expanded professional development opportunities for  
11 teachers to update and expand their knowledge and skills needed to support the  
12 Michigan merit curriculum.

13 (4) From the allocation in subsection (1), there is allocated to an intermediate  
14 district, formed by the consolidation or annexation of 2 or more intermediate  
15 districts or the attachment of a total intermediate district to another intermediate  
16 school district or the annexation of all of the constituent K-12 districts of a  
17 previously existing intermediate school district which has disorganized, an additional  
18 allotment of \$3,500.00 each fiscal year for each intermediate district included in the  
19 new intermediate district for 3 years following consolidation, annexation, or  
20 attachment.

21 (5) In order to receive funding under subsection (2), an intermediate district  
22 shall do all of the following:

23 (a) Demonstrate to the satisfaction of the department that the intermediate  
24 district employs at least 1 person who is trained in pupil accounting and auditing  
25 procedures, rules, and regulations.

26 (b) Demonstrate to the satisfaction of the department that the intermediate  
27 district employs at least 1 person who is trained in rules, regulations, and district

1 reporting procedures for the individual-level student data that serves as the basis  
2 for the calculation of the district and high school graduation and dropout rates.

3 (c) Comply with sections 1278a and 1278b of the revised school code, MCL  
4 380.1278a and 380.1278b.

5 (d) Furnish data and other information required by state and federal law to the  
6 center and the department in the form and manner specified by the center or the  
7 department, as applicable.

8 (e) Comply with section 1230g of the revised school code, MCL 380.1230g.

9 (f) Comply with section 761 of the revised school code, MCL 380.761.

10 Sec. 94. (1) From the general fund appropriation in section 11, there is  
11 allocated to the department for ~~2015-2016~~ 2016-2017 an amount not to exceed  
12 \$250,000.00 for efforts to increase the number of pupils who participate and succeed  
13 in advanced placement and international baccalaureate programs.

14 (2) From the funds allocated under this section, the department shall award funds  
15 to cover all or part of the costs of advanced placement test fees or international  
16 baccalaureate test fees **AND INTERNATIONAL BACCALAUREATE REGISTRATION FEES** for low-  
17 income pupils who take an advanced placement or an international baccalaureate test.  
18 Payments shall not exceed \$20.00 per test completed, **OR \$150.00 PER INTERNATIONAL**  
19 **BACCALAUREATE REGISTRATION FEES PER STUDENT REGISTERED.**

20 (3) The department shall only award funds under this section if the department  
21 determines that all of the following criteria are met:

22 (a) Each pupil for whom payment is made meets eligibility requirements of the  
23 federal advanced placement test fee program under section 1701 of the no child left  
24 behind act of 2001, Public Law 107-110 **OR THE EVERY STUDENT SUCCEEDS ACT OF 2015,**  
25 **PUBLIC LAW 114-95.**

26 (b) The tests are administered by the college board, the international  
27 baccalaureate organization, or another test provider approved by the department.

1 (c) The pupil for whom payment is made pays at least \$5.00 toward the cost of  
2 each test for which payment is made.

3 (4) The department shall establish procedures for awarding funds under this  
4 section.

5 (5) Notwithstanding section 17b, payments under this section shall be made on a  
6 schedule determined by the department.

7 Sec. 94a. (1) There is created within the state budget office in the department  
8 of technology, management, and budget the center for educational performance and  
9 information. The center shall do all of the following:

10 (a) Coordinate the collection of all data required by state and federal law from  
11 districts, intermediate districts, and postsecondary institutions.

12 (b) Create, maintain, and enhance this state's P-20 longitudinal data system and  
13 ensure that it meets the requirements of subsection (4).

14 (c) Collect data in the most efficient manner possible in order to reduce the  
15 administrative burden on reporting entities, including, but not limited to, electronic  
16 transcript services.

17 (d) Create, maintain, and enhance this state's web-based educational portal to  
18 provide information to school leaders, teachers, researchers, and the public in  
19 compliance with all federal and state privacy laws. Data shall include, but are not  
20 limited to, all of the following:

21 (i) Data sets that link teachers to student information, allowing districts to  
22 assess individual teacher impact on student performance and consider student growth  
23 factors in teacher and principal evaluation systems.

24 (ii) Data access or, if practical, data sets, provided for regional data  
25 warehouses that, in combination with local data, can improve teaching and learning in  
26 the classroom.

27 (iii) Research-ready data sets for researchers to perform research that advances

1 this state's educational performance.

2 (e) Provide data in a useful manner to allow state and local policymakers to make  
3 informed policy decisions.

4 (f) Provide public reports to the citizens of this state to allow them to assess  
5 allocation of resources and the return on their investment in the education system of  
6 this state.

7 (g) Other functions as assigned by the state budget director.

8 (2) Each state department, officer, or agency that collects information from  
9 districts, intermediate districts, or postsecondary institutions as required under  
10 state or federal law shall make arrangements with the center to ensure that the state  
11 department, officer, or agency is in compliance with subsection (1). This subsection  
12 does not apply to information collected by the department of treasury under the  
13 uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised  
14 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond  
15 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or  
16 section 1351a of the revised school code, MCL 380.1351a.

17 (3) The center may enter into any interlocal agreements necessary to fulfill its  
18 functions.

19 (4) The center shall ensure that the P-20 longitudinal data system required under  
20 subsection (1)(b) meets all of the following:

21 (a) Includes data at the individual student level from preschool through  
22 postsecondary education and into the workforce.

23 (b) Supports interoperability by using standard data structures, data formats,  
24 and data definitions to ensure linkage and connectivity in a manner that facilitates  
25 the exchange of data among agencies and institutions within the state and between  
26 states.

27 (c) Enables the matching of individual teacher and student records so that an



1 individual student may be matched with those teachers providing instruction to that  
2 student.

3 (d) Enables the matching of individual teachers with information about their  
4 certification and the institutions that prepared and recommended those teachers for  
5 state certification.

6 (e) Enables data to be easily generated for continuous improvement and decision-  
7 making, including timely reporting to parents, teachers, and school leaders on student  
8 achievement.

9 (f) Ensures the reasonable quality, validity, and reliability of data contained  
10 in the system.

11 (g) Provides this state with the ability to meet federal and state reporting  
12 requirements.

13 (h) For data elements related to preschool through grade 12 and postsecondary,  
14 meets all of the following:

15 (i) Contains a unique statewide student identifier that does not permit a student  
16 to be individually identified by users of the system, except as allowed by federal and  
17 state law.

18 (ii) Contains student-level enrollment, demographic, and program participation  
19 information.

20 (iii) Contains student-level information about the points at which students exit,  
21 transfer in, transfer out, drop out, or complete education programs.

22 (iv) Has the capacity to communicate with higher education data systems.

23 (i) For data elements related to preschool through grade 12 only, meets all of  
24 the following:

25 (i) Contains yearly test records of individual students for assessments approved  
26 by DED-OESE for accountability purposes under section 1111(b) of the elementary and  
27 secondary education act of 1965, 20 USC 6311, including information on individual

1 students not tested, by grade and subject.

2 (ii) Contains student-level transcript information, including information on  
3 courses completed and grades earned.

4 (iii) Contains student-level college readiness test scores.

5 (j) For data elements related to postsecondary education only:

6 (i) Contains data that provide information regarding the extent to which  
7 individual students transition successfully from secondary school to postsecondary  
8 education, including, but not limited to, all of the following:

9 (A) Enrollment in remedial coursework.

10 (B) Completion of 1 year's worth of college credit applicable to a degree within  
11 2 years of enrollment.

12 (ii) Contains data that provide other information determined necessary to address  
13 alignment and adequate preparation for success in postsecondary education.

14 (5) From the general fund appropriation in section 11, there is allocated an  
15 amount not to exceed ~~\$11,967,000.00~~ **\$12,173,200.00** for ~~2015-2016~~ **2016-2017** to the  
16 department of technology, management, and budget to support the operations of the  
17 center. In addition, from the federal funds appropriated in section 11 there is  
18 allocated for ~~2015-2016~~ **2016-2017** the amount necessary, estimated at \$193,500.00, to  
19 support the operations of the center and to establish a P-20 longitudinal data system  
20 necessary for state and federal reporting purposes. The center shall cooperate with  
21 the department to ensure that this state is in compliance with federal law and is  
22 maximizing opportunities for increased federal funding to improve education in this  
23 state.

24 (6) From the funds allocated in subsection (5), the center may use an amount  
25 determined by the center for competitive grants for ~~2015-2016~~ **2016-2017** to support  
26 collaborative efforts on the P-20 longitudinal data system. All of the following apply  
27 to grants awarded under this subsection:

1 (a) The center shall award competitive grants to eligible intermediate districts  
2 or a consortium of intermediate districts based on criteria established by the center.

3 (b) Activities funded under the grant shall support the P-20 longitudinal data  
4 system portal and may include portal hosting, hardware and software acquisition,  
5 maintenance, enhancements, user support and related materials, and professional  
6 learning tools and activities aimed at improving the utility of the P-20 longitudinal  
7 data system.

8 (c) An applicant that received a grant under this subsection for the immediately  
9 preceding fiscal year shall receive priority for funding under this section. However,  
10 after 3 fiscal years of continuous funding, an applicant is required to compete openly  
11 with new applicants.

12 (7) Funds allocated under this section that are not expended in the fiscal year  
13 in which they were allocated may be carried forward to a subsequent fiscal year and  
14 are appropriated for the purposes for which the funds were originally allocated.

15 (8) The center may bill departments as necessary in order to fulfill reporting  
16 requirements of state and federal law. The center may also enter into agreements to  
17 supply custom data, analysis, and reporting to other principal executive departments,  
18 state agencies, local units of government, and other individuals and organizations.  
19 The center may receive and expend funds in addition to those authorized in subsection  
20 (5) to cover the costs associated with salaries, benefits, supplies, materials, and  
21 equipment necessary to provide such data, analysis, and reporting services.

22 (9) As used in this section:

23 (a) "DED-OESE" means the United States Department of Education Office of  
24 Elementary and Secondary Education.

25 (b) "State education agency" means the department.

26 Sec. 95a. (1) The educator evaluation reserve fund is created as a separate  
27 account within the state school aid fund.

1       ~~(2) The state treasurer may receive money or other assets from any source for~~  
 2 ~~deposit into the educator evaluation reserve fund. The state treasurer shall direct~~  
 3 ~~the investment of the educator evaluation reserve fund. The state treasurer shall~~  
 4 ~~credit to the educator evaluation reserve fund interest and earnings from the educator~~  
 5 ~~evaluation reserve fund.~~

6       ~~(3) Money in the educator evaluation reserve fund at the close of the fiscal year~~  
 7 ~~shall remain in the educator evaluation reserve fund and shall not lapse to the state~~  
 8 ~~school aid fund or to the general fund. The department of treasury shall be the~~  
 9 ~~administrator of the educator evaluation reserve fund for auditing purposes.~~

10       (2) ~~(4)~~ From the appropriations in section 11, there is allocated to the educator  
 11 evaluation reserve fund for ~~2014-2015~~ 2016-2017 an amount not to exceed \$12,100,000.00  
 12 \$10,000,000.00. ~~from the state school aid fund and an amount not to exceed~~  
 13 ~~\$2,700,000.00 from the general fund. Subject to subsections (5) and (6), the THE~~  
 14 department shall expend the money in the educator evaluation reserve fund for  
 15 implementing evaluation systems for public school teachers and school administrators.  
 16 **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO IMPROVE TEACHER QUALITY, RESULTING**  
 17 **IN AN INCREASE IN THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH**  
 18 **SCHOOL GRADUATION.**

19       ~~(5) Funds in the educator evaluation reserve fund shall not be expended unless~~  
 20 ~~the state budget office has approved the department's spending plan.~~

21       Sec. 98. (1) From the general fund money appropriated in section 11, there is  
 22 allocated an amount not to exceed \$7,387,500.00 for ~~2015-2016~~ 2016-2017 for the  
 23 purposes described in this section.

24       (2) The Michigan Virtual University shall operate the Michigan Virtual Learning  
 25 Research Institute. The Michigan Virtual Learning Research Institute shall do all of  
 26 the following:

27       (a) Support and accelerate innovation in education through the following

1 activities:

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

4 (ii) Research, design, and recommend ~~digital~~ **VIRTUAL** education delivery models  
5 for use by pupils and teachers that include age-appropriate multimedia instructional  
6 content.

7 (iii) Research, develop, and recommend annually to the department criteria by  
8 which cyber schools and ~~online~~ **VIRTUAL** course providers should be monitored and  
9 evaluated to ensure a quality education for their pupils.

10 (iv) Based on pupil completion and performance data reported to the department or  
11 the center for educational performance and information from cyber schools and other  
12 ~~online~~ **VIRTUAL** course providers operating in this state, analyze the effectiveness of  
13 ~~online~~ **VIRTUAL** learning delivery models in preparing pupils to be college- and career-  
14 ready and publish a report that highlights enrollment totals, completion rates, and  
15 the overall impact on pupils. The report shall be submitted to the house and senate  
16 appropriations subcommittees on state school aid, the state budget director, the house  
17 and senate fiscal agencies, and the department not later than March 31, ~~2016~~ 2017.

18 (v) Before August 31, ~~2016~~ 2017, provide an extensive professional development  
19 program to at least 500 educational personnel, including teachers, school  
20 administrators, and school board members, that focuses on the effective integration of  
21 ~~digital~~ **VIRTUAL** learning into curricula and instruction. Not later than December 1,  
22 ~~2016~~ 2017, the Michigan Virtual Learning Research Institute shall submit a report to  
23 the house and senate appropriations subcommittees on state school aid, the state  
24 budget director, the house and senate fiscal agencies, and the department on the  
25 number and percentage of teachers, school administrators, and school board members who  
26 have received professional development services from the Michigan Virtual University.  
27 The report shall also identify barriers and other opportunities to encourage the

1 adoption of ~~digital~~ **VIRTUAL** learning in the public education system.

2 (vi) Identify and share best practices for planning, implementing, and evaluating  
3 ~~online~~ **VIRTUAL** and blended education delivery models with intermediate districts,  
4 districts, and public school academies to accelerate the adoption of innovative  
5 education delivery models statewide.

6 (b) Provide leadership for this state's system of ~~digital~~ **VIRTUAL** learning  
7 education by doing the following activities:

8 (i) Develop and report policy recommendations to the governor and the legislature  
9 that accelerate the expansion of effective ~~online~~ **VIRTUAL** learning in this state's  
10 schools.

11 (ii) Provide a clearinghouse for research reports, academic studies, evaluations,  
12 and other information related to ~~online~~ **VIRTUAL** learning.

13 (iii) Promote and distribute the most current instructional design standards and  
14 guidelines for ~~online~~ **VIRTUAL** teaching.

15 (iv) In collaboration with the department and interested colleges and  
16 universities in this state, support implementation and improvements related to  
17 effective ~~digital~~ **VIRTUAL** learning instruction.

18 (v) Pursue public/private partnerships that include districts to study and  
19 implement competency-based technology-rich ~~online~~ **VIRTUAL** learning models.

20 (vi) Create a statewide network of school-based mentors serving as liaisons  
21 between pupils, ~~online~~ **VIRTUAL** instructors, parents, and school staff and provide  
22 mentors with research-based training and technical assistance designed to help more  
23 pupils be successful ~~online~~ **VIRTUAL** learners.

24 (vii) Convene focus groups and conduct annual surveys of teachers,  
25 administrators, pupils, parents, and others to identify barriers and opportunities  
26 related to ~~online~~ **VIRTUAL** learning.

27 (viii) Produce an annual consumer awareness report for schools and parents about

1 effective ~~online~~ **VIRTUAL** education providers and education delivery models,  
2 performance data, cost structures, and research trends.

3 (ix) Research and establish an Internet-based platform that educators can use to  
4 create student-centric learning tools and resources and facilitate a user network that  
5 assists educators in using the platform. As part of this initiative, the Michigan  
6 Virtual University shall work collaboratively with districts and intermediate  
7 districts to establish a plan to make available ~~online~~ **VIRTUAL** resources that align to  
8 Michigan's K-12 curriculum standards for use by students, educators, and parents.

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

24 (A) The number of enrollments in each ~~online~~ **VIRTUAL** course in the immediately  
25 preceding school year.

26 (B) The number of enrollments that earned 60% or more of the total course points  
27 for each ~~online~~ **VIRTUAL** course in the immediately preceding school year.

1 (C) The completion rate for each ~~online~~ **VIRTUAL** course.

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

5 (xii) Collaborate with key stakeholders to examine district level accountability  
6 and teacher effectiveness issues related to ~~online~~ **VIRTUAL** learning under section 21f  
7 and make findings and recommendations publicly available.

8 (3) To further enhance its expertise and leadership in ~~digital~~ **VIRTUAL** learning,  
9 the Michigan Virtual University shall continue to operate the Michigan Virtual School  
10 as a statewide laboratory and quality model of instruction by implementing ~~online~~  
11 **VIRTUAL** and blended learning solutions for Michigan schools in accordance with the  
12 following parameters:

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

15 (b) The Michigan Virtual University shall use no more than \$1,000,000.00 of the  
16 amount allocated under this section to subsidize the cost paid by districts for ~~online~~  
17 **VIRTUAL** courses.

18 (c) In providing educators responsible for the teaching of ~~online~~ **VIRTUAL** courses  
19 as provided for in this section, the Michigan Virtual School shall follow the  
20 requirements to request and assess, and the department of state police shall provide,  
21 a criminal history check and criminal records check under sections 1230 and 1230a of  
22 the revised school code, MCL 380.1230 and 380.1230a, in the same manner as if the  
23 Michigan Virtual School were a school district under those sections.

24 (4) If the course offerings are included in the statewide catalog of ~~online~~  
25 **VIRTUAL** courses under subsection (2) (b) (ix), the Michigan Virtual School operated by  
26 the Michigan Virtual University may offer ~~online~~ **VIRTUAL** course offerings, including,  
27 but not limited to, all of the following:



- 1 (a) Information technology courses.
- 2 (b) College level equivalent courses, as defined in section 1471 of the revised  
3 school code, MCL 380.1471.
- 4 (c) Courses and dual enrollment opportunities.
- 5 (d) Programs and services for at-risk pupils.
- 6 (e) General education development test preparation courses for adjudicated youth.
- 7 (f) Special interest courses.
- 8 (g) Professional development programs for teachers, school administrators, other  
9 school employees, and school board members.
- 10 (5) If a home-schooled or nonpublic school student is a resident of a district  
11 that subscribes to services provided by the Michigan Virtual School, the student may  
12 use the services provided by the Michigan Virtual School to the district without  
13 charge to the student beyond what is charged to a district pupil using the same  
14 services.
- 15 (6) Not later than December 1 of each fiscal year, the Michigan Virtual  
16 University shall provide a report to the house and senate appropriations subcommittees  
17 on state school aid, the state budget director, the house and senate fiscal agencies,  
18 and the department that includes at least all of the following information related to  
19 the Michigan Virtual School for the preceding state fiscal year:
- 20 (a) A list of the districts served by the Michigan Virtual School.
- 21 (b) A list of ~~online~~ **VIRTUAL** course titles available to districts.
- 22 (c) The total number of ~~online~~ **VIRTUAL** course enrollments and information on  
23 registrations and completions by course.
- 24 (d) The overall course completion rate percentage.
- 25 (7) The governor may appoint an advisory group for the Michigan Virtual Learning  
26 Research Institute established under subsection (2). The members of the advisory group  
27 shall serve at the pleasure of the governor and shall serve without compensation. The

1 purpose of the advisory group is to make recommendations to the governor, the  
2 legislature, and the president and board of the Michigan Virtual University that will  
3 accelerate innovation in this state's education system in a manner that will prepare  
4 elementary and secondary students to be career and college ready and that will promote  
5 the goal of increasing the percentage of citizens of this state with high-quality  
6 degrees and credentials to at least 60% by 2025.

7 (8) Not later than November 1, ~~2015~~ 2016, the Michigan Virtual University shall  
8 submit to the house and senate appropriations subcommittees on state school aid, the  
9 state budget director, and the house and senate fiscal agencies a detailed budget for  
10 the ~~2015-2016~~ 2016-2017 fiscal year that includes a breakdown on its projected costs  
11 to deliver ~~online~~ **VIRTUAL** educational services to districts and a summary of the  
12 anticipated fees to be paid by districts for those services. Not later than March 1  
13 each year, the Michigan Virtual University shall submit to the house and senate  
14 appropriations subcommittees on state school aid, the state budget director, and the  
15 house and senate fiscal agencies a breakdown on its actual costs to deliver ~~online~~  
16 **VIRTUAL** educational services to districts and a summary of the actual fees paid by  
17 districts for those services based on audited financial statements for the immediately  
18 preceding fiscal year.

19 (9) As used in this section:

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

26 (b) "Cyber school" means a full-time instructional program of ~~online~~ **VIRTUAL**  
27 courses for pupils that may or may not require attendance at a physical school

1 location.

2 ~~(c) "Digital learning" means instruction delivered via a web-based educational~~  
 3 ~~delivery system that uses various information technologies to provide a structured~~  
 4 ~~learning environment, including online and blended learning instructional methods.~~

5 ~~(C)(d) "Online course"~~ **"VIRTUAL COURSE"** means a course of study that is capable  
 6 of generating a credit or a grade, that is provided in an interactive ~~Internet-~~  
 7 ~~connected~~ learning environment **WHERE THE MAJORITY OF THE CURRICULUM IS DELIVERED USING**  
 8 **THE INTERNET AND** ~~—~~in which pupils are separated from their **INSTRUCTOR OR TEACHER OF**  
 9 **RECORD** teachers by time or location, or both., ~~and in which a teacher who holds a~~  
 10 ~~valid Michigan teaching certificate is responsible for providing instruction,~~  
 11 ~~determining appropriate instructional methods for each pupil, diagnosing learning~~  
 12 ~~needs, assessing pupil learning, prescribing intervention strategies, reporting~~  
 13 ~~outcomes, and evaluating the effects of instruction and support strategies.~~

14 Sec. 99h. (1) From the appropriation in section 11, there is allocated an amount  
 15 not to exceed ~~\$2,000,000.00~~ **\$2,500,000.00** for ~~2015-2016~~ **2016-2017** for competitive  
 16 grants to districts that provide pupils in grades 7 to 12 with expanded opportunities  
 17 to improve mathematics, science, and technology skills by participating in events  
 18 hosted by a science and technology development program known as FIRST (for inspiration  
 19 and recognition of science and technology) robotics. **PROGRAMS FUNDED UNDER THIS**  
 20 **SECTION ARE INTENDED TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN**  
 21 **SCIENCE AND MATHEMATICS ON THE STATE ASSESSMENTS AND TO INCREASE THE NUMBER OF PUPILS**  
 22 **WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL GRADUATION.**

23 (2) A district applying for a FIRST tech challenge or FIRST robotics competition  
 24 program grant shall submit an application in a form and manner determined by the  
 25 department. To be eligible for a grant, a district shall demonstrate in its  
 26 application that the district has established a partnership for the purposes of the  
 27 FIRST program with at least 1 sponsor, business entity, higher education institution,

1 or technical school, shall submit a spending plan, and shall pay at least 25% of the  
2 cost of the FIRST robotics program.

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

5 (a) Grants to districts to pay for stipends of \$1,500.00 for 1 coach per team,  
6 distributed as follows:

7 (i) Not more than 500 stipends for coaches of high school teams, including  
8 existing teams.

9 (ii) Not more than 100 stipends for coaches of middle school or junior high  
10 teams, including existing teams.

11 (iii) If the requests for stipends exceed the numbers of stipends allowed under  
12 subparagraphs (i) and (ii), and if there is funding remaining unspent under  
13 subdivisions (b) and (c), the department shall use that remaining unspent funding for  
14 grants to districts to pay for additional stipends in a manner that expands the  
15 geographical distribution of teams.

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

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

27 (4) The funds allocated under this section are a work project appropriation, and

1 any unexpended funds for ~~2015-2016~~ 2016-2017 are carried forward into ~~2016-2017~~ 2017-  
2 2018. The purpose of the work project is to continue to implement the projects  
3 described under subsection (1). The estimated completion date of the work project is  
4 September 30, ~~2018~~ 2019.

5       Sec. 99s. (1) From the funds appropriated under section 11, there is allocated  
6 for ~~2015-2016~~ 2016-2017 an amount not to exceed ~~\$3,250,000.00~~ \$2,750,000.00 from the  
7 state school aid fund appropriation and an amount not to exceed ~~\$775,000.00~~  
8 \$2,525,000.00 from the general fund appropriation for Michigan science, technology,  
9 engineering, and mathematics (MiSTEM) programs. In addition, from the federal funds  
10 appropriated in section 11, there is allocated for ~~2015-2016~~ 2016-2017 an amount  
11 estimated at \$5,249,300.00 from DED-OESE, title II, mathematics and science  
12 partnership grants. **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO INCREASE THE**  
13 **NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN SCIENCE AND MATHEMATICS ON THE STATE**  
14 **ASSESSMENTS AND TO INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY**  
15 **UPON HIGH SCHOOL GRADUATION.**

16       (2) From the general fund allocation in subsection (1), there is allocated an  
17 amount not to exceed \$50,000.00 to the department for administrative and travel costs  
18 related to the MiSTEM advisory council. All of the following apply to the MiSTEM  
19 advisory council funded under this subsection:

20       (a) The MiSTEM advisory council is created. The MiSTEM advisory council shall  
21 provide to the governor, legislature, department of talent and economic development,  
22 and department recommendations designed to improve and promote innovation in STEM  
23 education and **TO** prepare students for careers in science, technology, engineering, and  
24 mathematics.

25       (b) The MiSTEM advisory council created under subdivision (a) shall consist of  
26 the following members:

27       (i) The governor shall appoint 11 voting members who are representative of

1 business sectors that are important to Michigan's economy and rely on a STEM-educated  
2 workforce, nonprofit organizations and associations that promote STEM education, K-12  
3 and postsecondary education entities involved in STEM-related career education, or  
4 other sectors as considered appropriate by the governor. Each of these members shall  
5 serve at the pleasure of the governor and for a term determined by the governor.

6 (ii) The senate majority leader shall appoint 2 members of the senate to serve as  
7 nonvoting, ex-officio members of the MiSTEM advisory council, including 1 majority  
8 party member and 1 minority party member.

9 (iii) The speaker of the house of representatives shall appoint 2 members of the  
10 house of representatives to serve as nonvoting, ex-officio members of the MiSTEM  
11 advisory council, including 1 majority party member and 1 minority party member.

12 (c) Each member of the MiSTEM advisory council shall serve without compensation.

13 (d) The MiSTEM advisory council shall recommend a statewide strategy for  
14 delivering STEM education-related opportunities to pupils and objective criteria for  
15 determining preferred STEM programs **TO THE GOVERNOR, THE LEGISLATURE AND THE**  
16 **DEPARTMENT NOT LATER THAN MARCH 1, 2016.**

17 ~~(E) The MiSTEM advisory council also shall make funding recommendations to the~~  
18 ~~governor, legislature, and department for~~ **FROM THE GENERAL FUND ALLOCATION IN**  
19 **SUBSECTION (1). THERE IS ALLOCATED \$2,475,000.00 FOR THE PURPOSE OF** funding programs  
20 under this section for 2016-2017 **AS RECOMMENDED BY THE MISTEM ADVISORY COUNCIL TO THE**  
21 **GOVERNOR, THE LEGISLATURE AND THE DEPARTMENT** not later than March 1, 2016, including,  
22 but not limited to, recommendations concerning funding for the STEM programs funded  
23 under this section for 2015-2016, ~~and~~. **BEGINNING IN 2017-2018, THE MISTEM ADVISORY**  
24 **COUNCIL shall continue to make** **SUBMIT ITS** funding recommendations **TO THE GOVERNOR, THE**  
25 **LEGISLATURE, AND THE DEPARTMENT NO LATER THAN DECEMBER 15** annually thereafter.

26 **(F) IF THE MISTEM ADVISORY COUNCIL IS UNABLE TO MAKE SPECIFIC FUNDING**  
27 **RECOMMENDATIONS BY MARCH 1, 2016 FOR 2016-2017, THE DEPARTMENT SHALL DISTRIBUTE THE**

1 FUNDS IN SUBDIVISION (E) ON A COMPETITIVE GRANT BASIS THAT AT LEAST FOLLOWS THE  
2 QUALITY GUIDELINES AND PRIORITY AREAS RECOMMENDED BY THE MISTEM ADVISORY COUNCIL. EACH  
3 GRANT SHALL NOT EXCEED \$250,000.00 AND MUST PROVIDE STEM EDUCATION-RELATED  
4 OPPORTUNITIES FOR PUPILS.

5 (G) ~~(e)~~ The MiSTEM advisory council shall work with directors of mathematics and  
6 science centers funded under subsection (3) to connect educators with businesses,  
7 workforce developers, economic developers, community colleges, and universities.

8 (3) From the state school aid fund allocation under subsection (1), there is  
9 allocated for ~~2015-2016~~ 2016-2017 an amount not to exceed \$2,750,000.00 to support the  
10 activities and programs of mathematics and science centers. In addition, from the  
11 federal funds allocated under subsection (1), there is allocated for ~~2015-2016~~ 2016-  
12 2017 an amount estimated at \$5,249,300.00 from DED-OESE, title II, mathematics and  
13 science partnership grants, for the purposes of this subsection. All of the following  
14 apply to the programs and funding under this subsection:

15 (a) Within a service area designated locally, approved by the department, and  
16 consistent with the comprehensive master plan for mathematics and science centers  
17 developed by the department and approved by the state board, an established  
18 mathematics and science center shall provide 2 or more of the following 6 basic  
19 services, as described in the master plan, to constituent districts and communities:  
20 leadership, pupil services, curriculum support, community involvement, professional  
21 development, and resource clearinghouse services.

22 (b) The department shall not award a state grant under this subsection to more  
23 than 1 mathematics and science center located in a designated region as prescribed in  
24 the 2007 master plan unless each of the grants serves a distinct target population or  
25 provides a service that does not duplicate another program in the designated region.

26 (c) As part of the technical assistance process, the department shall provide  
27 minimum standard guidelines that may be used by the mathematics and science center for

1 providing fair access for qualified pupils and professional staff as prescribed in  
2 this subsection.

3 (d) Allocations under this subsection to support the activities and programs of  
4 mathematics and science centers shall be continuing support grants to all 33  
5 established mathematics and science centers. For ~~2015-2016~~ 2016-2017, each established  
6 mathematics and science center ~~that was funded for 2014-2015 under former section 99~~  
7 shall receive state funding in an amount equal to 100% of the amount it was allocated  
8 ~~under former section 99 for 2014-2015~~ IN 2015-2016. If a center declines state funding  
9 or a center closes, the remaining money available under this subsection shall be  
10 distributed to the remaining centers, as determined by the department.

11 (e) From the funds allocated under this subsection, the department shall  
12 distribute for ~~2015-2016~~ 2016-2017 an amount not to exceed \$750,000.00 in a form and  
13 manner determined by the department to those centers able to provide curriculum and  
14 professional development support to assist districts in implementing the Michigan  
15 merit curriculum components for mathematics and science. Funding under this  
16 subdivision is in addition to funding allocated under subdivision (d).

17 (f) In order to receive state or federal funds under this subsection, a grant  
18 recipient shall allow access for the department or the department's designee to audit  
19 all records related to the program for which it receives those funds. The grant  
20 recipient shall reimburse the state for all disallowances found in the audit.

21 (g) Not later than September 30, ~~2018~~ 2017, the department shall ~~reevaluate and~~  
22 ~~update~~ **WORK WITH THE MISTEM ADVISORY COUNCIL TO REVISE** the comprehensive master plan  
23 described in subdivision (a) **TO ENSURE THAT THE COMPREHENSIVE MASTER PLAN IS IN**  
24 **COMPLIANCE WITH THE STATEWIDE STRATEGY DEVELOPED BY THE COUNCIL UNDER SUBSECTION**  
25 **(2) (D)**.

26 (h) The department shall give preference in awarding the federal grants allocated  
27 under this subsection to eligible existing mathematics and science centers.



1 (i) In order to receive state funds under this subsection, a grant recipient  
2 shall provide at least a 10% local match from local public or private resources for  
3 the funds received under this subsection.

4 (j) Not later than July 1 of each year, a mathematics and science center that  
5 receives funds under this subsection shall report to the department in a form and  
6 manner prescribed by the department on the following performance measures:

7 (i) Statistical change in pre- and post-assessment scores for students who  
8 enrolled in mathematics and science activities provided to districts by the  
9 mathematics and science center.

10 (ii) Statistical change in pre- and post-assessment scores for teachers who  
11 enrolled in professional development activities provided by the mathematics and  
12 science center.

13 (k) As used in this subsection:

14 (i) "DED" means the United States Department of Education.

15 (ii) "DED-OESE" means the DED Office of Elementary and Secondary Education.

16 ~~(4) From the general fund money allocated under subsection (1), there is~~  
17 ~~allocated for 2015-2016 an amount not to exceed \$100,000.00 to the Michigan STEM~~  
18 ~~partnership, to be used to administer the grant process under this subsection. From~~  
19 ~~the general fund money allocated in subsection (1), there is allocated for 2015-2016~~  
20 ~~an amount not to exceed \$375,000.00 to the Michigan STEM partnership to be used for a~~  
21 ~~competitive grant process to award competitive grants to organizations conducting~~  
22 ~~student focused, project based programs and competitions, either in the classroom or~~  
23 ~~extracurricular, in science, technology, engineering, and mathematics subjects such~~  
24 ~~as, but not limited to, robotics, coding, and design build test projects, from pre-~~  
25 ~~kindergarten through college level. All of the following apply to the grant funding~~  
26 ~~under this subsection.~~

27 (a) ~~Funding under this subsection is in addition to funding allocated under~~

1 ~~subsection (3) and shall be used for connecting mathematics and science centers for~~  
2 ~~science, technology, engineering, and mathematics purposes and to support the goals of~~  
3 ~~the Michigan STEM partnership.~~

4 ~~(b) A program receiving funds under section 99h may not receive funds under this~~  
5 ~~subsection.~~

6 ~~(c) In order to receive state funds under this subsection, a grant recipient~~  
7 ~~shall provide at least a 10% local match from local public or private resources for~~  
8 ~~the funds received under this subsection.~~

9 ~~(5) From the funds allocated under subsection (1), there is allocated an amount~~  
10 ~~not to exceed \$250,000.00 for 2015-2016 only for grants to districts to support~~  
11 ~~professional development for teachers in a department approved training program for~~  
12 ~~science, technology, engineering, and mathematics (STEM) instruction. All of the~~  
13 ~~following apply to the grant funding under this subsection:~~

14 ~~(a) Any district may apply for funding under this subsection for 2015-2016 by a~~  
15 ~~date determined by the department. In awarding grants, the department shall give~~  
16 ~~priority, in a form and manner determined by the department, to applicant districts~~  
17 ~~with teachers who have not previously received training in programs funded under this~~  
18 ~~subsection or former section 99b.~~

19 ~~(b) For a training program to be approved by the department for the purposes of~~  
20 ~~this subsection, the program shall meet all of the following criteria:~~

21 ~~(i) Utilize an integrative STEM approach to content organization and delivery.~~  
22 ~~The integrative STEM approach shall include content derived from science, technology,~~  
23 ~~engineering, and mathematics.~~

24 ~~(ii) Offer evidence that the program outcomes address mathematics, science, and~~  
25 ~~technological literacy standards in an exploratory middle school or high school~~  
26 ~~offering.~~

27 ~~(iii) Offer evidence that the program positively influences student career~~

1 ~~choices along STEM career paths and increases student engagement through peer reviewed~~  
2 ~~research.~~

3 ~~(iv) Present evidence of the periodic updating of the curriculum.~~

4 ~~(v) Utilize outcome measures for teacher professional development.~~

5 ~~(vi) Provide peer-reviewed evidence that the program is effective with~~  
6 ~~disadvantaged students and those with language barriers.~~

7 ~~(c) The department shall award grants to districts in an amount determined by the~~  
8 ~~department, but not to exceed \$3,200.00 per participant.~~

9 ~~(d) A district receiving funds under this subsection shall use the funds only for~~  
10 ~~department approved training programs under this subsection.~~

11 ~~(6) From the allocations under subsection (1), there is allocated an amount not~~  
12 ~~to exceed \$250,000.00 for 2015-2016 only for competitive grants to districts that~~  
13 ~~provide pupils in grades K to 12 with expanded opportunities in science education and~~  
14 ~~skills by participating in events and competitions hosted by Science Olympiad. All of~~  
15 ~~the following apply to the grant funding under this subsection:~~

16 ~~(a) A district applying for a grant under this subsection shall submit an~~  
17 ~~application in the form and manner determined by the department not later than~~  
18 ~~November 15, 2015. The department shall select districts for grants and make~~  
19 ~~notification not later than December 15, 2015. To be eligible for a grant, a district~~  
20 ~~shall pay at least 25% of the cost of participating in the Science Olympiad program.~~

21 ~~(b) The department shall distribute the grant funding allocated under this~~  
22 ~~subsection for the following purposes:~~

23 ~~(i) Grants to districts of up to \$800.00 for new elementary teams.~~

24 ~~(ii) Grants to districts of up to \$400.00 for established elementary teams.~~

25 ~~(iii) Grants to districts of up to \$1,600.00 for new secondary teams.~~

26 ~~(iv) Grants to districts of up to \$800.00 for established secondary teams.~~

27 ~~(7) From the general fund allocation under subsection (1), there is allocated an~~

1 ~~amount not to exceed \$250,000.00 for 2015-2016 only for a grant to the Van Andel~~  
2 ~~Education Institute for the purposes of advancing and promoting science education and~~  
3 ~~increasing the number of students who choose to pursue careers in science or science-~~  
4 ~~related fields. Funds allocated under this subsection shall be used to provide~~  
5 ~~professional development for science teachers in using student-driven, inquiry-based~~  
6 ~~instruction.~~

7       Sec. 101. (1) To be eligible to receive state aid under this article, not later  
8 than the fifth Wednesday after the pupil membership count day and not later than the  
9 fifth Wednesday after the supplemental count day, each district superintendent shall  
10 submit to the center and the intermediate superintendent, in the form and manner  
11 prescribed by the center, the number of pupils enrolled and in regular daily  
12 attendance in the district as of the pupil membership count day and as of the  
13 supplemental count day, as applicable, for the current school year. In addition, a  
14 district maintaining school during the entire year, as provided under section 1561 of  
15 the revised school code, MCL 380.1561, shall submit to the center and the intermediate  
16 superintendent, in the form and manner prescribed by the center, the number of pupils  
17 enrolled and in regular daily attendance in the district for the current school year  
18 pursuant to rules promulgated by the superintendent. Not later than the sixth  
19 Wednesday after the pupil membership count day and not later than the sixth Wednesday  
20 after the supplemental count day, the district shall certify the data in a form and  
21 manner prescribed by the center and file the certified data with the intermediate  
22 superintendent. If a district fails to submit and certify the attendance data, as  
23 required under this subsection, the center shall notify the department and state aid  
24 due to be distributed under this article shall be withheld from the defaulting  
25 district immediately, beginning with the next payment after the failure and continuing  
26 with each payment until the district complies with this subsection. If a district does  
27 not comply with this subsection by the end of the fiscal year, the district forfeits

1 the amount withheld. A person who willfully falsifies a figure or statement in the  
2 certified and sworn copy of enrollment shall be punished in the manner prescribed by  
3 section 161.

4 (2) To be eligible to receive state aid under this article, not later than the  
5 twenty-fourth Wednesday after the pupil membership count day and not later than the  
6 twenty-fourth Wednesday after the supplemental count day, an intermediate district  
7 shall submit to the center, in a form and manner prescribed by the center, the audited  
8 enrollment and attendance data for the pupils of its constituent districts and of the  
9 intermediate district. If an intermediate district fails to submit the audited data as  
10 required under this subsection, state aid due to be distributed under this article  
11 shall be withheld from the defaulting intermediate district immediately, beginning  
12 with the next payment after the failure and continuing with each payment until the  
13 intermediate district complies with this subsection. If an intermediate district does  
14 not comply with this subsection by the end of the fiscal year, the intermediate  
15 district forfeits the amount withheld.

16 (3) Except as otherwise provided in subsections (11) and (12), all of the  
17 following apply to the provision of pupil instruction:

18 (a) Except as otherwise provided in this section, each district shall provide at  
19 least 1,098 hours and, beginning in 2010-2011, the required minimum number of days of  
20 pupil instruction. Beginning in 2014-2015, the required minimum number of days of  
21 pupil instruction is 175. However, all of the following apply to these requirements:

22 (i) If a collective bargaining agreement that provides a complete school calendar  
23 was in effect for employees of a district as of July 1, 2013, and if that school  
24 calendar is not in compliance with this subsection, then this subsection does not  
25 apply to that district until after the expiration of that collective bargaining  
26 agreement. If a district entered into a collective bargaining agreement on or after  
27 July 1, 2013 and if that collective bargaining agreement did not provide for at least

1 175 days of pupil instruction beginning in 2014-2015, then the department shall  
2 withhold from the district's total state school aid an amount equal to 5% of the  
3 funding the district receives in 2014-2015 under sections 22a and 22b.

4 (ii) A district may apply for a waiver under subsection (9) from the requirements  
5 of this subdivision.

6 (b) Beginning in 2016-2017, the required minimum number of days of pupil  
7 instruction is 180. If a collective bargaining agreement that provides a complete  
8 school calendar was in effect for employees of a district as of the effective date of  
9 the amendatory act that added this subdivision, and if that school calendar is not in  
10 compliance with this subdivision, then this subdivision does not apply to that  
11 district until after the expiration of that collective bargaining agreement. A  
12 district may apply for a waiver under subsection (9) from the requirements of this  
13 subdivision.

14 (c) Except as otherwise provided in this article, a district failing to comply  
15 with the required minimum hours and days of pupil instruction under this subsection  
16 shall forfeit from its total state aid allocation an amount determined by applying a  
17 ratio of the number of hours or days the district was in noncompliance in relation to  
18 the required minimum number of hours and days under this subsection. Not later than  
19 August 1, the board of each district shall **EITHER** certify to the department **THAT THE**  
20 **DISTRICT WAS IN FULL COMPLIANCE WITH THIS SECTION REGARDING** the number of hours and  
21 days of pupil instruction in the previous school year **OR REPORT TO THE DEPARTMENT EACH**  
22 **INSTANCE OF NONCOMPLIANCE IN A FORM AND MANNER PRESCRIBED THE CENTER.** If the district  
23 did not provide at least the required minimum number of hours and days of pupil  
24 instruction under this subsection, the deduction of state aid shall be made in the  
25 following fiscal year from the first payment of state school aid. A district is not  
26 subject to forfeiture of funds under this subsection for a fiscal year in which a  
27 forfeiture was already imposed under subsection (6).

1 (d) Hours or days lost because of strikes or teachers' conferences shall not be  
2 counted as hours or days of pupil instruction.

3 (e) If a collective bargaining agreement that provides a complete school calendar  
4 is in effect for employees of a district as of October 19, 2009, and if that school  
5 calendar is not in compliance with this subsection, then this subsection does not  
6 apply to that district until after the expiration of that collective bargaining  
7 agreement.

8 (f) Except as otherwise provided in subdivisions (g) and (h), a district not  
9 having at least 75% of the district's membership in attendance on any day of pupil  
10 instruction shall receive state aid in that proportion of 1/180 that the actual  
11 percent of attendance bears to the specified percentage.

12 (g) If a district adds 1 or more days of pupil instruction to the end of its  
13 instructional calendar for a school year to comply with subdivision (a) because the  
14 district otherwise would fail to provide the required minimum number of days of pupil  
15 instruction even after the operation of subsection (4) due to conditions not within  
16 the control of school authorities, then subdivision (f) does not apply for any day of  
17 pupil instruction that is added to the end of the instructional calendar. Instead, for  
18 any of those days, if the district does not have at least 60% of the district's  
19 membership in attendance on that day, the district shall receive state aid in that  
20 proportion of 1/180 that the actual percentage of attendance bears to the specified  
21 percentage. For any day of pupil instruction added to the instructional calendar as  
22 described in this subdivision, the district shall report to the department the  
23 percentage of the district's membership that is in attendance, in the form and manner  
24 prescribed by the department.

25 (h) At the request of a district that operates a department-approved alternative  
26 education program and that does not provide instruction for pupils in all of grades K  
27 to 12, the superintendent shall grant a waiver from the requirements of subdivision

1 (f). The waiver shall indicate that an eligible district is subject to the proration  
2 provisions of subdivision (f) only if the district does not have at least 50% of the  
3 district's membership in attendance on any day of pupil instruction. In order to be  
4 eligible for this waiver, a district must maintain records to substantiate its  
5 compliance with the following requirements:

6 (i) The district offers the minimum hours of pupil instruction as required under  
7 this section.

8 (ii) For each enrolled pupil, the district uses appropriate academic assessments  
9 to develop an individual education plan that leads to a high school diploma.

10 (iii) The district tests each pupil to determine academic progress at regular  
11 intervals and records the results of those tests in that pupil's individual education  
12 plan.

13 (i) All of the following apply to a waiver granted under subdivision (h):

14 (i) If the waiver is for a blended model of delivery, a waiver that is granted  
15 for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it  
16 is revoked by the superintendent.

17 (ii) If the waiver is for a 100% online model of delivery and the educational  
18 program for which the waiver is granted makes educational services available to pupils  
19 for a minimum of at least 1,098 hours during a school year and ensures that each pupil  
20 participates in the educational program for at least 1,098 hours during a school year,  
21 a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year  
22 remains in effect unless it is revoked by the superintendent.

23 (iii) A waiver that is not a waiver described in subparagraph (i) or (ii) is  
24 valid for 1 fiscal year and must be renewed annually to remain in effect.

25 (j) The superintendent shall promulgate rules for the implementation of this  
26 subsection.

27 (4) Except as otherwise provided in this subsection, the first 6 days or the



1 equivalent number of hours for which pupil instruction is not provided because of  
2 conditions not within the control of school authorities, such as severe storms, fires,  
3 epidemics, utility power unavailability, water or sewer failure, or health conditions  
4 as defined by the city, county, or state health authorities, shall be counted as hours  
5 and days of pupil instruction. With the approval of the superintendent of public  
6 instruction, the department shall count as hours and days of pupil instruction for a  
7 fiscal year not more than 3 additional days or the equivalent number of additional  
8 hours for which pupil instruction is not provided in a district due to unusual and  
9 extenuating occurrences resulting from conditions not within the control of school  
10 authorities such as those conditions described in this subsection. Subsequent such  
11 hours or days shall not be counted as hours or days of pupil instruction.

12 (5) A district shall not forfeit part of its state aid appropriation because it  
13 adopts or has in existence an alternative scheduling program for pupils in  
14 kindergarten if the program provides at least the number of hours required under  
15 subsection (3) for a full-time equated membership for a pupil in kindergarten as  
16 provided under section 6(4).

17 (6) In addition to any other penalty or forfeiture under this section, if at any  
18 time the department determines that 1 or more of the following have occurred in a  
19 district, the district shall forfeit in the current fiscal year beginning in the next  
20 payment to be calculated by the department a proportion of the funds due to the  
21 district under this article that is equal to the proportion below the required minimum  
22 number of hours and days of pupil instruction under subsection (3), as specified in  
23 the following:

24 (a) The district fails to operate its schools for at least the required minimum  
25 number of hours and days of pupil instruction under subsection (3) in a school year,  
26 including hours and days counted under subsection (4).

27 (b) The board of the district takes formal action not to operate its schools for

1 at least the required minimum number of hours and days of pupil instruction under  
2 subsection (3) in a school year, including hours and days counted under subsection  
3 (4).

4 (7) In providing the minimum number of hours and days of pupil instruction  
5 required under subsection (3), a district shall use the following guidelines, and a  
6 district shall maintain records to substantiate its compliance with the following  
7 guidelines:

8 (a) Except as otherwise provided in this subsection, a pupil must be scheduled  
9 for at least the required minimum number of hours of instruction, excluding study  
10 halls, or at least the sum of 90 hours plus the required minimum number of hours of  
11 instruction, including up to 2 study halls.

12 (b) The time a pupil is assigned to any tutorial activity in a block schedule may  
13 be considered instructional time, unless that time is determined in an audit to be a  
14 study hall period.

15 (c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12  
16 for whom a reduced schedule is determined to be in the individual pupil's best  
17 educational interest must be scheduled for a number of hours equal to at least 80% of  
18 the required minimum number of hours of pupil instruction to be considered a full-time  
19 equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may  
20 receive a reduced schedule under this subsection if the pupil is scheduled for a  
21 number of hours equal to at least 75% of the required minimum number of hours of pupil  
22 instruction to be considered a full-time equivalent pupil.

23 (d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education  
24 program or a special education pupil cannot receive the required minimum number of  
25 hours of pupil instruction solely because of travel time between instructional sites  
26 during the school day, that travel time, up to a maximum of 3 hours per school week,  
27 shall be considered to be pupil instruction time for the purpose of determining

1 whether the pupil is receiving the required minimum number of hours of pupil  
2 instruction. However, if a district demonstrates to the satisfaction of the department  
3 that the travel time limitation under this subdivision would create undue costs or  
4 hardship to the district, the department may consider more travel time to be pupil  
5 instruction time for this purpose.

6 (e) In grades 7 through 12, instructional time that is part of a junior reserve  
7 officer training corps (JROTC) program shall be considered to be pupil instruction  
8 time regardless of whether the instructor is a certificated teacher if all of the  
9 following are met:

10 (i) The instructor has met all of the requirements established by the United  
11 States Department of Defense and the applicable branch of the armed services for  
12 serving as an instructor in the junior reserve officer training corps program.

13 (ii) The board of the district or intermediate district employing or assigning  
14 the instructor complies with the requirements of sections 1230 and 1230a of the  
15 revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the  
16 same extent as if employing the instructor as a regular classroom teacher.

17 (8) Except as otherwise provided in subsections (11) and (12), the department  
18 shall apply the guidelines under subsection (7) in calculating the full-time  
19 equivalency of pupils.

20 (9) Upon application by the district for a particular fiscal year, the  
21 superintendent shall waive for a district the minimum number of hours and days of  
22 pupil instruction requirement of subsection (3) for a department-approved alternative  
23 education program or another innovative program approved by the department, including  
24 a 4-day school week. If a district applies for and receives a waiver under this  
25 subsection and complies with the terms of the waiver, the district is not subject to  
26 forfeiture under this section for the specific program covered by the waiver. If the  
27 district does not comply with the terms of the waiver, the amount of the forfeiture

1 shall be calculated based upon a comparison of the number of hours and days of pupil  
2 instruction actually provided to the minimum number of hours and days of pupil  
3 instruction required under subsection (3). Pupils enrolled in a department-approved  
4 alternative education program under this subsection shall be reported to the center in  
5 a form and manner determined by the center. All of the following apply to a waiver  
6 granted under this subsection:

7 (a) If the waiver is for a blended model of delivery, a waiver that is granted  
8 for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it  
9 is revoked by the superintendent.

10 (b) If the waiver is for a 100% online model of delivery and the educational  
11 program for which the waiver is granted makes educational services available to pupils  
12 for a minimum of at least 1,098 hours during a school year and ensures that each pupil  
13 is on track for course completion at proficiency level, a waiver that is granted for  
14 the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is  
15 revoked by the superintendent.

16 (c) A waiver that is not a waiver described in subdivision (a) or (b) is valid  
17 for 1 fiscal year and must be renewed annually to remain in effect.

18 (10) Until 2014-2015, a district may count up to 38 hours of qualifying  
19 professional development for teachers as hours of pupil instruction. However, if a  
20 collective bargaining agreement that provides for the counting of up to 38 hours of  
21 qualifying professional development for teachers as pupil instruction is in effect for  
22 employees of a district as of July 1, 2013, then until the school year that begins  
23 after the expiration of that collective bargaining agreement a district may count up  
24 to the contractually specified number of hours of qualifying professional development  
25 for teachers as hours of pupil instruction. Professional development provided online  
26 is allowable and encouraged, as long as the instruction has been approved by the  
27 district. The department shall issue a list of approved online professional

1 development providers, which shall include the Michigan Virtual School. As used in  
2 this subsection, "qualifying professional development" means professional development  
3 that is focused on 1 or more of the following:

4 (a) Achieving or improving adequate yearly progress as defined under the no child  
5 left behind act of 2001, Public Law 107-110.

6 (b) Achieving accreditation or improving a school's accreditation status under  
7 section 1280 of the revised school code, MCL 380.1280.

8 (c) Achieving highly qualified teacher status as defined under the no child left  
9 behind act of 2001, Public Law 107-110.

10 (d) Integrating technology into classroom instruction.

11 (e) Maintaining teacher certification.

12 (11) Subsections (3) and (8) do not apply to a school of excellence that is a  
13 cyber school, as defined in section 551 of the revised school code, MCL 380.551, and  
14 is in compliance with section 553a of the revised school code, MCL 380.553a.

15 (12) Subsections (3) and (8) do not apply to eligible pupils enrolled in a  
16 dropout recovery program that meets the requirements of section 23a. As used in this  
17 subsection, "eligible pupil" means that term as defined in section 23a.

18 (13) Beginning in 2013, at least every 2 years the superintendent shall review  
19 the waiver standards set forth in the pupil accounting and auditing manuals to ensure  
20 that the waiver standards and waiver process continue to be appropriate and responsive  
21 to changing trends in online learning. The superintendent shall solicit and consider  
22 input from stakeholders as part of this review.

23 Sec. 102d. (1) From the funds appropriated in section 11, there is allocated an  
24 amount not to exceed \$1,500,000.00 for ~~2015-2016~~ 2016-2017 for reimbursements to  
25 districts for the licensing of school data analytical tools as described under this  
26 section. The reimbursement is for districts that choose to use a school data  
27 analytical tool to assist the district and that enter into a licensing agreement for a

1 school data analytical tool with 1 of the vendors approved by the department of  
2 technology, management, and budget under subsection (2). **FUNDS UNDER THIS SECTION ARE**  
3 **INTENDED TO PROVIDE DISTRICTS WITH FINANCIAL FORECASTING AND TRANSPARENCY REPORTING**  
4 **TOOLS TO HELP IMPROVE THE FINANCIAL HEALTH OF DISTRICTS AND TO IMPROVE COMMUNICATION**  
5 **WITH THE PUBLIC, RESULTING IN INCREASED FUND BALANCES FOR DISTRICTS.**

6 (2) Not later than October 15, ~~2015~~ 2016, the department of technology,  
7 management, and budget shall review vendors for school data analytical tools and  
8 provide districts with a list of at least 2 and up to 4 approved vendors that  
9 districts may use to be eligible for a reimbursement paid under this section. For a  
10 vendor to be approved under this section, the department of technology, management,  
11 and budget must determine that the school data analytical tool supplied by the vendor  
12 meets at least all of the following:

13 (a) Analyzes financial data.

14 (b) Analyzes academic data.

15 (c) Provides early warning indicators of financial stress.

16 (d) Has the capability to provide peer district comparisons of both financial and  
17 academic data.

18 (e) Has the capability to provide financial projections for at least 3 subsequent  
19 fiscal years.

20 (3) Funds allocated under this section shall be paid to districts as a  
21 reimbursement for already having a licensing agreement or for entering into a  
22 licensing agreement not later than December 1, ~~2015~~ 2016 with a vendor approved under  
23 subsection (2) to implement a school data analytical tool. Reimbursement under this  
24 section shall be made on an equal per-pupil basis.

25 (4) Notwithstanding section 17b, payments under this section shall be made on a  
26 schedule determined by the department.

27 Sec. 104. (1) In order to receive state aid under this article, a district shall

1 comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school  
2 code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970  
3 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state school aid  
4 fund money appropriated in section 11, there is allocated for ~~2015-2016~~ 2016-2017 an  
5 amount not to exceed ~~\$43,994,400.00~~ **\$33,894,400.00** for payments on behalf of districts  
6 for costs associated with complying with those provisions of law. In addition, from  
7 the federal funds appropriated in section 11, there is allocated for ~~2015-2016~~ 2016-  
8 2017 an amount estimated at \$6,250,000.00, funded from DED-OESE, title VI, state  
9 assessment funds, and from DED-OSERS, section 504 of part B of the individuals with  
10 disabilities education act, Public Law 94-142, plus any carryover federal funds from  
11 previous year appropriations, for the purposes of complying with the federal no child  
12 left behind act of 2001, Public Law 107-110 **OR THE EVERY STUDENT SUCCEEDS ACT OF 2015,**  
13 **PUBLIC LAW 114-95.**

14 (2) The results of each test administered as part of the Michigan student test of  
15 educational progress (M-STEP), including tests administered to high school students,  
16 shall include an item analysis that lists all items that are counted for individual  
17 pupil scores and the percentage of pupils choosing each possible response.

18 (3) All federal funds allocated under this section shall be distributed in  
19 accordance with federal law and with flexibility provisions outlined in Public Law  
20 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

21 (4) Notwithstanding section 17b, payments on behalf of districts, intermediate  
22 districts, and other eligible entities under this section shall be paid on a schedule  
23 determined by the department.

24 ~~(5) From the allocation in subsection (1), there is allocated an amount not to~~  
25 ~~exceed \$8,500,000.00 for the following purposes:~~

26 ~~(a) Converting existing student assessments to online assessments.~~

27 ~~(b) Providing paper and pencil test versions to districts not prepared to~~

1 ~~implement online assessments.~~

2 ~~(c) Expanding writing assessments to additional grade levels.~~

3 ~~(d) Providing an increased number of constructed response test questions so that~~  
4 ~~pupils can demonstrate higher order skills such as problem solving and communicating~~  
5 ~~reasoning.~~

6 (5)(6) From the allocation in subsection (1), there is allocated an amount not to  
7 exceed \$3,200,000.00 for the development or selection of an online reporting tool to  
8 provide student-level assessment data in a secure environment to educators, parents,  
9 and pupils immediately after assessments are scored. The department and the center  
10 shall ensure that any data collected by the online reporting tool do not provide  
11 individually identifiable student data to the federal government.

12 (6)(7) From the allocation in subsection (1), there is allocated an amount not to  
13 exceed \$5,600,000.00 for the purpose of implementing a summative assessment system  
14 pursuant to section 104c.

15 (8) As used in this section:

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

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

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

20 Sec. 104b. (1) In order to receive state aid under this article, a district shall  
21 comply with this section and shall administer the Michigan merit examination to pupils  
22 in grade 11, and to pupils in grade 12 who did not take the complete Michigan merit  
23 examination in grade 11, as provided in this section. The Michigan merit examination  
24 consists of a college entrance test, work skills test, and the summative assessment  
25 known as the Michigan student test of educational progress (M-STEP).

26 (2) For the purposes of this section, the department of technology, management,  
27 and budget shall contract with 1 or more providers to develop, supply, and score the



1 Michigan merit examination. The Michigan merit examination shall consist of all of the  
2 following:

3 (a) Assessment instruments that measure English language arts, mathematics,  
4 reading, and science, and are used by the majority of colleges and universities in  
5 this state for entrance purposes. This may include 1 or more writing components. In  
6 selecting assessment instruments to fulfill the requirements of this subdivision, the  
7 department may consider the degree to which those assessment instruments are aligned  
8 to this state's content standards.

9 (b) One or more tests from 1 or more test developers that assess a pupil's  
10 ability to apply at least reading and mathematics skills in a manner that is intended  
11 to allow employers to use the results in making employment decisions. The department  
12 of technology, management, and budget and the superintendent shall ensure that any  
13 test or tests selected under this subdivision have all the components necessary to  
14 allow a pupil to be eligible to receive the results of a nationally recognized  
15 evaluation of workforce readiness if the pupil's test performance is adequate.

16 (c) A social studies component.

17 (d) Any other component that is necessary to obtain the approval of the United  
18 States Department of Education to use the Michigan merit examination for the purposes  
19 of the no child left behind act of 2001, Public Law 107-110 **OR THE EVERY STUDENT**  
20 **SUCCEEDS ACT OF 2015, PUBLIC LAW 114-95.**

21 (3) In addition to all other requirements of this section, all of the following  
22 apply to the Michigan merit examination:

23 (a) The department of technology, management, and budget and the superintendent  
24 shall ensure that any contractor used for scoring the Michigan merit examination  
25 supplies an individual report for each pupil that will identify for the pupil's  
26 parents and teachers whether the pupil met expectations or failed to meet expectations  
27 for each standard, to allow the pupil's parents and teachers to assess and remedy

1 problems before the pupil moves to the next grade.

2 (b) The department of technology, management, and budget and the superintendent  
3 shall ensure that any contractor used for scoring, developing, or processing the  
4 Michigan merit examination meets quality management standards commonly used in the  
5 assessment industry, including at least meeting level 2 of the capability maturity  
6 model developed by the Software Engineering Institute of Carnegie Mellon University  
7 for the first year the Michigan merit examination is offered to all grade 11 pupils  
8 and at least meeting level 3 of the capability maturity model for subsequent years.

9 (c) The department of technology, management, and budget and the superintendent  
10 shall ensure that any contract for scoring, administering, or developing the Michigan  
11 merit examination includes specific deadlines for all steps of the assessment process,  
12 including, but not limited to, deadlines for the correct testing materials to be  
13 supplied to schools and for the correct results to be returned to schools, and  
14 includes penalties for noncompliance with these deadlines.

15 (d) The superintendent shall ensure that the Michigan merit examination meets all  
16 of the following:

17 (i) Is designed to test pupils on this state's content standards in all subjects  
18 tested.

19 (ii) Complies with requirements of the no child left behind act of 2001, Public  
20 Law 107-110 **OR THE EVERY STUDENT SUCCEEDS ACT OF 2015, PUBLIC LAW 114-95.**

21 (iii) Is consistent with the code of fair testing practices in education prepared  
22 by the Joint Committee on Testing Practices of the American Psychological Association.

23 (iv) Is factually accurate. If the superintendent determines that a question is  
24 not factually accurate and should be excluded from scoring, the state board and the  
25 superintendent shall ensure that the question is excluded from scoring.

26 (4) A district shall include on each pupil's high school transcript all of the  
27 following:

1 (a) For each high school graduate who has completed the Michigan merit  
2 examination under this section, the pupil's scaled score on each subject area  
3 component of the Michigan merit examination.

4 (b) The number of school days the pupil was in attendance at school each school  
5 year during high school and the total number of school days in session for each of  
6 those school years.

7 (5) The superintendent shall work with the provider or providers of the Michigan  
8 merit examination to produce Michigan merit examination subject area scores for each  
9 pupil participating in the Michigan merit examination. To the extent that the  
10 department determines that additional test items beyond those included in the college  
11 entrance component of the Michigan merit examination are required in a particular  
12 subject area, the department shall ensure that all test items in that subject area are  
13 scaled and merged for the purposes of producing a Michigan merit examination subject  
14 area score. The superintendent shall design and distribute to districts, intermediate  
15 districts, and nonpublic schools a simple and concise document that describes the  
16 scoring for each subject area and indicates the scaled score ranges for each subject  
17 area.

18 (6) The Michigan merit examination shall be administered in each district during  
19 the last 12 weeks of the district's school year. The superintendent shall ensure that  
20 the Michigan merit examination is scored and the scores are returned to pupils, their  
21 parents or legal guardians, and districts not later than the beginning of the pupil's  
22 first semester of grade 12. The returned scores shall indicate at least the pupil's  
23 scaled score for each subject area component and the range of scaled scores for each  
24 subject area. In reporting the scores to pupils, parents, and schools, the  
25 superintendent shall provide standards-specific, meaningful, and timely feedback on  
26 the pupil's performance on the Michigan merit examination.

27 (7) A district shall administer the complete Michigan merit examination to a

1 pupil only once and shall not administer the complete Michigan merit examination to  
2 the same pupil more than once. If a pupil does not take the complete Michigan merit  
3 examination in grade 11, the district shall administer the complete Michigan merit  
4 examination to the pupil in grade 12. If a pupil chooses to retake the college  
5 entrance examination component of the Michigan merit examination, as described in  
6 subsection (2)(a), the pupil may do so through the provider of the college entrance  
7 examination component and the cost of the retake is the responsibility of the pupil  
8 unless all of the following are met:

9 (a) The pupil has taken the complete Michigan merit examination.

10 (b) The pupil meets the income eligibility criteria for free breakfast, lunch, or  
11 milk, as determined under the Richard B. Russell national school lunch act, 42 USC  
12 1751 to 1769i.

13 (c) The pupil has applied to the provider of the college entrance examination  
14 component for a scholarship or fee waiver to cover the cost of the retake and that  
15 application has been denied.

16 (d) After taking the complete Michigan merit examination, the pupil has not  
17 already received a free retake of the college entrance examination component paid for  
18 either by this state or through a scholarship or fee waiver by the provider.

19 (8) The superintendent shall ensure that the length of the Michigan merit  
20 examination and the combined total time necessary to administer all of the components  
21 of the Michigan merit examination are the shortest possible that will still maintain  
22 the degree of reliability and validity of the Michigan merit examination results  
23 determined necessary by the superintendent. The superintendent shall ensure that the  
24 maximum total combined length of time that schools are required to set aside for  
25 pupils to answer all test questions on the Michigan merit examination does not exceed  
26 8 hours if the superintendent determines that sufficient alignment to applicable  
27 Michigan merit curriculum content standards can be achieved within that time limit.

1           (9) A district shall provide accommodations to a pupil with disabilities for the  
2 Michigan merit examination, as provided under section 504 of title V of the  
3 rehabilitation act of 1973, 29 USC 794; subtitle A of title II of the Americans with  
4 disabilities act of 1990, 42 USC 12131 to 12134; the individuals with disabilities  
5 education act amendments of 1997, Public Law 105-17; and the implementing regulations  
6 for those statutes. The provider or providers of the Michigan merit examination and  
7 the superintendent shall mutually agree upon the accommodations to be provided under  
8 this subsection.

9           (10) To the greatest extent possible, the Michigan merit examination shall be  
10 based on this state's content standards, as appropriate. Annually, after each  
11 administration of the Michigan merit examination, the department shall provide a  
12 report of the points per standard so that teachers will know what content will be  
13 covered within the Michigan merit examination. The department may augment the college  
14 entrance and work skills components of the Michigan merit examination to develop the  
15 assessment, depending on the alignment of those components to this state's content  
16 standards. If these components do not align to these standards, the department shall  
17 produce additional components as required by law, while minimizing the amount of time  
18 needed for assessments.

19           (11) A child who is a student in a nonpublic school or home school may take the  
20 Michigan merit examination under this section. To take the Michigan merit examination,  
21 a child who is a student in a home school shall contact the district in which the  
22 child resides, and that district shall administer the Michigan merit examination, or  
23 the child may take the Michigan merit examination at a nonpublic school if allowed by  
24 the nonpublic school. Upon request from a nonpublic school, the superintendent shall  
25 direct the provider or providers to supply the Michigan merit examination to the  
26 nonpublic school and the nonpublic school may administer the Michigan merit  
27 examination. If a district administers the Michigan merit examination under this

1 subsection to a child who is not enrolled in the district, the scores for that child  
2 are not considered for any purpose to be scores of a pupil of the district.

3 (12) In contracting under subsection (2), the department of technology,  
4 management, and budget shall consider a contractor that provides electronically-scored  
5 essays with the ability to score constructed response feedback in multiple languages  
6 and provide ongoing instruction and feedback.

7 (13) The purpose of the Michigan merit examination is to assess pupil performance  
8 in mathematics, science, social studies, and English language arts for the purpose of  
9 improving academic achievement and establishing a statewide standard of competency.  
10 The assessment under this section provides a common measure of data that will  
11 contribute to the improvement of Michigan schools' curriculum and instruction by  
12 encouraging alignment with Michigan's curriculum framework standards and promotes  
13 pupil participation in higher level mathematics, science, social studies, and English  
14 language arts courses. These standards are based upon the expectations of what pupils  
15 should learn through high school and are aligned with national standards.

16 (14) For a pupil enrolled in a middle college program, other than a middle  
17 college operated as a shared educational entity or a specialized shared educational  
18 entity, if the pupil receives at least 50% of his or her instruction at the high  
19 school while in grade 11, the Michigan merit examination shall be administered to the  
20 pupil at the high school at which the pupil receives high school instruction, and the  
21 department shall include the pupil's scores on the Michigan merit examination in the  
22 scores for that high school for all purposes for which a school's or district's  
23 results are reported. The department shall allow the middle college program to use a  
24 5-year graduation rate for determining adequate yearly progress. As used in this  
25 subsection, "middle college" means a program consisting of a series of courses and  
26 other requirements and conditions, including an early college or other program created  
27 under a memorandum of understanding, that allows a pupil to graduate from high school

1 with both a high school diploma and a certificate or degree from a community college  
2 or state public university.

3 (15) As used in this section:

4 (a) "English language arts" means reading and writing.

5 (b) "Social studies" means United States history, world history, world geography,  
6 economics, and American government.

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

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

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

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

21 (b) The summative assessments for English language arts and mathematics shall be  
22 administered to all public school pupils in grades 3 to 11, including those pupils as  
23 required by the federal individuals with disabilities education act, Public Law 108-  
24 446, and by title I of the federal elementary and secondary education act.

25 (c) The summative assessments for science shall be administered to all public  
26 school pupils in at least grades 4 and 7, including those pupils as required by the  
27 federal individuals with disabilities education act, Public Law 108-446, and by title

1 I of the federal elementary and secondary education act.

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

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

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

11 (g) The summative assessment system shall ensure that students, parents, and  
12 teachers are provided with reports that convey individual student proficiency and  
13 growth on the assessment and that convey individual student domain-level performance  
14 in each subject area, including representative questions, and individual student  
15 performance in meeting state standards.

16 (h) The summative assessment system shall be capable of providing, and the  
17 department shall ensure that students, parents, teachers, administrators, and  
18 community members are provided with, reports that convey aggregate student proficiency  
19 and growth data by teacher, grade, school, and district.

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

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

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

27 (i) Is in compliance with 20 USC 1232g, commonly referred to as the family



1 educational rights and privacy act of 1974.

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

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

9 (m) The summative assessment system shall ensure that assessments are designed so  
10 that the maximum total combined length of time that schools are required to set aside  
11 for a pupil to answer all test questions on all assessments that are part of the  
12 system for the pupil's grade level does not exceed that maximum total combined length  
13 of time for the previous statewide assessment system or 9 hours, whichever is less.  
14 This subdivision does not limit the amount of time a district may allow a pupil to  
15 complete a test.

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

20 (4) Beginning in the 2015-2016 school year, the department shall field test  
21 ~~additional components in the assessment system under this subsection~~ **ASSESSMENTS IN**  
22 **THE FALL AND SPRING OF EACH YEAR TO MEASURE ENGLISH LANGUAGE ARTS AND MATHEMATICS IN**  
23 **EACH OF GRADES K TO 2** for full implementation in the 2016-2017 school year. ~~The~~  
24 ~~additional components~~ **THESE ASSESSMENTS** are necessary to determine a pupil's  
25 proficiency level before grade 3. ~~The additional components are as follows:~~

26 (a) ~~Assessments administered in the fall and spring of each year to measure~~  
27 ~~English language arts and mathematics in each of grades 1 and 2.~~

1           ~~(b) The kindergarten entry assessment (KEA), to be administered in the fall of~~  
 2 ~~the kindergarten year. The KEA shall include the same components as under subdivision~~  
 3 ~~(a) and also may include observational components that measure cognitive, social-~~  
 4 ~~emotional, and physical skills.~~

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

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

8           Sec. 107. (1) From the appropriation in section 11, there is allocated an amount  
 9 not to exceed \$25,000,000.00 for ~~2015-2016~~ **2016-2017** for adult education programs  
 10 authorized under this section. Except as otherwise provided under subsections ~~(16)~~ **(14)**  
 11 and ~~(18)~~ **(15)**, funds allocated under this section are restricted for adult education  
 12 programs as authorized under this section only. A recipient of funds under this  
 13 section shall not use those funds for any other purpose.

14           (2) To be eligible for funding under this section, an eligible adult education  
 15 provider shall employ certificated teachers and qualified administrative staff and  
 16 shall offer continuing education opportunities for teachers to allow them to maintain  
 17 certification.

18           (3) To be eligible to be a participant funded under this section, an individual  
 19 shall be enrolled in an adult basic education program, **AN ADULT SECONDARY EDUCATION**  
 20 **PROGRAM**, an adult English as a second language program, a ~~general educational~~  
 21 ~~development (G.E.D.)~~ **HIGH SCHOOL EQUIVALENCY** test preparation program, a ~~job or~~  
 22 ~~employment related program~~, or a high school completion program, that meets the  
 23 requirements of this section, and for which instruction is provided, and shall meet  
 24 either of the following, as applicable:

25           ~~(a) If the individual has obtained a high school diploma or a general educational~~  
 26 ~~development (G.E.D.) certificate, the individual meets 1 of the following:~~

27           ~~(i) Is less than 20 years of age on September 1 of the school year, is not~~

~~1 attending an institution of higher education, and is enrolled in a job or employment  
2 related program through a referral by an employer or by a Michigan workforce agency.~~

~~3 (ii) Is enrolled in an English as a second language program.~~

~~4 (iii) Is enrolled in a high school completion program.~~

~~5 (iv) Is at least 20 years of age on September 1 of the school year, is enrolled  
6 in an adult basic education program, and is determined by a department approved  
7 assessment, in a form and manner prescribed by the department, to be below grade 9  
8 level in reading or mathematics, or both.~~

~~9 (b) If the individual has not obtained a high school diploma or G.E.D.  
10 certificate, the individual meets 1 of the following:~~

~~11 (i) Is at least 20 years of age on September 1 of the school year.~~

~~12 (ii) Is at least 16 years of age on September 1 of the school year, has been  
13 permanently expelled from school under section 1311(2) or 1311a of the revised school  
14 code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program  
15 available through his or her district of residence.~~

~~16 (A) HAS ATTAINED 20 YEARS OF AGE.~~

~~17 (B) IS AN OUT-OF-SCHOOL YOUTH AS DEFINED BY SECTION 129(A) (1) (B) OF THE WORKFORCE  
18 INNOVATION AND OPPORTUNITY ACT, PUBLIC LAW 113-128.~~

~~19 (4) By April 1 of each fiscal year, the intermediate districts within a  
20 prosperity region or subregion shall determine which intermediate district will serve  
21 as the prosperity region's or subregion's fiscal agent for the next fiscal year and  
22 shall notify the department in a form and manner determined by the department. The  
23 department shall approve or disapprove of the prosperity region's or subregion's  
24 selected fiscal agent. From the funds allocated under subsection (1), an amount as  
25 determined under this subsection shall be allocated to each intermediate district  
26 serving as a fiscal agent for adult education programs in each of the prosperity  
27 regions or subregions identified by the department. An intermediate district shall not~~

1 use more than 5% of the funds allocated under this subsection for administration costs  
2 for serving as the fiscal agent. Beginning in 2014-2015, 67% of the allocation  
3 provided to each intermediate district serving as a fiscal agent shall be based on the  
4 proportion of total funding formerly received by the adult education providers in that  
5 prosperity region or subregion in 2013-2014, and 33% shall be allocated based on the  
6 factors in subdivisions (a), (b), and (c). For 2016-2017, 33% of the allocation  
7 provided to each intermediate district serving as a fiscal agent shall be based upon  
8 the proportion of total funding formerly received by the adult education providers in  
9 that prosperity region in 2013-2014 and 67% of the allocation shall be based upon the  
10 factors in subdivisions (a), (b), and (c). Beginning in 2017-2018, 100% of the  
11 allocation provided to each intermediate district serving as a fiscal agent shall be  
12 based on the factors in subdivisions (a), (b), and (c). The funding factors for this  
13 section are as follows:

14 (a) Sixty percent of this portion of the funding shall be distributed based upon  
15 the proportion of the state population of individuals between the ages of 18 and 24  
16 that are not high school graduates that resides in each of the prosperity regions or  
17 subregions, as reported by the most recent 5-year estimates from the American  
18 community survey (ACS) from the United States Census Bureau.

19 (b) Thirty-five percent of this portion of the funding shall be distributed based  
20 upon the proportion of the state population of individuals age 25 or older who are not  
21 high school graduates that resides in each of the prosperity regions or subregions, as  
22 reported by the most recent 5-year estimates from the American community survey (ACS)  
23 from the United States Census Bureau.

24 (c) Five percent of this portion of the funding shall be distributed based upon  
25 the proportion of the state population of individuals age 18 or older who lack basic  
26 English language proficiency that resides in each of the prosperity regions or  
27 subregions, as reported by the most recent 5-year estimates from the American

1 community survey (ACS) from the United States Census Bureau.

2 (5) To be an eligible fiscal agent, an intermediate district must agree to do the  
3 following in a form and manner determined by the department:

4 (a) Distribute funds to adult education programs in a prosperity region or  
5 subregion as described in this section.

6 (b) Collaborate with the talent district career council, which is an advisory  
7 council of the workforce development boards located in the prosperity region or  
8 subregion, or its successor, to develop a regional strategy that aligns adult  
9 education programs and services into an efficient and effective delivery system for  
10 adult education learners, with special consideration for providing contextualized  
11 learning and career pathways, **AND ADDRESSING BARRIERS TO EDUCATION AND EMPLOYMENT.**

12 (c) Collaborate with the talent district career council, which is an advisory  
13 council of the workforce development boards located in the prosperity region or  
14 subregion, or its successor, to create a local process and criteria that will identify  
15 eligible adult education providers to receive funds allocated under this section based  
16 on location, demand for services, past performance, quality indicators as identified  
17 by the department, and cost to provide instructional services. The fiscal agent shall  
18 determine all local processes, criteria, and provider determinations. However, the  
19 local processes, criteria, and provider services must be approved by the department  
20 before funds may be distributed to the fiscal agent.

21 (d) Provide oversight to its adult education providers throughout the program  
22 year to ensure compliance with the requirements of this section.

23 (e) Report adult education program and participant data and information as  
24 prescribed by the department.

25 ~~(6) The amount allocated under this section per full time equated participant~~  
26 ~~shall not exceed \$2,850.00 for a 450-hour program. The amount shall be proportionately~~  
27 ~~reduced for a program offering less than 450 hours of instruction.~~

1           (6) ~~(7)~~ An adult basic education program, **AN ADULT SECONDARY EDUCATION PROGRAM**,  
2 or an adult English as a second language program operated on a year-round or school  
3 year basis may be funded under this section, subject to all of the following:

4           (a) The program enrolls adults who are determined by a department-approved  
5 assessment, in a form and manner prescribed by the department, to be below ~~ninth~~  
6 **TWELFTH** grade level in reading or mathematics, or both, or to lack basic English  
7 proficiency.

8           (b) The program tests individuals for eligibility under subdivision (a) before  
9 enrollment and upon completion of the program in compliance with the state-approved  
10 assessment policy.

11           (c) A participant in an adult basic education program is eligible for  
12 reimbursement until 1 of the following occurs:

13           (i) The participant's reading and mathematics proficiency are assessed at or  
14 above the ~~ninth~~ **TWELFTH** grade level.

15           (ii) The participant fails to show progress on 2 successive assessments after  
16 having completed at least 450 hours of instruction.

17           **(D) A PARTICIPANT IN AN ADULT SECONDARY EDUCATION PROGRAM IS ELIGIBLE FOR**  
18 **REIMBURSEMENT UNTIL 1 OF THE FOLLOWING OCCURS:**

19           **(I) THE PARTICIPANT'S READING AND MATHEMATICS PROFICIENCY ARE ASSESSED ABOVE THE**  
20 **TWELFTH GRADE LEVEL.**

21           **(II) THE PARTICIPANT FAILS TO SHOW PROGRESS ON 2 SUCCESSIVE ASSESSMENTS AFTER**  
22 **HAVING COMPLETED AT LEAST 450 HOURS OF INSTRUCTION.**

23           **(E) ~~(4)~~** A funding recipient enrolling a participant in an English as a second  
24 language program is eligible for funding according to subsection ~~(11)~~ **(9)** until the  
25 participant meets 1 of the following:

26           (i) The participant is assessed as having attained basic English proficiency as  
27 determined by a department-approved assessment.

1           (ii) The participant fails to show progress on 2 successive department-approved  
2 assessments after having completed at least 450 hours of instruction. The department  
3 shall provide information to a funding recipient regarding appropriate assessment  
4 instruments for this program.

5           (7) ~~(8) A general educational development (G.E.D.)~~ **HIGH SCHOOL EQUIVALENCY** test  
6 preparation program operated on a year-round or school year basis may be funded under  
7 this section, subject to all of the following:

8           (a) The program enrolls adults who do not have a high school diploma **OR A HIGH**  
9 **SCHOOL EQUIVALENCY CERTIFICATE.**

10           (b) The program shall administer a pre-test approved by the department before  
11 enrolling an individual to determine the individual's literacy levels, shall  
12 administer a ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY** practice test to determine the  
13 individual's potential for success on the ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY** test, and  
14 shall administer a post-test upon completion of the program in compliance with the  
15 state-approved assessment policy.

16           (c) A funding recipient shall receive funding according to subsection ~~(11)~~(9) for  
17 a participant, and a participant may be enrolled in the program until 1 of the  
18 following occurs:

19           (i) The participant obtains the ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY CERTIFICATE.**

20           (ii) The participant fails to show progress on 2 successive department-approved  
21 assessments used to determine readiness to take the ~~G.E.D.~~ **HIGH SCHOOL EQUIVALENCY**  
22 test after having completed at least 450 hours of instruction.

23           (8) ~~(9)~~ A high school completion program operated on a year-round or school year  
24 basis may be funded under this section, subject to all of the following:

25           (a) The program enrolls adults who do not have a high school diploma.

26           (b) The program tests participants described in subdivision (a) before enrollment  
27 and upon completion of the program in compliance with the state-approved assessment

1 policy.

2 (c) A funding recipient shall receive funding according to subsection ~~(11)~~(9) for  
3 a participant in a course offered under this subsection until 1 of the following  
4 occurs:

5 (i) The participant passes the course and earns a high school diploma.

6 (ii) The participant fails to earn credit in 2 successive semesters or terms in  
7 which the participant is enrolled after having completed at least 900 hours of  
8 instruction.

9 ~~(10) A job or employment related adult education program operated on a year-~~  
10 ~~round or school year basis may be funded under this section, subject to all of the~~  
11 ~~following:~~

12 ~~(a) The program enrolls adults referred by their employer who are less than 20~~  
13 ~~years of age, have a high school diploma, are determined to be in need of remedial~~  
14 ~~mathematics or communication arts skills, and are not attending an institution of~~  
15 ~~higher education.~~

16 ~~(b) The program tests participants described in subdivision (a) before enrollment~~  
17 ~~and upon completion of the program in compliance with the department approved~~  
18 ~~assessment policy.~~

19 ~~(c) An individual may be enrolled in this program and the grant recipient shall~~  
20 ~~receive funding according to subsection (11) until 1 of the following occurs:~~

21 ~~(i) The individual achieves the requisite skills as determined by department-~~  
22 ~~approved assessment instruments.~~

23 ~~(ii) The individual fails to show progress on 2 successive assessments after~~  
24 ~~having completed at least 450 hours of instruction.~~

25 (9) ~~(11)~~ A funding recipient shall receive payments under this section in  
26 accordance with **ALL OF** the following:

27 (a) ~~Eighty percent for enrollment of eligible participants.~~ **STATEWIDE ALLOCATION**



1 CRITERIA, INCLUSIVE OF A THREE-YEAR AVERAGE OF ACTUAL ENROLLMENTS, CENSUS DATA, AND  
2 LOCAL NEEDS.

3 (b) ~~Twenty percent for participant~~ PARTICIPANT completion of the adult basic  
4 education objectives by achieving an educational gain as determined by the national  
5 reporting system levels; for achieving basic English proficiency, as determined by the  
6 department; for obtaining a ~~G.E.D.~~ HIGH SCHOOL EQUIVALENCY CERTIFICATE or passage of 1  
7 or more individual ~~G.E.D.~~ HIGH SCHOOL EQUIVALENCY tests; for attainment of a high  
8 school diploma or passage of a course required for a participant to attain a high  
9 school diploma; for enrollment in a postsecondary institution, or for entry into or  
10 retention of employment, as applicable.

11 (C) PARTICIPANT COMPLETION OF CORE INDICATORS AS IDENTIFIED IN THE WORKFORCE  
12 INNOVATION AND OPPORTUNITY ACT.

13 (D) ALLOWABLE EXPENDITURES.

14 (10) ~~(12)~~ A person who is not eligible to be a participant funded under this  
15 section may receive adult education services upon the payment of tuition. In addition,  
16 a person who is not eligible to be served in a program under this section due to the  
17 program limitations specified in subsection ~~(7), (8), (9), or (10)~~ (6), (7), OR (8)  
18 may continue to receive adult education services in that program upon the payment of  
19 tuition. The tuition level shall be determined by the local or intermediate district  
20 conducting the program.

21 (11) ~~(13)~~ An individual who is an inmate in a state correctional facility shall  
22 not be counted as a participant under this section.

23 (12) ~~(14)~~ A funding recipient shall not commingle money received under this  
24 section or from another source for adult education purposes with any other funds and  
25 shall establish a separate ledger account for funds received under this section. This  
26 subsection does not prohibit a district from using general funds of the district to  
27 support an adult education or community education program.

1           (13) ~~(15)~~ A funding recipient receiving funds under this section may establish a  
2 sliding scale of tuition rates based upon a participant's family income. A funding  
3 recipient may charge a participant tuition to receive adult education services under  
4 this section from that sliding scale of tuition rates on a uniform basis. The amount  
5 of tuition charged per participant shall not exceed the actual operating cost per  
6 participant minus any funds received under this section per participant. A funding  
7 recipient may not charge a participant tuition under this section if the participant's  
8 income is at or below 200% of the federal poverty guidelines published by the United  
9 States Department of Health and Human Services.

10           (14) ~~(16)~~ In order to receive funds under this section, a funding recipient shall  
11 furnish to the department, in a form and manner determined by the department, all  
12 information needed to administer this program and meet federal reporting requirements;  
13 shall allow the department or the department's designee to review all records related  
14 to the program for which it receives funds; and shall reimburse the state for all  
15 disallowances found in the review, as determined by the department. In addition, a  
16 funding recipient shall agree to pay to a career and technical education program under  
17 section 61a the amount of funding received under this section in the proportion of  
18 career and technical education coursework used to satisfy adult basic education  
19 programming, as billed to the funding recipient by programs operating under section  
20 61a.

21           ~~(17) All intermediate district participant audits of adult education programs~~  
22 ~~shall be performed pursuant to the adult education participant auditing and accounting~~  
23 ~~manuals published by the department.~~

24           (15) ~~(18)~~ From the amount appropriated in subsection (1), an amount not to exceed  
25 \$500,000.00 shall be allocated for ~~2015-2016~~ 2016-2017 to not more than 1 pilot  
26 program that is located in a prosperity region with 2 or more subregions and that  
27 connects adult education participants directly with employers by linking adult

1 education, career and technical skills, and workforce development. To be eligible for  
 2 funding under this subsection, a pilot program shall provide a collaboration linking  
 3 adult education programs within the county, the area career/technical center, and  
 4 local employers, and shall meet the additional criteria in subsections ~~(19) and (20)~~  
 5 (16) AND (17). Funding under this subsection for ~~2015-2016~~ 2016-2017 is for the ~~first~~  
 6 SECOND of 3 years of funding.

7 (16) ~~(19)~~ A pilot program funded under subsection ~~(18)~~(15) shall require adult  
 8 education staff to work with Michigan Works! to identify a cohort of participants who  
 9 are most prepared to successfully enter the workforce. Participants identified under  
 10 this subsection shall be dually enrolled in adult education programming and at least 1  
 11 technical course at the area career/technical center.

12 (17) ~~(20)~~ A pilot program funded under subsection ~~(18)~~(15) shall have on staff an  
 13 adult education navigator who will serve as a caseworker for each participant  
 14 identified under subsection ~~(19)~~(16). The navigator shall work with adult education  
 15 staff and potential employers to design an educational program best suited to the  
 16 personal and employment needs of the participant, and shall work with human service  
 17 agencies or other entities to address any barrier in the way of participant access.

18 ~~(21) Not later than December 1, 2016 2017, the pilot program funded under~~  
 19 ~~subsection (18) shall provide to the senate and house appropriations subcommittees on~~  
 20 ~~school aid and to the senate and house fiscal agencies a report detailing number of~~  
 21 ~~participants, graduation rates, and a measure of transitioning to employment.~~

22 (18) ~~(22)~~ The department shall develop an application process for a pilot program  
 23 to be funded under subsection ~~(18)~~(15) and shall award funding not later than ~~November~~  
 24 ~~1, 2015~~ OCTOBER 1, 2016. Funding allocated under subsection ~~(18)~~(15) may be paid on a  
 25 schedule other than that specified under section 17b.

26 (19) ~~(23)~~ As used in this section:

27 (a) "Career pathway" means a combination of rigorous and high-quality education,

1 training, and other services that comply with all of the following:

2 (i) Aligns with the skill needs of industries in the economy of this state or in  
3 the regional economy involved.

4 (ii) Prepares an individual to be successful in any of a full range of secondary  
5 or postsecondary education options, including apprenticeships registered under the act  
6 of August 16, 1937 (commonly known as the "national apprenticeship act"), 29 USC 50 et  
7 seq.

8 (iii) Includes counseling to support an individual in achieving the individual's  
9 education and career goals.

10 (iv) Includes, as appropriate, education offered concurrently with and in the  
11 same context as workforce preparation activities and training for a specific  
12 occupation or occupational cluster.

13 (v) Organizes education, training, and other services to meet the particular  
14 needs of an individual in a manner that accelerates the educational and career  
15 advancement of the individual to the extent practicable.

16 (vi) Enables an individual to attain a secondary school diploma or its recognized  
17 equivalent, and at least 1 recognized postsecondary credential.

18 (vii) Helps an individual enter or advance within a specific occupation or  
19 occupational cluster.

20 (b) "Department" means the department of talent and economic development.

21 (c) "Eligible adult education provider" means a district, intermediate district,  
22 a consortium of districts, a consortium of intermediate districts, or a consortium of  
23 districts and intermediate districts that is identified as part of the local process  
24 described in subsection (5)(c) and approved by the department.

25 ~~(d) "Participant" means the sum of the number of full time equated individuals~~  
26 ~~enrolled in and attending a department approved adult education program under this~~  
27 ~~section, using quarterly participant count days on the schedule described in section~~

1 ~~6(7)(b)-~~

2 (D) "HIGH SCHOOL EQUIVALENCY TEST" MEANS THE G.E.D. TEST DEVELOPED BY THE G.E.D.  
 3 TESTING SERVICE, THE TEST ASSESSING SECONDARY COMPLETION (TASC) DEVELOPED BY  
 4 CTB/MCGRAW-HILL, THE HISET TEST DEVELOPED BY THE EDUCATION TESTING SERVICE (ETS), OR  
 5 ANOTHER COMPARABLE TEST APPROVED BY THE DEPARTMENT.

6 Sec. 147. (1) The allocation for ~~2015-2016~~ 2016-2017 for the public school  
 7 employees' retirement system pursuant to the public school employees retirement act of  
 8 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the individual  
 9 projected benefit entry age normal cost method of valuation and risk assumptions  
 10 adopted by the public school employees retirement board and the department of  
 11 technology, management, and budget.

12 (2) The annual level percentage of payroll contribution rates for the ~~2015-2016~~  
 13 2016-2017 fiscal year, as determined by the retirement system, are estimated as  
 14 follows:

15 (a) For public school employees who first worked for a public school reporting  
 16 unit before July 1, 2010 and who are enrolled in the health premium subsidy, the  
 17 annual level percentage of payroll contribution rate is estimated at ~~36.31%~~ 36.64%,  
 18 with ~~25.78%~~ 24.94% paid directly by the employer.

19 (b) For public school employees who first worked for a public school reporting  
 20 unit on or after July 1, 2010 and who are enrolled in the health premium subsidy, the  
 21 annual level percentage of payroll contribution rate is estimated at ~~35.09%~~ 36.01%,  
 22 with ~~24.56%~~ 24.31% paid directly by the employer.

23 (c) For public school employees who first worked for a public school reporting  
 24 unit on or after July 1, 2010 and who participate in the personal healthcare fund, the  
 25 annual level percentage of payroll contribution rate is estimated at ~~34.66%~~ 35.79%,  
 26 with ~~24.13%~~ 24.09% paid directly by the employer.

27 (d) For public school employees who first worked for a public school reporting

1 unit on or after September 4, 2012, who elect defined contribution, and who  
2 participate in the personal healthcare fund, the annual level percentage of payroll  
3 contribution rate is estimated at ~~31.49%~~ **32.66%**, with 20.96% paid directly by the  
4 employer.

5 (e) For public school employees who first worked for a public school reporting  
6 unit before July 1, 2010, who elect defined contribution, and who are enrolled in the  
7 health premium subsidy, the annual level percentage of payroll contribution rate is  
8 estimated at ~~31.92%~~ **32.88%**, with ~~21.39%~~ **21.18%** paid directly by the employer.

9 (f) For public school employees who first worked for a public school reporting  
10 unit before July 1, 2010, who elect defined contribution, and who participate in the  
11 personal healthcare fund, the annual level percentage of payroll contribution rate is  
12 estimated at ~~31.49%~~ **32.66%**, with 20.96% paid directly by the employer.

13 (g) For public school employees who first worked for a public school reporting  
14 unit before July 1, 2010 and who participate in the personal healthcare fund, the  
15 annual level percentage of payroll contribution rate is estimated at ~~35.88%~~ **36.42%**,  
16 with ~~25.35%~~ **24.72%** paid directly by the employer.

17 (3) In addition to the employer payments described in subsection (2), the  
18 employer shall pay the applicable contributions to the Tier 2 plan, as determined by  
19 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
20 38.1408.

21 (4) The contribution rates in subsection (2) reflect an amortization period of ~~23~~  
22 **22** years for ~~2015-2016~~ **2016-2017**. The public school employees' retirement system board  
23 shall notify each district and intermediate district by February 28 of each fiscal  
24 year of the estimated contribution rate for the next fiscal year.

25 Sec. 147a. From the appropriation in section 11, there is allocated for ~~2015-2016~~  
26 **2016-2017** an amount not to exceed \$100,000,000.00 for payments to participating  
27 districts. A district that receives money under this section shall use that money

1 solely for the purpose of offsetting a portion of the retirement contributions owed by  
2 the district for the fiscal year in which it is received. The amount allocated to each  
3 participating district under this section shall be based on each participating  
4 district's percentage of the total statewide payroll for all participating districts  
5 for the immediately preceding fiscal year. As used in this section, "participating  
6 district" means a district that is a reporting unit of the Michigan public school  
7 employees' retirement system under the public school employees retirement act of 1979,  
8 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to the Michigan public  
9 school employees' retirement system for the applicable fiscal year.

10           Sec. 147c. (1) From the appropriation in section 11, there is allocated for ~~2015-~~  
11 ~~2016~~ 2016-2017 an amount not to exceed ~~\$892,900,000.00~~ **\$982,200,000.00** from the state  
12 school aid fund for payments to districts and intermediate districts that are  
13 participating entities of the Michigan public school employees' retirement system. In  
14 addition, from the general fund money appropriated in section 11, there is allocated  
15 for ~~2015-2016~~ 2016-2017 an amount not to exceed \$600,000.00 for payments to district  
16 libraries that are participating entities of the Michigan public school employees'  
17 retirement system.

18           (2) For ~~2015-2016~~ 2016-2017, the amounts allocated under subsection (1) are  
19 estimated to provide an average MPSERS rate cap per pupil amount of ~~\$601.00~~ **\$660.00**  
20 and are estimated to provide a rate cap per pupil for districts ranging between ~~\$4.00~~  
21 **\$5.00** and ~~\$2,300.00~~ **\$3,100.00**.

22           (3) Payments made under this section ~~for 2015-2016~~ shall be equal to the  
23 difference between the unfunded actuarial accrued liability contribution rate as  
24 calculated pursuant to section 41 of the public school employees retirement act of  
25 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum  
26 employer rate of 20.96% included in section 41 of the public school employees  
27 retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of

1 20.96% included in section 41 of the public school employees retirement act of 1979,  
2 1980 PA 300, MCL 38.1341.

3 (4) The amount allocated to each participating entity under this section shall be  
4 based on each participating entity's proportion of the total covered payroll for the  
5 immediately preceding fiscal year for the same type of participating entities. A  
6 participating entity that receives funds under this section shall use the funds solely  
7 for the purpose of retirement contributions as specified in subsection (5).

8 (5) Each participating entity receiving funds under this section shall forward an  
9 amount equal to the amount allocated under subsection (4) to the retirement system in  
10 a form, manner, and time frame determined by the retirement system.

11 (6) Funds allocated under this section should be considered when comparing a  
12 district's growth in total state aid funding from 1 fiscal year to the next.

13 (7) Not later than December 20, ~~2015~~ 2016, the department shall publish and post  
14 on its website an estimated 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 quotient of the  
17 district's payment under this section divided by the district's pupils in membership.

18 (b) "Participating entity" means a district, intermediate district, or district  
19 library that is a reporting unit of the Michigan public school employees' retirement  
20 system under the public school employees retirement act of 1979, 1980 PA 300, MCL  
21 38.1301 to 38.1437, and that reports employees to the Michigan public school  
22 employees' retirement system for the applicable fiscal year.

23 (c) "Retirement board" means the board that administers the retirement system  
24 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
25 38.1437.

26 (d) "Retirement system" means the Michigan public school employees' retirement  
27 system under the public school employees retirement act of 1979, 1980 PA 300, MCL



1 38.1301 to 38.1437.

2 Sec. 152a. (1) As required by the court in the consolidated cases known as Adair  
3 v State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the  
4 state school aid fund money appropriated in section 11 there is allocated for ~~2015-~~  
5 ~~2016~~ 2016-2017 an amount not to exceed \$38,000,500.00 to be used solely for the  
6 purpose of paying necessary costs related to the state-mandated collection,  
7 maintenance, and reporting of data to this state.

8 (2) From the allocation in subsection (1), the department shall make payments to  
9 districts and intermediate districts in an equal amount per-pupil based on the total  
10 number of pupils in membership in each district and intermediate district. The  
11 department shall not make any adjustment to these payments after the final installment  
12 payment under section 17b is made.

13 Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor  
14 who is enrolled in any of grades 1 to 12 in a nonpublic school or who is being home-  
15 schooled from also enrolling the minor in a district, public school academy, or  
16 intermediate district in any curricular offering that is provided by the district,  
17 public school academy, or intermediate district at a public school site and is  
18 available to pupils in the minor's grade level or age group, subject to compliance  
19 with the same requirements that apply to a full-time pupil's participation in the  
20 offering. However, state school aid shall be provided under this act for a minor  
21 enrolled as described in this subsection only for curricular offerings that are  
22 offered **AND BEING PROVIDED** to full-time pupils in the minor's grade level or age group  
23 during regularly scheduled school hours.

24 (2) This act does not prohibit a parent or legal guardian of a minor who is  
25 enrolled in any of grades 1 to 12 in a nonpublic school or who resides within the  
26 district and is being home-schooled from also enrolling the minor in the district in a  
27 curricular offering being provided by the district at the nonpublic school site.

1 However, state school aid shall be provided under this act for a minor enrolled as  
2 described in this subsection only if all of the following apply:

3 (a) Either of the following:

4 (i) The nonpublic school site is located, or the nonpublic students are educated,  
5 within the geographic boundaries of the district.

6 (ii) If the nonpublic school has submitted a written request to the district in  
7 which the nonpublic school is located for the district to provide certain instruction  
8 under this subsection for a school year and the district does not agree to provide  
9 some or all of that instruction by May 1 immediately preceding that school year or, if  
10 the request is submitted after March 1 immediately preceding that school year, within  
11 60 days after the nonpublic school submits the request, the instruction is instead  
12 provided by an eligible other district. This subparagraph does not require a nonpublic  
13 school to submit more than 1 request to the district in which the nonpublic school is  
14 located for that district to provide instruction under this subsection, and does not  
15 require a nonpublic school to submit an additional request to the district in which  
16 the nonpublic school is located for that district to provide additional instruction  
17 under this subsection beyond the instruction requested in the original request, before  
18 having the instruction provided by an eligible other district. A public school academy  
19 that is located in the district in which the nonpublic school is located or in another  
20 eligible district also may provide instruction under this subparagraph under the same  
21 conditions as an eligible other district. As used in this subparagraph, "eligible  
22 other district" means a district that is located in the same intermediate district as  
23 the district in which the nonpublic school is located or is located in an intermediate  
24 district that is contiguous to that intermediate district.

25 (b) The nonpublic school is registered with the department as a nonpublic school  
26 and meets all state reporting requirements for nonpublic schools.

27 (c) The instruction is scheduled to occur during the regular school day.

1 (d) The instruction is provided directly by a certified teacher at the district  
2 or public school academy or at an intermediate district.

3 (e) The curricular offering is also available **AND BEING PROVIDED** to full-time  
4 pupils in the minor's grade level or age group in the district or public school  
5 academy during the regular school day at a public school site.

6 (f) The curricular offering is restricted to nonessential elective courses for  
7 pupils in grades 1 to 12.

8 (3) **A SUBJECT TO SECTION 6(4)(GG),** A minor enrolled as described in this section  
9 is a part-time pupil for purposes of state school aid under this act.

10 (4) A district that receives a written request to provide instruction under  
11 subsection (2) shall reply to the request in writing by May 1 immediately preceding  
12 the applicable school year or, if the request is made after March 1 immediately  
13 preceding that school year, within 60 days after the nonpublic school submits the  
14 request. The written reply shall specify whether the district agrees to provide or  
15 does not agree to provide the instruction for each portion of instruction included in  
16 the request.

## ARTICLE II

## STATE AID TO COMMUNITY COLLEGES

1  
2  
3 Sec. 201. (1) Subject to the conditions set forth in this article, the amounts  
4 listed in this section are appropriated for community colleges for the fiscal year  
5 ending September 30, ~~2016,~~ 2017, from the funds indicated in this section. The  
6 following is a summary of the appropriations in this section:

7 (a) The gross appropriation is ~~\$387,825,600.00.~~ \$399,025,600.00. After deducting  
8 total interdepartmental grants and intradepartmental transfers in the amount of \$0.00,  
9 the adjusted gross appropriation is ~~\$387,825,600.00.~~ \$399,025,600.00.

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

12 (i) Total federal revenues, \$0.00.

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

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

15 (iv) Total other state restricted revenues, ~~\$256,714,800.00.~~ \$260,414,800.00.

16 (v) State general fund/general purpose money, ~~\$131,110,800.00.~~ \$138,610,800.00.

17 (2) Subject to subsection (3), the amount appropriated for community college  
18 operations is ~~\$311,492,000.00,~~ \$318,992,000.00, allocated as follows:

19 (a) The appropriation for Alpena Community College is ~~\$5,464,400.00,~~  
20 \$5,627,100.00, ~~\$5,390,700.00~~ \$5,464,400.00 for operations and ~~\$73,700.00~~ \$162,700.00  
21 for performance funding.

22 (b) The appropriation for Bay de Noc Community College is ~~\$5,490,200.00,~~  
23 \$5,591,100.00, ~~\$5,419,500.00~~ \$5,490,200.00 for operations and ~~\$70,700.00~~ \$100,900.00  
24 for performance funding.

25 (c) The appropriation for Delta College is ~~\$14,704,000.00,~~ \$15,052,400.00,  
26 ~~\$14,498,900.00~~ \$14,704,000.00 for operations and ~~\$205,100.00~~ \$348,400.00 for  
27 performance funding.

1 (d) The appropriation for Glen Oaks Community College is ~~\$2,551,100.00,~~  
 2 \$2,596,700.00, ~~\$2,516,100.00~~ \$2,551,100.00 for operations and ~~\$35,000.00~~ \$45,600.00  
 3 for performance funding.

4 (e) The appropriation for Gogebic Community College is ~~\$4,509,900.00,~~  
 5 \$4,626,900.00, ~~\$4,451,400.00~~ \$4,509,900.00 for operations and ~~\$58,500.00~~ \$117,000.00  
 6 for performance funding.

7 (f) The appropriation for Grand Rapids Community College is ~~\$18,187,300.00,~~  
 8 \$18,631,700.00, ~~\$17,947,500.00~~ \$18,187,300.00 for operations and ~~\$239,800.00~~  
 9 \$444,400.00 for performance funding.

10 (g) The appropriation for Henry Ford College is ~~\$21,893,300.00,~~ \$22,347,500.00,  
 11 ~~\$21,623,800.00~~ \$21,893,300.00 for operations and ~~\$269,500.00~~ \$454,200.00 for  
 12 performance funding.

13 (h) The appropriation for Jackson College is ~~\$12,245,300.00,~~ \$12,504,400.00,  
 14 ~~\$12,087,300.00~~ \$12,245,300.00 for operations and ~~\$158,000.00~~ \$259,100.00 for  
 15 performance funding.

16 (i) The appropriation for Kalamazoo Valley Community College is ~~\$12,689,400.00,~~  
 17 \$13,015,700.00, ~~\$12,503,100.00~~ \$12,689,400.00 for operations and ~~\$186,300.00~~  
 18 \$326,300.00 for performance funding.

19 (j) The appropriation for Kellogg Community College is ~~\$9,950,100.00,~~  
 20 \$10,159,800.00, ~~\$9,813,500.00~~ \$9,950,100.00 for operations and ~~\$136,600.00~~ \$209,700.00  
 21 for performance funding.

22 (k) The appropriation for Kirtland Community College is ~~\$3,221,500.00,~~  
 23 \$3,303,300.00, ~~\$3,167,700.00~~ \$3,221,500.00 for operations and ~~\$53,800.00~~ \$81,800.00  
 24 for performance funding.

25 (l) The appropriation for Lake Michigan College is ~~\$5,417,700.00,~~ \$5,565,600.00,  
 26 ~~\$5,342,900.00~~ \$5,417,700.00 for operations and ~~\$74,800.00~~ \$147,900.00 for performance  
 27 funding.

1 (m) The appropriation for Lansing Community College is ~~\$31,288,200.00,~~  
2 \$31,915,300.00, ~~\$30,877,600.00~~ \$31,288,200.00 for operations and ~~\$410,600.00~~  
3 \$627,100.00 for performance funding.

4 (n) The appropriation for Macomb Community College is ~~\$33,239,500.00,~~  
5 \$33,900,200.00, ~~\$32,816,600.00~~ \$33,239,500.00 for operations and ~~\$422,900.00~~  
6 \$660,700.00 for performance funding.

7 (o) The appropriation for Mid Michigan Community College is ~~\$4,757,700.00,~~  
8 \$4,917,300.00, ~~\$4,682,000.00~~ \$4,757,700.00 for operations and ~~\$75,700.00~~ \$159,600.00  
9 for performance funding.

10 (p) The appropriation for Monroe County Community College is ~~\$4,565,600.00,~~  
11 \$4,679,100.00, ~~\$4,492,900.00~~ \$4,565,600.00 for operations and ~~\$72,700.00~~ \$113,500.00  
12 for performance funding.

13 (q) The appropriation for Montcalm Community College is ~~\$3,280,600.00,~~  
14 \$3,404,000.00, ~~\$3,226,700.00~~ \$3,280,600.00 for operations and ~~\$53,900.00~~ \$123,400.00  
15 for performance funding.

16 (r) The appropriation for C.S. Mott Community College is ~~\$15,901,700.00,~~  
17 \$16,278,400.00, ~~\$15,686,100.00~~ \$15,901,700.00 for operations and ~~\$215,600.00~~  
18 \$376,700.00 for performance funding.

19 (s) The appropriation for Muskegon Community College is ~~\$9,020,700.00,~~  
20 \$9,268,700.00, ~~\$8,901,000.00~~ \$9,020,700.00 for operations and ~~\$119,700.00~~ \$248,000.00  
21 for performance funding.

22 (t) The appropriation for North Central Michigan College is ~~\$3,224,800.00,~~  
23 \$3,345,100.00, ~~\$3,172,400.00~~ \$3,224,800.00 for operations and ~~\$52,400.00~~ \$120,300.00  
24 for performance funding.

25 (u) The appropriation for Northwestern Michigan College is ~~\$9,200,500.00,~~  
26 \$9,410,000.00, ~~\$9,078,800.00~~ \$9,200,500.00 for operations and ~~\$121,700.00~~ \$209,500.00  
27 for performance funding.

1 (v) The appropriation for Oakland Community College is ~~\$21,429,400.00,~~  
 2 ~~\$21,978,200.00, \$21,123,300.00~~ **\$21,429,400.00** for operations and ~~\$306,100.00~~  
 3 **\$548,800.00** for performance funding.

4 (w) The appropriation for ~~St. Clair County Community College~~ **SCHOOLCRAFT COLLEGE**  
 5 is ~~\$7,158,000.00,~~ **\$13,057,800.00,** ~~\$7,061,600.00~~ **\$12,706,400.00** for operations and  
 6 ~~\$96,400.00~~ **\$351,400.00** for performance funding.

7 (x) The appropriation for ~~Schoolcraft College~~ **SOUTHWESTERN MICHIGAN COLLEGE** is  
 8 ~~\$12,706,400.00,~~ **\$6,773,600.00,** ~~\$12,513,700.00~~ **\$6,657,600.00** for operations and  
 9 ~~\$192,700.00~~ **\$116,000.00** for performance funding.

10 (y) The appropriation for ~~Southwestern Michigan College~~ **ST. CLAIR COUNTY**  
 11 **COMMUNITY COLLEGE** is ~~\$6,657,600.00,~~ **\$7,337,100.00,** ~~\$6,576,400.00~~ **\$7,158,000.00** for  
 12 operations and ~~\$81,200.00~~ **\$179,100.00** for performance funding.

13 (z) The appropriation for Washtenaw Community College is ~~\$13,301,100.00,~~  
 14 **\$13,724,700.00,** ~~\$13,077,300.00~~ **\$13,301,100.00** for operations and ~~\$223,800.00~~  
 15 **\$423,600.00** for performance funding.

16 (aa) The appropriation for Wayne County Community College is ~~\$16,989,800.00,~~  
 17 **\$17,452,800.00,** ~~\$16,727,600.00~~ **\$16,989,800.00** for operations and ~~\$262,200.00~~  
 18 **\$463,000.00** for performance funding.

19 (bb) The appropriation for West Shore Community College is ~~\$2,446,200.00,~~  
 20 **\$2,527,500.00,** ~~\$2,414,900.00~~ **\$2,446,200.00** for operations and ~~\$31,300.00~~ **\$81,300.00**  
 21 for performance funding.

22 (3) The amount appropriated in subsection (2) for community college operations is  
 23 appropriated from the following:

24 (a) State school aid fund, ~~\$236,181,200.00.~~ **\$185,481,200.00.**

25 (b) State general fund/general purpose money, ~~\$75,310,800.00.~~ **\$133,510,800.00.**

26 (4) From the appropriations described in subsection (1), subject to section 207a,  
 27 the amount appropriated for fiscal year ~~2015-2016~~ **2016-2017** to offset certain fiscal

1 year ~~2015-2016~~ 2016-2017 retirement contributions is \$1,733,600.00, appropriated from  
2 the state school aid fund.

3 (5) From the appropriations described in subsection (1), subject to section 207b,  
4 the amount appropriated for payments to community colleges that are participating  
5 entities of the retirement system is ~~\$69,500,000.00, \$17,200,000.00~~ \$73,200,000.00,  
6 appropriated from the state school aid fund, ~~and \$52,300,000.00 appropriated from~~  
7 ~~general fund/general purpose money.~~

8 (6) From the appropriations described in subsection (1), subject to section 207c,  
9 the amount appropriated for renaissance zone tax reimbursements is \$5,100,000.00,  
10 ~~\$1,600,000.00 appropriated from the state school aid fund, and \$3,500,000.00~~  
11 appropriated from general fund/general purpose money.

12 Sec. 202a. As used in this article:

13 (A) "CENTER" MEANS THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION CREATED  
14 IN SECTION 94A OF THIS ACT.

15 (B) ~~(a)~~ "Michigan renaissance zone act" means the Michigan renaissance zone act,  
16 1996 PA 376, MCL 125.2681 to 125.2696.

17 (C) ~~(b)~~ "Participating college" means a community college that is a reporting  
18 unit of the retirement system and that reports employees to the retirement system for  
19 the state fiscal year.

20 (D) ~~(c)~~ "Retirement board" means the board that administers the retirement system  
21 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
22 38.1437.

23 (E) ~~(d)~~ "Retirement system" means the Michigan public school employees'  
24 retirement system under the public school employees retirement act of 1979, 1980 PA  
25 300, MCL 38.1301 to 38.1437.

26 (F) ~~(e)~~ "Workforce development agency" means the workforce development agency ~~of~~  
27 ~~the Michigan strategic fund.~~ WITHIN THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT



1 - TALENT INVESTMENT AGENCY.

2           Sec. 203. Unless otherwise specified, a community college that receives  
3 appropriations in section 201 ~~and~~, the workforce development agency, **AND THE CENTER**  
4 shall use the internet to fulfill the reporting requirements of this article. This  
5 requirement may include transmission of reports via electronic mail to the recipients  
6 identified for each reporting requirement or it may include placement of reports on an  
7 internet or intranet site.

8           Sec. 206. The funds appropriated in section 201 are appropriated for community  
9 colleges with fiscal years ending June 30, ~~2016~~ **2017** and shall be paid out of the  
10 state treasury and distributed by the state treasurer to the respective community  
11 colleges in 11 monthly installments on the sixteenth of each month, or the next  
12 succeeding business day, beginning with October 16, ~~2015~~ **2016**. Each community college  
13 shall accrue its July and August ~~2016~~ **2017** payments to its institutional fiscal year  
14 ending June 30, ~~2016~~ **2017**. However, if the state budget director determines that a  
15 community college failed to submit all verified Michigan community colleges activities  
16 classification structure data for school year ~~2014-2015~~ **2015-2016** to the ~~workforce~~  
17 ~~development agency~~ **CENTER** by November 1, ~~2015~~ **2016**, or failed to submit its  
18 longitudinal data system data set for school year ~~2014-2015~~ **2015-2016** to the center  
19 ~~for educational performance and information~~ under section 219, the state treasurer  
20 shall withhold the monthly installments from that community college until those data  
21 are submitted. The state budget director shall notify the chairs of the house and  
22 senate appropriations subcommittees on community colleges at least 10 days before  
23 withholding funds from any community college.

24           Sec. 207a. All of the following apply to the allocation of the fiscal year ~~2015-~~  
25 ~~2016~~ **2016-2017** appropriations described in section 201(4):

26           (a) A community college that receives money under section 201(4) shall use that  
27 money solely for the purpose of offsetting a portion of the retirement contributions

1 owed by the college for that fiscal year.

2 (b) The amount allocated to each participating community college under section  
3 201(4) shall be based on each college's percentage of the total covered payroll for  
4 all community colleges that are participating colleges in the immediately preceding  
5 fiscal year.

6 Sec. 207b. All of the following apply to the allocation of the fiscal year ~~2015-~~  
7 ~~2016~~ 2016-2017 appropriations described in section 201(5) for payments to community  
8 colleges that are participating entities of the retirement system:

9 (a) The amount of a payment under section 201(5) shall be the difference between  
10 the unfunded actuarial accrued liability contribution rate as calculated under section  
11 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,  
12 and the maximum employer rate of 20.96% under section 41 of the public school  
13 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

14 (b) The amount allocated to each community college under section 201(5) shall be  
15 based on each community college's percentage of the total covered payroll for all  
16 community colleges that are participating colleges in the immediately preceding fiscal  
17 year. A community college that receives funds under this subdivision shall use the  
18 funds solely for the purpose of retirement contributions under section 201(5).

19 (c) Each participating college that receives funds under section 201(5) shall  
20 forward an amount equal to the amount allocated under subdivision (b) to the  
21 retirement system in a form and manner determined by the retirement system.

22 Sec. 207c. All of the following apply to the allocation of the appropriations  
23 described in section 201(6) to community colleges described in section 12(3) of the  
24 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692:

25 (a) The amount allocated to each community college under section 201(6) for  
26 fiscal year ~~2015-2016~~ 2016-2017 shall be based on that community college's proportion  
27 of total revenue lost by community colleges as a result of the exemption of property

1 taxes levied in ~~2015~~ 2016 under the Michigan renaissance zone act, 1996 PA 376, MCL  
2 125.2681 to 125.2696.

3 (b) The appropriations described in section 201(6) shall be made to each eligible  
4 community college within 60 days after the department of treasury certifies to the  
5 state budget director that it has received all necessary information to properly  
6 determine the amounts payable to each eligible community college under section 12 of  
7 the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

8 Sec. 209. (1) Within 30 days after the board of a community college adopts its  
9 annual operating budget for the following fiscal year, or after the board adopts a  
10 subsequent revision to that budget, the community college shall make all of the  
11 following available through a link on its website homepage:

12 (a) The annual operating budget and subsequent budget revisions.

13 (b) A link to the most recent "Activities Classification Structure Data Book and  
14 Companion".

15 (c) General fund revenue and expenditure projections for **THE CURRENT** fiscal year  
16 ~~2015-2016~~ and **THE NEXT** fiscal year ~~2016-2017~~.

17 (d) A listing of all debt service obligations, detailed by project, anticipated  
18 ~~fiscal year 2015-2016~~ payment of each project, and total outstanding debt **FOR THE**  
19 **CURRENT FISCAL YEAR**.

20 ~~(e) The estimated cost to the community college resulting from the patient~~  
21 ~~protection and affordable care act, Public Law 111 148, as amended by the health care~~  
22 ~~and education reconciliation act of 2010, Public Law 111 152.~~

23 **(E)** ~~(F)~~ Links to all of the following for the community college:

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

25 (ii) Each health care benefits plan, including, but not limited to, medical,  
26 dental, vision, disability, long-term care, or any other type of benefits that would  
27 constitute health care services, offered to any bargaining unit or employee of the

1 community college.

2 (iii) Audits and financial reports for the most recent fiscal year for which they  
3 are available.

4 (iv) A copy of the board of trustees resolution regarding compliance with best  
5 practices for the local strategic value component described in section 230(2).

6 (2) For statewide consistency and public visibility, community colleges must use  
7 the icon badge provided by the department of technology, management, and budget  
8 consistent with the icon badge developed by the department of education for K-12  
9 school districts. It must appear on the front of each community college's homepage.  
10 The size of the icon may be reduced to 150 x 150 pixels.

11 ~~(3) The state budget director shall determine whether a community college has~~  
12 ~~complied with this section. The state budget director may withhold a community~~  
13 ~~college's monthly installments described in section 206 until the community college~~  
14 ~~complies with this section. The state budget director shall notify the chairs of the~~  
15 ~~house and senate appropriations subcommittee on community colleges at least 10 days~~  
16 ~~before withholding funds from any community college.~~

17 (3) ~~(4)~~ Each community college shall report the following information to the  
18 senate and house appropriations subcommittees on community colleges, the senate and  
19 house fiscal agencies, and the state budget office by November 15 of each fiscal year  
20 and post that information on its website as required under subsection (1):

21 (a) Budgeted **CURRENT** fiscal year ~~2015-2016~~ general fund revenue from tuition and  
22 fees.

23 (b) Budgeted **CURRENT** fiscal year ~~2015-2016~~ general fund revenue from state  
24 appropriations.

25 (c) Budgeted **CURRENT** fiscal year ~~2015-2016~~ general fund revenue from property  
26 taxes.

27 (d) Budgeted **CURRENT** fiscal year ~~2015-2016~~ total general fund revenue.

1 (e) Budgeted **CURRENT** fiscal year ~~2015-2016~~ total general fund expenditures.

2 (4) ~~(5)~~ By November 15 of each year, a community college shall report the  
3 following information to the center ~~for educational performance and information~~ and  
4 post the information on its website under the budget transparency icon badge:

5 (a) Opportunities for earning college credit through the following programs:

6 (i) State approved career and technical education or a tech prep articulated  
7 program of study.

8 (ii) Direct college credit or concurrent enrollment.

9 (iii) Dual enrollment.

10 (iv) An early college/middle college program.

11 (b) For each program described in subdivision (a) that the community college  
12 offers, all of the following information:

13 (i) The number of high school students participating in the program.

14 (ii) The number of school districts that participate in the program with the  
15 community college.

16 (iii) Whether a college professor, qualified local school district employee, or  
17 other individual teaches the course or courses in the program.

18 (iv) The total cost to the community college to operate the program.

19 (v) The cost per credit hour for the course or courses in the program.

20 (vi) The location where the course or courses in the program are held.

21 (vii) Instructional resources offered to the program instructors.

22 (viii) Resources offered to the student in the program.

23 (ix) Transportation services provided to students in the program.

24 Sec. 210b. ~~(1) It is the intent of the legislature that the Michigan Association~~  
25 ~~of Collegiate Registrars and Admissions Officers implement any agreement or agreements~~  
26 ~~among the community colleges and universities concerning the transferability of~~  
27 ~~college courses resulting from the recommendations of the committee created under~~

1 ~~former section 210a.~~

2 ~~(2) It is the intent of the legislature that the Michigan Association of~~  
3 ~~Collegiate Registrars and Admissions Officers, the Michigan Community College~~  
4 ~~Association, and the Presidents Council, State Universities of Michigan shall together~~  
5 ~~submit an implementation update report to the senate and house appropriations~~  
6 ~~subcommittees on community colleges and higher education, the senate and house fiscal~~  
7 ~~agencies, and the state budget director by March 1, 2016. THE MICHIGAN COMMUNITY~~  
8 ~~COLLEGE ASSOCIATION AND THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES SHALL ISSUE AN~~  
9 ~~IMPLEMENTATION REPORT ON THE MICHIGAN TRANSFER AGREEMENT BY MARCH 1, 2017. THE REPORT~~  
10 ~~SHALL INCLUDE A SUMMARY OF THE IMPLEMENTATION ISSUES FACED BY THE INSTITUTIONS AND~~  
11 ~~STRATEGIES BEING CONSIDERED TO REMEDY THOSE ISSUES, AS WELL AS AN UPDATE ON PROGRESS~~  
12 ~~MADE ON OUTSTANDING ISSUES IDENTIFIED IN THE MARCH 1, 2016 REPORT.~~

13 Sec. 217. (1) The ~~workforce development agency~~ CENTER shall do all of the  
14 following:

15 (a) Establish, maintain, and coordinate the state community college database  
16 commonly known as the "activities classification structure" or "ACS" database.

17 (b) Collect data concerning community colleges and community college programs in  
18 this state, including data required by law.

19 (c) Establish procedures to ensure the validity and reliability of the data and  
20 the collection process.

21 (d) Develop model data collection policies, including, but not limited to,  
22 policies that ensure the privacy of any individual student data. Privacy policies  
23 shall ensure that student social security numbers are not released to the public for  
24 any purpose.

25 (e) Provide data in a useful manner to allow state policymakers and community  
26 college officials to make informed policy decisions.

27 (f) Assist community colleges in complying with audits under this section or

1 federal law.

2 (2) There is created within the ~~workforce development agency~~ **CENTER** the  
3 activities classification structure advisory committee. The committee shall provide  
4 advice to the director of the ~~workforce development agency~~ **CENTER** regarding the  
5 management of the state community college database, including, but not limited to:

6 (a) Determining what data are necessary to collect and maintain to enable state  
7 and community college officials to make informed policy decisions.

8 (b) Defining the roles of all stakeholders in the data collection system.

9 (c) Recommending timelines for the implementation and ongoing collection of data.

10 (d) Establishing and maintaining data definitions, data transmission protocols,  
11 and system specifications and procedures for the efficient and accurate transmission  
12 and collection of data.

13 (e) Establishing and maintaining a process for ensuring the accuracy of the data.

14 (f) Establishing and maintaining policies related to data collection, including,  
15 but not limited to, privacy policies related to individual student data.

16 (g) Ensuring that the data are made available to state policymakers and citizens  
17 of this state in the most useful format possible.

18 (h) Addressing other matters as determined by the director of the ~~workforce~~  
19 ~~development agency~~ **CENTER** or as required by law.

20 (3) The activities classification structure advisory committee created in  
21 subsection (2) shall consist of the following members:

22 (a) One representative from the house fiscal agency, appointed by the director of  
23 the house fiscal agency.

24 (b) One representative from the senate fiscal agency, appointed by the director  
25 of the senate fiscal agency.

26 (c) One representative from the workforce development agency, appointed by the  
27 director of the workforce development agency.

1 (D) ONE REPRESENTATIVE FROM THE CENTER, APPOINTED BY THE DIRECTOR OF THE CENTER.

2 (E) ~~(d)~~ One representative from the state budget office, appointed by the state  
3 budget director.

4 (F) ~~(e)~~ One representative from the governor's policy office, appointed by that  
5 office.

6 (G) ~~(f)~~ Four representatives of the Michigan Community College Association,  
7 appointed by the president of the association. From the groupings of community  
8 colleges given in table 17 of the activities classification structure database  
9 described in subsection (1), the association shall appoint 1 representative each from  
10 group 1, group 2, and group 3, and 1 representative from either group 3 or 4.

11 Sec. 219. By ~~June 30~~ **OCTOBER 15** of each year, each community college shall  
12 provide its longitudinal data system data set for the preceding academic year to the  
13 center ~~for educational performance and information~~ for inclusion in the statewide P-20  
14 education longitudinal data system described in section 94a **OF THIS ACT**.

15 Sec. 220. (1) The auditor general or a certified public accountant appointed by  
16 the auditor general may conduct performance audits of community colleges as the  
17 auditor general considers necessary.

18 (2) Within 60 days after an audit report is released by the office of the auditor  
19 general, the principal executive officer of the community college that was audited  
20 shall submit to the house and senate appropriations committees, the house and senate  
21 fiscal agencies, ~~the workforce development agency,~~ the auditor general, and the state  
22 budget director a plan to comply with audit recommendations. The plan shall contain  
23 projected dates and resources required, if any, to achieve compliance with the audit  
24 recommendations, or a documented explanation of the college's noncompliance with the  
25 audit recommendations concerning the matters on which the audited community college  
26 and office of the auditor general disagree.

27 Sec. 222. Each community college shall have an annual audit of all income and



1 expenditures performed by an independent auditor and shall furnish the independent  
2 auditor's management letter and an annual audited accounting of all general and  
3 current funds income and expenditures including audits of college foundations to the  
4 members of the senate and house appropriations subcommittees on community colleges,  
5 the senate and house fiscal agencies, the auditor general, the workforce development  
6 agency, **THE CENTER**, and the state budget director before November 15 of each year. If  
7 a community college fails to furnish the audit materials, the monthly state aid  
8 installments shall be withheld from that college until the information is submitted.  
9 All reporting shall conform to the requirements set forth in the "2001 Manual for  
10 Uniform Financial Reporting, Michigan Public Community Colleges". A community college  
11 shall make the information the community college is required to provide under this  
12 section available to the public on its website.

13         Sec. 224. A community college shall use the P-20 longitudinal data system to  
14 inform interested Michigan high schools and the public of the aggregate academic  
15 status of its students for the previous academic year, in a manner prescribed by the  
16 Michigan community college association and in cooperation with the Michigan  
17 association of secondary school principals. Community colleges shall cooperate with  
18 the center ~~for educational performance and information~~ to maintain a systematic  
19 approach for accomplishing this work.

20         Sec. 225. Each community college shall report to the house and senate fiscal  
21 agencies, the state budget director, and the ~~workforce development agency~~ **CENTER** by  
22 August 31, ~~2015~~, **2016**, the tuition and mandatory fees paid by a full-time in-district  
23 student and a full-time out-of-district student as established by the college  
24 governing board for the ~~2015-2016~~ **2016-2017** academic year. This report should also  
25 include the annual cost of attendance based on a full-time course load of 30 credits.  
26 Each community college shall also report any revisions to the reported ~~2015-2016~~ **2016-**  
27 **2017** academic year tuition and mandatory fees adopted by the college governing board

1 to the house and senate fiscal agencies, the state budget director, and the ~~workforce~~  
 2 ~~development agency~~ **CENTER** within 15 days of being adopted.

3       Sec. 226. Each community college shall report to the ~~workforce development agency~~  
 4 **CENTER** the numbers and type of associate degrees and other certificates awarded during  
 5 the previous fiscal year. The report shall be made not later than November 15 of each  
 6 year. Community colleges shall work with the ~~workforce development agency and the~~  
 7 ~~center for educational performance and information~~ to develop a systematic approach  
 8 for meeting this requirement.

9       Sec. 229a. Included in the fiscal year ~~2015-2016~~ **2016-2017** appropriations for the  
 10 department of technology, management, and budget are appropriations totaling  
 11 ~~\$29,479,600.00~~ **\$30,879,600.00** to provide funding for the state share of costs for  
 12 previously constructed capital projects for community colleges. Those appropriations  
 13 for state building authority rent represent additional state general fund support for  
 14 community colleges, and the following is an estimate of the amount of that support to  
 15 each community college:

- 16       (a) Alpena Community College, ~~\$652,700.00~~ **\$632,500.00**.  
 17       (b) Bay de Noc Community College, ~~\$685,900.00~~ **\$685,100.00**.  
 18       (c) Delta College, ~~\$3,510,900.00~~ **\$3,360,600.00**.  
 19       (d) Glen Oaks Community College, ~~\$123,100.00~~ **\$124,500.00**.  
 20       (e) Gogebic Community College, ~~\$67,600.00~~ **\$56,700.00**.  
 21       (f) Grand Rapids Community College, ~~\$2,126,000.00~~ **\$2,083,500.00**.  
 22       (g) Henry Ford College, ~~\$1,028,500.00~~ **\$1,040,300.00**.  
 23       (h) Jackson College, ~~\$1,677,800.00~~ **\$2,273,800.00**.  
 24       (i) Kalamazoo Valley Community College, ~~\$1,557,700.00~~ **\$2,030,900.00**.  
 25       (j) Kellogg Community College, ~~\$520,200.00~~ **\$526,200.00**.  
 26       (k) Kirtland Community College, ~~\$363,200.00~~ **\$367,300.00**.  
 27       (l) Lake Michigan College, ~~\$340,200.00~~ **\$344,100.00**.

- 1 (m) Lansing Community College, ~~\$1,282,200.00~~ \$1,154,600.00.
- 2 (n) Macomb Community College, ~~\$1,377,400.00~~ \$1,715,700.00.
- 3 (o) Mid Michigan Community College, ~~\$1,712,600.00~~ \$1,634,300.00.
- 4 (p) Monroe County Community College, ~~\$1,263,600.00~~ \$1,278,100.00.
- 5 (q) Montcalm Community College, ~~\$971,500.00~~ \$982,600.00.
- 6 (r) C.S. Mott Community College, ~~\$1,803,900.00~~ \$1,497,600.00.
- 7 (s) Muskegon Community College, ~~\$267,800.00~~ \$623,500.00.
- 8 (t) North Central Michigan College, ~~\$469,400.00~~ \$417,900.00.
- 9 (u) Northwestern Michigan College, ~~\$1,305,600.00~~ \$1,320,600.00.
- 10 (v) Oakland Community College, ~~\$465,200.00~~ \$470,500.00.
- 11 (w) ~~St. Clair County Community College~~, SCHOOLCRAFT COLLEGE, ~~\$356,200.00~~.
- 12 \$1,564,400.00.
- 13 (x) ~~Schoolcraft College~~, SOUTHWESTERN MICHIGAN COLLEGE, ~~\$1,546,700.00~~.
- 14 \$574,800.00.
- 15 (y) ~~Southwestern Michigan College~~, ST. CLAIR COUNTY COMMUNITY COLLEGE,
- 16 ~~\$286,900.00~~ \$360,200.00.
- 17 (z) Washtenaw Community College, ~~\$1,676,800.00~~ \$1,696,000.00.
- 18 (aa) Wayne County Community College, ~~\$1,462,700.00~~ \$1,479,400.00.
- 19 (bb) West Shore Community College, ~~\$577,300.00~~ \$583,900.00.
- 20 Sec. 230. (1) Money included in the appropriations for community college
- 21 operations under section 201(2) in fiscal year ~~2015-2016~~ 2016-2017 for performance
- 22 funding is distributed based on the following formula:
- 23 (a) Allocated proportionate to fiscal year ~~2014-2015~~ 2015-2016 base
- 24 appropriations, ~~50%~~ 30%.
- 25 (b) Based on ~~contact hour equated students~~, 10%. A WEIGHTED STUDENT CONTACT HOUR
- 26 FORMULA AS PROVIDED FOR IN THE 2016 RECOMMENDATIONS OF THE PERFORMANCE INDICATORS TASK
- 27 FORCE, 30%.

1 (c) Based on ~~administrative costs, 7.5%.~~ **WEIGHTED COMPLETIONS IN CRITICAL SKILLS**  
 2 **AREAS, 20%.**

3 (d) Based on a ~~weighted degree formula as provided for in the 2006~~  
 4 ~~recommendations of the performance indicators task force, 17.5%.~~ **THE COMPLETION**  
 5 **IMPROVEMENT RATE FOR DEGREES, CERTIFICATES, AND TRANSFERS, 10%.**

6 (e) Based on the ~~local strategic value component, as developed in cooperation~~  
 7 ~~with the Michigan Community College Association and described in subsection (2), 15%.~~  
 8 **ADMINISTRATIVE COSTS, 5%.**

9 **(F) BASED ON THE LOCAL STRATEGIC VALUE COMPONENT, AS DEVELOPED IN COOPERATION**  
 10 **WITH THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION AND DESCRIBED IN SUBSECTION (2), 5%.**

11 (2) Money included in the appropriations for community college operations under  
 12 section 201(2) for local strategic value shall be allocated to each community college  
 13 that certifies to the state budget director, through a board of trustees resolution on  
 14 or before October 15, ~~2015,~~ **2016**, that the college has met 4 out of 5 best practices  
 15 listed in each category described in subsection (3). The resolution shall provide  
 16 specifics as to how the community college meets each best practice measure within each  
 17 category. One-third of funding available under the strategic value component shall be  
 18 allocated to each category described in subsection (3). Amounts distributed under  
 19 local strategic value shall be on a proportionate basis to each college's fiscal year  
 20 ~~2014-2015~~ **2015-2016** operations funding. Payments to community colleges that qualify  
 21 for local strategic value funding shall be distributed with the November installment  
 22 payment described in section 206.

23 (3) For purposes of subsection (2), the following categories of best practices  
 24 reflect functional activities of community colleges that have strategic value to the  
 25 local communities and regional economies:

26 (a) For Category A, economic development and business or industry partnerships,  
 27 the following:

1 (i) The community college has active partnerships with local employers including  
2 hospitals and health care providers.

3 (ii) The community college provides customized on-site training for area  
4 companies, employees, or both.

5 (iii) The community college supports entrepreneurship through a small business  
6 assistance center or other training or consulting activities targeted toward small  
7 businesses.

8 (iv) The community college supports technological advancement through industry  
9 partnerships, incubation activities, or operation of a Michigan technical education  
10 center or other advanced technology center.

11 (v) The community college has active partnerships with local or regional  
12 workforce and economic development agencies.

13 (b) For Category B, educational partnerships, the following:

14 (i) The community college has active partnerships with regional high schools,  
15 intermediate school districts, and career-tech centers to provide instruction through  
16 dual enrollment, concurrent enrollment, direct credit, middle college, or academy  
17 programs.

18 (ii) The community college hosts, sponsors, or participates in enrichment  
19 programs for area K-12 students, such as college days, summer or after-school  
20 programming, or science Olympiad.

21 (iii) The community college provides, supports, or participates in programming to  
22 promote successful transitions to college for traditional age students, including  
23 grant programs such as talent search, upward bound, or other activities to promote  
24 college readiness in area high schools and community centers.

25 (iv) The community college provides, supports, or participates in programming to  
26 promote successful transitions to college for new or reentering adult students, such  
27 as adult basic education, ~~general education development~~ **HIGH SCHOOL EQUIVALENCY**

1 certificate preparation and testing, or recruiting, advising, or orientation  
2 activities specific to adults.

3 (v) The community college has active partnerships with regional 4-year colleges  
4 and universities to promote successful transfer, such as articulation, 2+2, or reverse  
5 transfer agreements or operation of a university center.

6 (c) For Category C, community services, the following:

7 (i) The community college provides continuing education programming for leisure,  
8 wellness, personal enrichment, or professional development.

9 (ii) The community college operates or sponsors opportunities for community  
10 members to engage in activities that promote leisure, wellness, cultural or personal  
11 enrichment such as community sports teams, theater or musical ensembles, or artist  
12 guilds.

13 (iii) The community college operates public facilities to promote cultural,  
14 educational, or personal enrichment for community members, such as libraries, computer  
15 labs, performing arts centers, museums, art galleries, or television or radio  
16 stations.

17 (iv) The community college operates public facilities to promote leisure or  
18 wellness activities for community members, including gymnasiums, athletic fields,  
19 tennis courts, fitness centers, hiking or biking trails, or natural areas.

20 (v) The community college promotes, sponsors, or hosts community service  
21 activities for students, staff, or community members.

22 (4) Payments for performance funding under section 201(2) shall be made to a  
23 community college only if that community college actively participates in the Michigan  
24 transfer network sponsored by the Michigan Association of Collegiate Registrars and  
25 Admissions Officers and submits timely updates, including updated course equivalencies  
26 at least every 6 months, to the Michigan transfer network. The state budget director  
27 shall determine if a community college has not satisfied this requirement. The state

- 1 budget director may withhold payments for performance funding until a community
- 2 college is in compliance with this section.

## ARTICLE III

## STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

1  
2  
3 Sec. 236. (1) Subject to the conditions set forth in this article, the amounts  
4 listed in this section are appropriated for higher education for the fiscal year  
5 ending September 30, ~~2016,~~ 2017, from the funds indicated in this section. The  
6 following is a summary of the appropriations in this section:

7 (a) The gross appropriation is ~~\$1,534,724,400.00.~~ **\$1,598,654,400.00.** After  
8 deducting total interdepartmental grants and intradepartmental transfers in the amount  
9 of \$0.00, the adjusted gross appropriation is ~~\$1,534,724,400.00.~~ **\$1,598,654,400.00.**

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

12 (i) Total federal revenues, ~~\$97,026,400.00.~~ **\$99,026,400.00.**

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

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

15 (iv) Total other state restricted revenues, ~~\$205,279,500.00.~~ **\$237,209,500.00.**

16 (v) State general fund/general purpose money, ~~\$1,232,418,500.00.~~  
17 **\$1,262,418,500.00.**

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

19 (a) The appropriation for Central Michigan University is ~~\$80,904,400.00,~~  
20 ~~\$79,164,800.00~~ **\$85,332,200.00,** **\$81,127,100.00** for operations and ~~\$1,739,600.00~~  
21 **\$4,205,100.00** for performance funding.

22 (b) The appropriation for Eastern Michigan University is ~~\$72,835,300.00,~~  
23 ~~\$71,782,500.00,~~ **\$75,105,400.00,** **\$71,782,500.00** for operations and ~~\$1,052,800.00,~~  
24 **\$3,322,900.00** for performance funding.

25 (c) The appropriation for Ferris State University is ~~\$50,227,800.00,~~  
26 ~~\$49,119,100.00~~ **\$53,210,000.00,** **\$50,369,800.00** for operations and ~~\$1,108,700.00,~~  
27 **\$2,840,200.00** for performance funding.



1 (d) The appropriation for Grand Valley State University is ~~\$65,035,200.00,~~  
2 ~~\$63,156,500.00~~ \$69,712,000.00, \$65,275,700.00 for operations and ~~\$1,878,700.00~~  
3 \$4,436,300.00 for performance funding.

4 (e) The appropriation for Lake Superior State University is ~~\$13,183,600.00,~~  
5 ~~12,997,500.00~~ \$13,748,400.00, \$13,207,400.00 for operations and ~~\$186,100.00~~  
6 \$541,000.00 for performance funding.

7 (f) The appropriation for Michigan State University is ~~\$328,782,000.00,~~  
8 ~~\$264,437,900.00~~ \$341,041,900.00, \$268,770,700.00 for operations, ~~\$3,841,000.00~~  
9 \$10,355,500.00 for performance funding, ~~\$32,588,300.00~~ \$33,243,100.00 for MSU  
10 AgBioResearch, and ~~\$27,994,800.00~~ \$28,672,600.00 for MSU Extension.

11 (g) The appropriation for Michigan Technological University is ~~\$46,662,000.00,~~  
12 ~~\$45,938,000.00~~ \$48,772,500.00, \$46,754,700.00 for operations and ~~\$724,000.00~~  
13 \$2,017,800.00 for performance funding.

14 (h) The appropriation for Northern Michigan University is ~~\$45,020,400.00,~~  
15 ~~\$44,338,300.00~~ \$46,868,000.00, \$45,107,700.00 for operations and ~~\$682,100.00~~  
16 \$1,760,300.00 for performance funding.

17 (i) The appropriation for Oakland University is ~~\$49,600,300.00,~~ ~~\$48,371,900.00~~  
18 \$51,300,200.00, \$48,371,900.00 for operations and ~~\$1,228,400.00~~ \$2,928,300.00 for  
19 performance funding.

20 (j) The appropriation for Saginaw Valley State University is ~~\$28,117,700.00,~~  
21 ~~\$27,621,600.00~~ \$29,582,900.00, \$28,181,200.00 for operations and ~~\$496,100.00~~  
22 \$1,401,700.00 for performance funding.

23 (k) The appropriation for University of Michigan - Ann Arbor is ~~\$299,430,600.00,~~  
24 ~~\$295,178,500.00~~ \$312,693,500.00, \$299,975,000.00 for operations and ~~\$4,252,100.00~~  
25 \$12,718,500.00 for performance funding.

26 (l) The appropriation for University of Michigan - Dearborn is ~~\$23,995,400.00,~~  
27 ~~\$23,701,000.00~~ \$25,190,500.00, \$24,033,100.00 for operations and ~~\$294,400.00~~

1 \$1,157,400.00 for performance funding.

2 (m) The appropriation for University of Michigan - Flint is ~~\$21,763,700.00,~~  
 3 ~~\$21,359,600.00~~ \$22,918,300.00, \$21,815,400.00 for operations and ~~\$404,100.00~~  
 4 \$1,102,900.00 for performance funding.

5 (n) The appropriation for Wayne State University is ~~\$191,346,700.00,~~  
 6 ~~\$190,529,900.00~~ \$198,082,800.00, \$191,451,300.00 for operations and ~~\$816,800.00~~  
 7 \$6,631,500.00 for performance funding.

8 (o) The appropriation for Western Michigan University is ~~\$104,155,600.00,~~  
 9 ~~\$102,761,100.00~~ \$108,702,100.00, \$104,334,100.00 for operations and ~~\$1,394,500.00~~  
 10 \$4,368,000.00 for performance funding.

11 (3) The amount appropriated in subsection (2) for public universities is  
 12 appropriated from the following:

13 (a) State school aid fund, ~~\$200,019,500.00.~~ \$231,219,500.00.

14 (b) State general fund/general purpose money, ~~\$1,221,041,200.00.~~  
 15 \$1,251,041,200.00.

16 (4) The amount appropriated for Michigan public school employees' retirement  
 17 system reimbursement is ~~\$5,160,000.00,~~ \$5,890,000.00, appropriated from the state  
 18 school aid fund.

19 (5) The amount appropriated for state and regional programs is \$315,000.00,  
 20 appropriated from general fund/general purpose money and allocated as follows:

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

22 (b) Midwestern Higher Education Compact, \$115,000.00.

23 (6) The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa  
 24 Parks program is \$2,691,500.00, appropriated from general fund/general purpose money  
 25 and allocated as follows:

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

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

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

2 (7) Subject to subsection (8), the amount appropriated for grants and financial  
3 aid is ~~\$105,497,200.00~~, **\$107,497,200.00**, allocated as follows:

4 (a) State competitive scholarships, \$18,361,700.00.

5 (b) Tuition grants, \$34,035,500.00.

6 (c) Tuition incentive program, ~~\$48,500,000.00~~ **\$50,500,000.00**.

7 (d) Children of veterans and officer's survivor tuition grant programs,  
8 \$1,400,000.00.

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

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

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

14 (b) Federal revenues under the social security act, temporary assistance for  
15 needy families, ~~\$93,826,400.00~~ **\$95,826,400.00**.

16 (c) Contributions to children of veterans tuition grant program, \$100,000.00.

17 (d) State general fund/general purpose money, \$8,370,800.00.

18 Sec. 236b. In addition to the funds appropriated in section 236, there is  
19 appropriated for grants and financial aid in fiscal year ~~2015-2016~~ **2016-2017** an amount  
20 not to exceed \$6,000,000.00 for federal contingency funds. These funds are not  
21 available for expenditure until they have been transferred under section 393(2) of the  
22 management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this  
23 article.

24 Sec. 236c. In addition to the funds appropriated for fiscal year ~~2015-2016~~ **2016-**  
25 **2017** in section 236, appropriations to the department of technology, management, and  
26 budget in the act providing general appropriations for fiscal year ~~2015-2016~~ **2016-2017**  
27 for state building authority rent, totaling an estimated ~~\$135,995,300.00~~,

1 ~~\$144,995,300.00~~, provide funding for the state share of costs for previously  
 2 constructed capital projects for state universities. These appropriations for state  
 3 building authority rent represent additional state general fund support provided to  
 4 public universities, and the following is an estimate of the amount of that support to  
 5 each university:

- 6 (a) Central Michigan University, ~~\$9,551,800.00~~ \$11,819,500.00.
- 7 (b) Eastern Michigan University, ~~\$4,860,900.00~~ \$4,868,000.00.
- 8 (c) Ferris State University, ~~\$6,251,200.00~~ \$6,260,300.00.
- 9 (d) Grand Valley State University, ~~\$6,952,300.00~~ \$6,635,900.00.
- 10 (e) Lake Superior State University, ~~\$1,720,300.00~~ \$1,722,800.00.
- 11 (f) Michigan State University, ~~\$16,549,200.00~~ \$18,827,000.00.
- 12 (g) Michigan Technological University, ~~\$7,443,400.00~~ \$6,793,200.00.
- 13 (h) Northern Michigan University, ~~\$9,706,200.00~~ \$9,447,600.00.
- 14 (i) Oakland University, ~~\$12,993,400.00~~ \$12,685,900.00.
- 15 (j) Saginaw Valley State University, ~~\$9,865,800.00~~ \$10,331,000.00.
- 16 (k) University of Michigan - Ann Arbor, ~~\$9,607,800.00~~ \$11,875,600.00.
- 17 (l) University of Michigan - Dearborn, ~~\$6,745,200.00~~ \$9,008,800.00.
- 18 (m) University of Michigan - Flint, ~~\$3,104,000.00~~ \$4,357,600.00.
- 19 (n) Wayne State University, ~~\$15,703,000.00~~ \$15,399,400.00.
- 20 (o) Western Michigan University, ~~\$14,940,800.00~~ \$14,962,700.00.

21 Sec. 237b. As used in this article, the term "workforce development agency" means  
 22 the workforce development agency ~~of the Michigan strategic fund~~. **WITHIN THE DEPARTMENT**  
 23 **OF TALENT AND ECONOMIC DEVELOPMENT - TALENT INVESTMENT AGENCY.**

24 Sec. 241. (1) Subject to sections 244 and 265a, the funds appropriated in section  
 25 236 to public universities shall be paid out of the state treasury and distributed by  
 26 the state treasurer to the respective institutions in 11 equal monthly installments on  
 27 the sixteenth of each month, or the next succeeding business day, beginning with

1 October 16, ~~2015~~ 2016. Except for Wayne State University, each institution shall  
2 accrue its July and August ~~2016~~ 2017 payments to its institutional fiscal year ending  
3 June 30, ~~2016~~ 2017.

4 (2) All public universities shall submit higher education institutional data  
5 inventory (HEIDI) data and associated financial and program information requested by  
6 and in a manner prescribed by the state budget director. For public universities with  
7 fiscal years ending June 30, ~~2015~~ 2016, these data shall be submitted to the state  
8 budget director by October 15, ~~2015~~ 2016. Public universities with a fiscal year  
9 ending September 30, ~~2015~~ 2016 shall submit preliminary HEIDI data by November 15,  
10 ~~2015~~ 2016 and final data by December 15, ~~2015~~ 2016. If a public university fails to  
11 submit HEIDI data and associated financial aid program information in accordance with  
12 this reporting schedule, the state treasurer may withhold the monthly installments  
13 under subsection (1) to the public university until those data are submitted.

14 Sec. 242. Funds received by the state from the federal government or private  
15 sources for the use of a college or university are appropriated for the purposes for  
16 which they are provided. ~~The acceptance and use of federal or private funds do not~~  
17 ~~place an obligation on the legislature to continue the purposes for which the funds~~  
18 ~~are made available.~~

19 Sec. 245. (1) A public university shall maintain a public transparency website  
20 available through a link on its website homepage. The public university shall update  
21 this website within 30 days after the university's governing board adopts its annual  
22 operating budget for the next academic year, or after the governing board adopts a  
23 subsequent revision to that budget.

24 (2) The website required under subsection (1) shall include all of the following  
25 concerning the public university:

26 (a) The annual operating budget and subsequent budget revisions.

27 (b) A summary of current expenditures for the most recent fiscal year for which

1 they are available, expressed as pie charts in the following 2 categories:

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

3 (A) Earnings and wages.

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

6 (C) Retirement benefit costs.

7 (D) All other personnel costs.

8 (ii) A chart of all current expenditures the public university reported as part  
9 of its higher education institutional data inventory data under section 241(2), broken  
10 into the same subcategories in which it reported those data.

11 (c) Links to all of the following for the public university:

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

13 (ii) Each health care benefits plan, including, but not limited to, medical,  
14 dental, vision, disability, long-term care, or any other type of benefits that would  
15 constitute health care services, offered to any bargaining unit or employee of the  
16 public university.

17 (iii) Audits and financial reports for the most recent fiscal year for which they  
18 are available.

19 (iv) Campus security policies and crime statistics pursuant to the student right-  
20 to-know and campus security act, Public Law 101-542, 104 Stat. 2381. Information shall  
21 include all material prepared pursuant to the public information reporting  
22 requirements under the crime awareness and campus security act of 1990, title II of  
23 the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381.

24 (d) A list of all positions funded partially or wholly through institutional  
25 general fund revenue that includes the position title and annual salary or wage amount  
26 for each position.

27 (e) General fund revenue and expenditure projections for the current fiscal year

1 and the next fiscal year.

2 (f) A listing of all debt service obligations, detailed by project, anticipated  
3 fiscal year payment for each project, and total outstanding debt for the current  
4 fiscal year.

5 (g) The institution's policy regarding the transferability of core college  
6 courses between community colleges and the university.

7 (h) A listing of all community colleges that have entered into reverse transfer  
8 agreements with the university.

9 (3) On the website required under subsection (1), a public university shall  
10 provide a dashboard or report card demonstrating the university's performance in  
11 several "best practice" measures. The dashboard or report card shall include at least  
12 all of the following for the 3 most recent academic years for which the data are  
13 available:

14 (a) Enrollment.

15 (b) Student retention rate.

16 (c) Six-year graduation rates.

17 (d) Number of Pell grant recipients and graduating Pell grant recipients.

18 (e) Geographic origination of students, categorized as in-state, out-of-state,  
19 and international.

20 (f) Faculty to student ratios and total university employee to student ratios.

21 (g) Teaching load by faculty classification.

22 (h) Graduation outcome rates, including employment and continuing education.

23 (4) For statewide consistency and public visibility, public universities must use  
24 the icon badge provided by the department of technology, management, and budget  
25 consistent with the icon badge developed by the department of education for K-12  
26 school districts. It must appear on the front of each public university's homepage.  
27 The size of the icon may be reduced to 150 x 150 pixels. The font size and style for

1 this reporting must be consistent with other documents on each university's website.

2 ~~(5) The state budget director shall determine whether a public university has~~  
3 ~~complied with this section. The state budget director may withhold a public~~  
4 ~~university's monthly installments described in section 241 until the public university~~  
5 ~~complies with this section.~~

6 (5) ~~(6)~~ By November 15 of each year, a public university shall report the  
7 following information to the center for educational performance and information and  
8 post the information on its website under the budget transparency icon badge:

9 (a) Opportunities for earning college credit through the following programs:

10 (i) State approved career and technical education or a tech prep articulated  
11 program of study.

12 (ii) Direct college credit or concurrent enrollment.

13 (iii) Dual enrollment.

14 (iv) An early college/middle college program.

15 (b) For each program described in subdivision (a) that the public university  
16 offers, all of the following information:

17 (i) The number of high school students participating in the program.

18 (ii) The number of school districts that participate in the program with the  
19 public university.

20 (iii) Whether a university professor, qualified local school district employee,  
21 or other individual teaches the course or courses in the program.

22 (iv) The total cost to the public university to operate the program.

23 (v) The cost per credit hour for the course or courses in the program.

24 (vi) The location where the course or courses in the program are held.

25 (vii) Instructional resources offered to the program instructors.

26 (viii) Resources offered to the student in the program.

27 (ix) Transportation services provided to students in the program.



1           Sec. 246. (1) All of the following apply to the allocation of the ~~fiscal year~~  
2 ~~2015-2016~~ appropriations described in section 236(4) for payments to universities  
3 that are participating entities of the Michigan public school employees' retirement  
4 system:

5           (a) The funds appropriated in section 236(4) for Michigan public school  
6 employees' retirement system reimbursement shall be allocated to each participating  
7 public university under this section based on each participating public university's  
8 percentage of the total combined payrolls of the universities' employees who are  
9 members of the retirement system and who were hired before January 1, 1996 and the  
10 universities' employees who would have been members of the retirement system on or  
11 after January 1, 1996, but for the enactment of 1995 PA 272 for all public  
12 universities that are participating public universities for the immediately preceding  
13 state fiscal year.

14           (b) The amount of a payment under section 236(4) shall be equal to the difference  
15 between the unfunded actuarial accrued liability contribution rate for university  
16 reporting units as calculated under section 41 of the public school employees  
17 retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into  
18 account the maximum employer rate of 25.73% included in section 41 of the public  
19 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum  
20 employer rate for university reporting units of 25.73% under section 41 of the public  
21 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341. Payments shall be  
22 made in a form and manner determined by the office of retirement services.

23           (c) A public university that receives money under section 236(4) shall use that  
24 money solely for the purpose of retirement contributions. Each participating  
25 university that receives funds under section 236(4) shall forward an amount equal to  
26 the amount received under section 236(4) to the Michigan public school employees'  
27 retirement system in a form and manner determined by the office of retirement

1 services.

2 (2) As used in this section, "participating public university" means a public  
3 university that is a reporting unit of the Michigan public school employees'  
4 retirement system under the public school employees retirement act of 1979, 1980 PA  
5 300, MCL 38.1301 to 38.1437, and that pays contributions to the Michigan public school  
6 employees' retirement system for the state fiscal year.

7 Sec. 252. (1) The amounts appropriated in section 236 for the state tuition grant  
8 program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

9 (2) Tuition grant awards shall be made to all eligible Michigan residents  
10 enrolled in undergraduate degree programs who are qualified and who apply before ~~July~~  
11 ~~±~~ **MARCH 1** of each year for the next academic year.

12 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsections  
13 ~~(7)~~ (6) and ~~(8)~~ (7), the department of treasury shall determine an actual maximum  
14 tuition grant award per student, which shall be no less than \$1,512.00, that ensures  
15 that the aggregate payments for the tuition grant program do not exceed the  
16 appropriation contained in section 236 for the state tuition grant program. If the  
17 department determines that insufficient funds are available to establish a maximum  
18 award amount equal to at least \$1,512.00, the department shall immediately report to  
19 the house and senate appropriations subcommittees on higher education, the house and  
20 senate fiscal agencies, and the state budget director regarding the estimated amount  
21 of additional funds necessary to establish a \$1,512.00 maximum award amount. If the  
22 department determines that sufficient funds are available to establish a maximum award  
23 amount equal to at least \$1,512.00, the department shall immediately report to the  
24 house and senate appropriations subcommittees on higher education, the house and  
25 senate fiscal agencies, and the state budget director regarding the maximum award  
26 amount established and the projected amount of any projected year-end appropriation  
27 balance based on that maximum award amount. By February 18 of each fiscal year, the

1 department shall analyze the status of award commitments, shall make any necessary  
2 adjustments, and shall confirm that those award commitments will not exceed the  
3 appropriation contained in section 236 for the tuition grant program. The  
4 determination and actions shall be reported to the state budget director and the house  
5 and senate fiscal agencies no later than the final day of February of each year. If  
6 award adjustments are necessary, the students shall be notified of the adjustment by  
7 March 4 of each year.

8 ~~(4) Any unexpended and unencumbered funds remaining on September 30, 2016 from~~  
9 ~~the amounts appropriated in section 236 for the tuition grant program for fiscal year~~  
10 ~~2015-2016 shall not lapse on September 30, 2016, but shall continue to be available~~  
11 ~~for expenditure for tuition grants provided in the 2016-2017 fiscal year under a work~~  
12 ~~project account. The use of these unexpended fiscal year 2015-2016 funds shall~~  
13 ~~terminate at the end of the 2016-2017 fiscal year.~~

14 (4) ~~(5)~~ The department of treasury shall continue a proportional tuition grant  
15 maximum award level for recipients enrolled less than full-time in a given semester or  
16 term.

17 (5) ~~(6)~~ If the department of treasury increases the maximum award per eligible  
18 student from that provided in the previous fiscal year, it shall not have the effect  
19 of reducing the number of eligible students receiving awards in relation to the total  
20 number of eligible applicants. Any increase in the maximum grant shall be proportional  
21 for all eligible students receiving awards for that fiscal year.

22 (6) ~~(7)~~ ~~Except as provided in subsection (4), the~~ **THE** department of treasury  
23 shall not award more than ~~\$3,200,000.00~~ **\$3,000,000.00** in tuition grants to eligible  
24 students enrolled in the same independent nonprofit college or university in this  
25 state. Any decrease in the maximum grant shall be proportional for all eligible  
26 students enrolled in that college or university, as determined by the department.

27 (7) ~~(8)~~ The department of treasury shall not award tuition grants to otherwise

1 eligible students enrolled in an independent college or university that does not  
2 report, in a form and manner directed by and satisfactory to the department of  
3 treasury, by September 30 of each year, all of the following:

4 (a) The number of students in the most recently completed academic year who in  
5 any academic year received a state tuition grant at the reporting institution and  
6 successfully completed a program or graduated.

7 (b) The number of students in the most recently completed academic year who in  
8 any academic year received a state tuition grant at the reporting institution and took  
9 a remedial education class.

10 (c) The number of students in the most recently completed academic year who in  
11 any academic year received a Pell grant at the reporting institution and successfully  
12 completed a program or graduated.

13 (8) ~~(9)~~ By February 1, ~~2016~~ 2017, each independent college and university  
14 participating in the tuition grant program shall report to the senate and house  
15 appropriations subcommittees on higher education, the senate and house fiscal  
16 agencies, and the state budget director on its efforts to develop and implement sexual  
17 assault response training for the institution's title IX coordinator, campus law  
18 enforcement personnel, campus public safety personnel, and any other campus personnel  
19 charged with responding to on-campus incidents, including information on sexual  
20 assault response training materials and the status of implementing sexual assault  
21 response training for institutional personnel.

22 Sec. 254. (1) The sums appropriated in section 236 for the state competitive  
23 scholarship, ~~tuition incentive~~, and tuition grant program shall be paid out of the  
24 state treasury and shall be distributed to the respective institutions under a  
25 quarterly payment system as follows: 50% shall be paid at the beginning of the state's  
26 first fiscal quarter, 30% during the state's second fiscal quarter, 10% during the  
27 state's third fiscal quarter, and 10% during the state's fourth fiscal quarter.

1           (2) THE TUITION INCENTIVE PROGRAM SHALL BE DISTRIBUTED TO THE RESPECTIVE  
2 INSTITUTIONS UNDER A QUARTERLY PAYMENT SYSTEM AS FOLLOWS: 55% SHALL BE PAID AT THE  
3 BEGINNING OF THE STATE'S FIRST FISCAL QUARTER, 40% DURING THE STATE'S SECOND FISCAL  
4 QUARTER, AND 5% DURING THE STATE'S THIRD FISCAL QUARTER.

5           Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive  
6 program shall be distributed as provided in this section and pursuant to the  
7 administrative procedures for the tuition incentive program of the department of  
8 treasury.

9           (2) As used in this section:

10           (a) "Phase I" means the first part of the tuition incentive assistance program  
11 defined as the academic period of 80 semester or 120 term credits, or less, leading to  
12 an associate degree or certificate.

13           (b) "Phase II" means the second part of the tuition incentive assistance program  
14 which provides assistance in the third and fourth year of 4-year degree programs.

15           (c) "Department" means the department of treasury.

16           (3) BEGINNING IN FISCAL YEAR 2017-2018, THE DEPARTMENT SHALL NOT AWARD MORE THAN  
17 \$8,500,000.00 ANNUALLY IN TUITION INCENTIVE PROGRAM FUNDS TO ELIGIBLE STUDENTS  
18 ENROLLED IN THE SAME COLLEGE OR UNIVERSITY IN THIS STATE.

19           (4) ~~(3)~~ An individual shall meet the following basic criteria and financial  
20 thresholds to be eligible for tuition incentive **PROGRAM** benefits:

21           (a) To be eligible for phase I, an individual shall meet all of the following  
22 criteria:

23           (i) Apply for certification to the department any time after he or she begins the  
24 sixth grade but before August 31 of the school year in which he or she graduates from  
25 high school or before completing a ~~general education development~~ **HIGH SCHOOL**  
26 **EQUIVALENCY** certificate.

27           (ii) Be less than 20 years of age at the time he or she graduates from high

1 school with a diploma or certificate of completion or completes a ~~general education~~  
2 ~~development~~ **HIGH SCHOOL EQUIVALENCY** certificate.

3 (iii) Be a United States citizen and a resident of Michigan according to  
4 institutional criteria.

5 (iv) Be at least a half-time student, earning less than 80 semester or 120 term  
6 credits at a participating educational institution within 4 years of high school  
7 graduation or completion of a ~~general education development~~ **HIGH SCHOOL EQUIVALENCY**  
8 certificate.

9 (v) Request information on filing a FAFSA.

10 (vi) Must meet the satisfactory academic progress policy of the educational  
11 institution he or she attends.

12 (b) To be eligible for phase II, an individual shall meet either of the following  
13 criteria in addition to the criteria in subdivision (a):

14 (i) Complete at least 56 transferable semester or 84 transferable term credits.

15 (ii) Obtain an associate degree or certificate at a participating institution.

16 (c) To be eligible for phase I or phase II, an individual must not be  
17 incarcerated and must be financially eligible as determined by the department. An  
18 individual is financially eligible for the tuition incentive program if he or she was  
19 eligible for Medicaid from the state of Michigan for 24 months within the 36  
20 **CONSECUTIVE** months before application. The department shall accept certification of  
21 Medicaid eligibility only from the department of health and human services for the  
22 purposes of verifying if a person is Medicaid eligible for 24 months within the 36  
23 **CONSECUTIVE** months before application. Certification of eligibility may begin in the  
24 sixth grade. As used in this subdivision, "incarcerated" does not include detention of  
25 a juvenile in a state-operated or privately operated juvenile detention facility.

26 (5) ~~(4)~~ For phase I, the department shall provide payment on behalf of a person  
27 eligible under subsection ~~(3)~~. (4). The department shall reject billings that are

1 excessive or outside the guidelines for the type of educational institution.

2 (6) ~~(5)~~ For phase I, all of the following apply:

3 (a) Payments for associate degree or certificate programs shall not be made for  
4 more than 80 semester or 120 term credits for any individual student at any  
5 participating institution.

6 (b) For persons enrolled at a Michigan community college, the department shall  
7 pay the current in-district tuition and mandatory fees. For persons residing in an  
8 area that is not included in any community college district, the out-of-district  
9 tuition rate may be authorized.

10 (c) For persons enrolled at a Michigan public university, the department shall  
11 pay lower division resident tuition and mandatory fees for the current year.

12 (d) For persons enrolled at a Michigan independent, nonprofit degree-granting  
13 college or university, or a Michigan federal tribally controlled community college, or  
14 Focus: HOPE, the department shall pay mandatory fees for the current year and a per-  
15 credit payment that does not exceed the average community college in-district per-  
16 credit tuition rate as reported on August 1, for the immediately preceding academic  
17 year.

18 (7) ~~(6)~~ A person participating in phase II may be eligible for additional funds  
19 not to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00  
20 subject to the following conditions:

21 (a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year  
22 college or university.

23 (b) The tuition reimbursement is for coursework completed within 30 months of  
24 completion of the phase I requirements.

25 (8) ~~(7)~~ The department shall work closely with participating institutions to  
26 develop an application and eligibility determination process that will provide the  
27 highest level of participation and ensure that all requirements of the program are

1 met.

2 (9) ~~(8)~~ Applications for the tuition incentive program may be approved at any  
3 time after the student begins the sixth grade. If a determination of financial  
4 eligibility is made, that determination is valid as long as the student meets all  
5 other program requirements and conditions.

6 (10) ~~(9)~~ Each institution shall ensure that all known available restricted grants  
7 for tuition and fees are used prior to billing the tuition incentive program for any  
8 portion of a student's tuition and fees.

9 (11) ~~(10)~~ The department shall ensure that the tuition incentive program is well  
10 publicized and that eligible Medicaid clients are provided information on the program.  
11 The department shall provide the necessary funding and staff to fully operate the  
12 program.

13 Sec. 263. (1) Included in the appropriation in section 236 for fiscal year ~~2015-~~  
14 ~~2016~~ 2016-2017 for MSU AgBioResearch is \$2,982,900.00 and included in the  
15 appropriation in section 236 for MSU Extension is \$2,645,200.00 for Project GREEN.  
16 Project GREEN is intended to address critical regulatory, food safety, economic, and  
17 environmental problems faced by this state's plant-based agriculture, forestry, and  
18 processing industries. "GREEN" is an acronym for Generating Research and Extension to  
19 Meet Environmental and Economic Needs.

20 (2) The department of agriculture and rural development and Michigan State  
21 University, in consultation with agricultural commodity groups and other interested  
22 parties, shall develop Project GREEN and its program priorities.

23 Sec. 263a. (1) Not later than September 30 of each year, Michigan State  
24 University shall submit a report on MSU AgBioResearch and MSU Extension to the house  
25 and senate appropriations subcommittees on agriculture and on higher education, the  
26 house and senate standing committees on agriculture, the house and senate fiscal  
27 agencies, and the state budget director for the preceding academic fiscal year.



1 (2) The report required under subsection (1) shall include all of the following:

2 (a) Total funds expended by MSU AgBioResearch and by MSU Extension identified by  
3 state, local, private, federal, and university fund sources.

4 (b) The metric goals that were used to evaluate the impacts of programs operated  
5 by MSU Extension and MSU AgBioResearch. ~~It is the intent of the legislature that the~~  
6 **THE** following metric goals will be used to evaluate the impacts of those programs:

7 (i) Increasing the number of agriculture and food-related firms collaborating  
8 with and using services of research and extension faculty and staff by 3% per year.

9 (ii) Increasing the number of individuals utilizing MSU Extension's educational  
10 services by 5% per year.

11 (iii) Increasing external funds generated in support of research and extension,  
12 beyond state appropriations, by 10% over the amounts generated in the past 3 state  
13 fiscal years.

14 (iv) Increasing the sector's total economic impact to at least  
15 \$100,000,000,000.00.

16 (v) Increasing Michigan's agricultural exports to at least \$3,500,000,000.00.

17 (vi) Increasing jobs in the food and agriculture sector by 10%.

18 (vii) Improving access by Michigan consumers to healthy foods by 20%.

19 (c) A review of major programs within both MSU AgBioResearch and MSU Extension  
20 with specific reference to accomplishments, impacts, and the metrics described in  
21 subdivision (b), including a specific accounting of Project GREEN expenditures and  
22 the impact of those expenditures.

23 Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2015-2016~~  
24 **2016-2017** for Michigan State University is \$80,000.00 for the Michigan Future Farmers  
25 of America Association. This \$80,000.00 allocation shall not supplant any existing  
26 support that Michigan State University provides to the Michigan Future Farmers of  
27 America Association.

1           Sec. 265. (1) Payments under section 265a for performance funding shall only be  
 2 made to a public university that certifies to the state budget director by August 31,  
 3 ~~2015~~ 2016 that its board did not adopt an increase in tuition and fee rates for  
 4 resident undergraduate students after September 1, ~~2014~~ 2015 for the ~~2014-2015~~ 2015-  
 5 2016 academic year and that its board will not adopt an increase in tuition and fee  
 6 rates for resident undergraduate students for the ~~2015-2016~~ 2016-2017 academic year  
 7 that is greater than ~~3.2%~~ 4.8%. As used in this subsection:

8           (a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of  
 9 all resident undergraduate students at least once during their enrollment at a public  
 10 university, ~~AS DESCRIBED IN THE HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI)~~  
 11 **USER MANUAL**. A university increasing a fee that applies to a specific subset of  
 12 students or courses shall provide sufficient information to prove that the increase  
 13 applied to that subset will not cause the increase in the average amount of board-  
 14 authorized total tuition and fees paid by resident undergraduate students in the ~~2015-~~  
 15 ~~2016~~ 2016-2017 academic year to exceed the limit established in this subsection.

16           (b) "Tuition and fee rate" means the average of full-time rates ~~for all~~ **PAID BY A**  
 17 **MAJORITY OF STUDENTS IN EACH** undergraduate ~~classes~~ **CLASS** based on an **UNWEIGHTED**  
 18 average of the rates authorized by the university board and actually charged to  
 19 students, deducting any uniformly rebated or refunded amounts, for the 2 semesters  
 20 with the highest levels of full-time equated resident undergraduate enrollment during  
 21 the academic year, ~~AS DESCRIBED IN THE HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY~~  
 22 **(HEIDI) USER MANUAL**.

23           ~~(c) For purposes of subdivision (a), for a public university that compels~~  
 24 ~~resident undergraduate students to be covered by health insurance as a condition to~~  
 25 ~~enroll at the university, "fee" includes the annual amount a student is charged for~~  
 26 ~~coverage by the university-affiliated group health insurance policy if he or she does~~  
 27 ~~not provide proof that he or she is otherwise covered by health insurance. This~~

1 ~~subdivision does not apply to limited subsets of resident undergraduate students to be~~  
2 ~~covered by health insurance for specific reasons other than general enrollment at the~~  
3 ~~university.~~

4 (2) The state budget director shall implement uniform reporting requirements to  
5 ensure that a public university receiving a payment under section 265a for performance  
6 funding has satisfied the tuition restraint requirements of this section. The state  
7 budget director shall have the sole authority to determine if a public university has  
8 met the requirements of this section. Information reported by a public university to  
9 the state budget director under this subsection shall also be reported to the house  
10 and senate appropriations subcommittees on higher education and the house and senate  
11 fiscal agencies.

12 Sec. 265a. (1) Appropriations to public universities in section 236 for fiscal  
13 year ~~2015-2016~~ 2016-2017 for performance funding shall be paid only to a public  
14 university that complies with section 265 and certifies to the state budget director,  
15 the house and senate appropriations subcommittees on higher education, and the house  
16 and senate fiscal agencies by August 31, ~~2015~~ 2016 that it complies with all of the  
17 following requirements:

18 (a) The university participates in reverse transfer agreements described in  
19 section 286 with at least 3 Michigan community colleges. ~~or has made a good faith~~  
20 ~~effort to enter into reverse transfer agreements.~~

21 (b) The university does not and will not consider whether dual enrollment credits  
22 earned by an incoming student were utilized towards his or her high school graduation  
23 requirements when making a determination as to whether those credits may be used by  
24 the student toward completion of a university degree or certificate program.

25 (c) The university **ACTIVELY** participates in **AND SUBMITS TIMELY UPDATES TO** the  
26 Michigan Transfer Network created as part of the Michigan Association of Collegiate  
27 Registrars and Admissions Officers transfer agreement.

1           (2) Any performance funding amounts under section 236 that are not paid to a  
2 public university because it did not comply with 1 or more requirements under  
3 subsection (1) are unappropriated and reappropriated for performance funding to those  
4 public universities that meet the requirements under subsection (1), distributed in  
5 proportion to their performance funding appropriation amounts under section 236.

6           (3) The state budget director shall report to the house and senate appropriations  
7 subcommittees on higher education and the house and senate fiscal agencies by  
8 September 30, ~~2015,~~ 2016, regarding any performance funding amounts that are not paid  
9 to a public university because it did not comply with 1 or more requirements under  
10 subsection (1) and any reappropriation of funds under subsection (2).

11           (4) Performance funding amounts described in section 236 are distributed based on  
12 the following formula:

13           **(A) PROPORTIONAL TO EACH UNIVERSITY'S SHARE OF TOTAL OPERATIONS FUNDING**  
14 **APPROPRIATED IN FISCAL YEAR 2010-2011, 50.0%.**

15           **(B) ~~(a)~~** Based on weighted undergraduate completions in critical skills areas,  
16 ~~22.2%~~ 11.1%.

17           **(C) ~~(b)~~** Based on research and development expenditures, for universities  
18 classified in Carnegie classifications as doctoral/research universities, research  
19 universities (high research activity), or research universities (very high research  
20 activity) only, ~~11.1%~~ 5.6%.

21           **(D) ~~(e)~~** Based on 6-year graduation rate, total degree completions, and  
22 institutional support as a percentage of core expenditures, and the percentage of  
23 students receiving Pell grants, scored against national Carnegie classification peers  
24 and weighted by total undergraduate fiscal year equated students, ~~66.7%~~ 33.3%.

25           (5) For purposes of determining the score of a university under subsection  
26 ~~(4)(e)~~, **(4)(D)**, each university is assigned 1 of the following scores:

27           (a) A university classified as in the top 20%, a score of 3.

1 (b) A university classified as above national median, a score of 2.

2 (c) A university classified as improving, a score of 2. ~~It is the intent of the~~  
3 ~~legislature that, beginning in the 2016-2017 state fiscal year, a university~~  
4 ~~classified as improving is assigned a score of 1.~~

5 (d) A university that is not included in subdivision (a), (b), or (c), a score of  
6 0.

7 (6) For purposes of this section, "Carnegie classification" shall mean the basic  
8 classification of the university according to ~~the most recent version of~~ the Carnegie  
9 classification of institutions of higher education **PRIOR TO FEBRUARY 1, 2016,**  
10 published by the Carnegie Foundation for the Advancement of Teaching.

11 Sec. 267. All public universities shall submit the amount of tuition and fees  
12 actually charged to a full-time resident undergraduate student for academic year ~~2015-~~  
13 ~~2016~~ **2016-2017** as part of their higher education institutional data inventory (HEIDI)  
14 data by August 31 of each year. A public university shall report any revisions for any  
15 semester of the reported academic year ~~2015-2016~~ **2016-2017** tuition and fee charges to  
16 HEIDI within 15 days of being adopted.

17 Sec. 268. ~~(1) For the fiscal year ending September 30, 2016, it is the intent of~~  
18 ~~the legislature that funds be allocated for unfunded North American Indian tuition~~  
19 ~~waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to~~  
20 ~~390.1253, from the general fund.~~

21 (1) ~~(2)~~ By February 15 of each year, the department of civil rights shall  
22 annually submit to the state budget director, the house and senate appropriations  
23 subcommittees on higher education, and the house and senate fiscal agencies a report  
24 on North American Indian tuition waivers for the preceding fiscal year that includes,  
25 but is not limited to, all of the following information for each ~~postsecondary~~  
26 ~~institution~~ **PUBLIC UNIVERSITY:**

27 (a) The total number of waiver applications.

1 (b) The total number of waivers granted and the monetary value of each waiver.

2 (c) The number of students who withdraw from classes.

3 (d) The number of students who successfully complete a degree or certificate  
4 program and the 6-year graduation rate.

5 (2) ~~(3)~~ A public university that receives funds under section 236 shall provide  
6 to the department of civil rights any information necessary for preparing the report  
7 detailed in subsection ~~(2)~~ (1).

8 Sec. 269. For fiscal year ~~2015-2016~~ 2016-2017, from the amount appropriated in  
9 section 236 to Central Michigan University for operations, \$29,700.00 shall be paid to  
10 Saginaw Chippewa Tribal College for the costs of waiving tuition for North American  
11 Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

12 Sec. 270. For fiscal year ~~2015-2016~~ 2016-2017, from the amount appropriated in  
13 section 236 to Lake Superior State University for operations, \$100,000.00 shall be  
14 paid to Bay Mills Community College for the costs of waiving tuition for North  
15 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

16 Sec. 274c. By February 1, ~~2016~~ 2017, each university receiving funds under  
17 section 236 shall report to the senate and house appropriations subcommittees on  
18 higher education, the senate and house fiscal agencies, and the state budget director  
19 on its efforts to develop and implement sexual assault response training for the  
20 university's title IX coordinator, campus law enforcement personnel, campus public  
21 safety personnel, and any other campus personnel charged with responding to on-campus  
22 incidents, including information on sexual assault response training materials and the  
23 status of implementing sexual assault response training for campus personnel.

24 Sec. 275. (1) ~~It is the intent of the legislature that each~~ EACH public  
25 university that receives an appropriation in section 236 IS ENCOURAGED TO do all of  
26 the following:

27 (a) Meet the provisions of section 5003 of the post-911 veterans educational

1 assistance act of 2008, 38 USC 3301 to 3324, including voluntary participation in the  
2 yellow ribbon GI education enhancement program established in that act in 38 USC 3317.  
3 ~~By October 1 of each year, each public university shall report to the house and senate~~  
4 ~~appropriations subcommittees on higher education, the house and senate fiscal~~  
5 ~~agencies, and the presidents council, state universities of Michigan on whether or not~~  
6 ~~it has chosen to participate in the yellow ribbon GI education enhancement program. If~~  
7 ~~at any time during the fiscal year a university participating in the yellow ribbon~~  
8 ~~program chooses to leave the yellow ribbon program, it shall notify the house and~~  
9 ~~senate appropriations subcommittees on higher education, the house and senate fiscal~~  
10 ~~agencies, and the presidents council, state universities of Michigan.~~

11 (b) Establish an on-campus veterans' liaison to provide information and  
12 assistance to all student veterans.

13 (c) Provide flexible enrollment application deadlines for all veterans.

14 (d) Include in its admission application process a specific question as to  
15 whether an applicant for admission is a veteran, an active member of the military, a  
16 member of the national guard or military reserves, or the spouse or dependent of a  
17 veteran, active member of the military, or member of the national guard or military  
18 reserves, in order to more quickly identify potential educational assistance available  
19 to that applicant.

20 (e) Consider all veterans residents of this state for determining their tuition  
21 rates and fees.

22 (f) Waive enrollment fees for all veterans.

23 (2) By October 1 of each year, each public university shall report to the house  
24 and senate appropriations subcommittees on higher education, the house and senate  
25 fiscal agencies, and the department of military and veterans affairs regarding  
26 services provided specifically to veterans and active military duty personnel,  
27 including, but not limited to, the services described in subsection (1).

1 (3) As used in this section, "veteran" means an honorably discharged veteran  
2 entitled to educational assistance under the provisions of section 5003 of the post-  
3 911 veterans educational assistance act of 2008, 38 USC 3301 to 3324.

4 Sec. 276. (1) Included in the appropriation for fiscal year ~~2015-2016~~ 2016-2017  
5 for each public university in section 236 is funding for the Martin Luther King, Jr. -  
6 Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool  
7 of academically or economically disadvantaged candidates pursuing faculty teaching  
8 careers in postsecondary education. Preference may not be given to applicants on the  
9 basis of race, color, ethnicity, gender, or national origin. Institutions should  
10 encourage applications from applicants who would otherwise not adequately be  
11 represented in the graduate student and faculty populations. Each public university  
12 shall apply the percentage change applicable to every public university in the  
13 calculation of appropriations in section 236 to the amount of funds allocated to the  
14 future faculty program.

15 (2) The program shall be administered by each public university in a manner  
16 prescribed by the workforce development agency. The workforce development agency shall  
17 use a good faith effort standard to evaluate whether a fellowship is in default.

18 Sec. 277. (1) Included in the appropriation for fiscal year ~~2015-2016~~ 2016-2017  
19 for each public university in section 236 is funding for the Martin Luther King, Jr. -  
20 Cesar Chavez - Rosa Parks college day program that is intended to introduce  
21 academically or economically disadvantaged schoolchildren to the potential of a  
22 college education. Preference may not be given to participants on the basis of race,  
23 color, ethnicity, gender, or national origin. Public universities should encourage  
24 participation from those who would otherwise not adequately be represented in the  
25 student population.

26 (2) Individual program plans of each public university shall include a budget of  
27 equal contributions from this program, the participating public university, the



1 participating school district, and the participating independent degree-granting  
2 college. College day funds shall not be expended to cover indirect costs. Not more  
3 than 20% of the university match shall be attributable to indirect costs. Each public  
4 university shall apply the percentage change applicable to every public university in  
5 the calculation of appropriations in section 236 to the amount of funds allocated to  
6 the college day program.

7 (3) The program described in this section shall be administered by each public  
8 university in a manner prescribed by the workforce development agency.

9 Sec. 278. (1) Included in section 236 for fiscal year ~~2015-2016~~ 2016-2017 is  
10 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student  
11 support services program for developing academically or economically disadvantaged  
12 student retention programs for 4-year public and independent educational institutions  
13 in this state. Preference may not be given to participants on the basis of race,  
14 color, ethnicity, gender, or national origin. Institutions should encourage  
15 participation from those who would otherwise not adequately be represented in the  
16 student population.

17 (2) An award made under this program to any 1 institution shall not be greater  
18 than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college  
19 or university basis.

20 (3) The program described in this section shall be administered by the workforce  
21 development agency.

22 Sec. 279.(1) Included in section 236 for fiscal year ~~2015-2016~~ 2016-2017 is  
23 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university  
24 partnership program between 4-year public and independent colleges and universities  
25 and public community colleges, which is intended to increase the number of  
26 academically or economically disadvantaged students who transfer from community  
27 colleges into baccalaureate programs. Preference may not be given to participants on

1 the basis of race, color, ethnicity, gender, or national origin. Institutions should  
2 encourage participation from those who would otherwise not adequately be represented  
3 in the transfer student population.

4 (2) The grants shall be made under the program described in this section to  
5 Michigan public and independent colleges and universities. An award to any 1  
6 institution shall not be greater than \$150,000.00, and the amount awarded shall be  
7 matched on a 70% state, 30% college or university basis.

8 (3) The program described in this section shall be administered by the workforce  
9 development agency.

10 Sec. 280. (1) Included in the appropriation for fiscal year ~~2015-2016~~ 2016-2017  
11 for each public university in section 236 is funding for the Martin Luther King, Jr. -  
12 Cesar Chavez - Rosa Parks visiting professors program which is intended to increase  
13 the number of instructors in the classroom to provide role models for academically or  
14 economically disadvantaged students. Preference may not be given to participants on  
15 the basis of race, color, ethnicity, gender, or national origin. Public universities  
16 should encourage participation from those who would otherwise not adequately be  
17 represented in the student population.

18 (2) The program described in this section shall be administered by the workforce  
19 development agency.

20 Sec. 281. (1) Included in the appropriation for fiscal year ~~2015-2016~~ 2016-2017  
21 in section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa  
22 Parks initiative for the Morris Hood, Jr. educator development program which is  
23 intended to increase the number of academically or economically disadvantaged students  
24 who enroll in and complete K-12 teacher education programs at the baccalaureate level.  
25 Preference may not be given to participants on the basis of race, color, ethnicity,  
26 gender, or national origin. Institutions should encourage participation from those who  
27 would otherwise not adequately be represented in the teacher education student

1 population.

2 (2) The program described in this section shall be administered by each state-  
3 approved teacher education institution in a manner prescribed by the workforce  
4 development agency.

5 (3) Approved teacher education institutions may and are encouraged to use student  
6 support services funding in coordination with the Morris Hood, Jr. funding to achieve  
7 the goals of the program described in this section.

8 Sec. 282. Each institution receiving funds for fiscal year ~~2015-2016~~ **2016-2017**  
9 under section 278, 279, or 281 shall notify the workforce development agency by April  
10 15, ~~2016~~ **2017** as to whether it will expend by the end of its fiscal year the funds  
11 received under section 278, 279, or 281. Notwithstanding the award limitations in  
12 sections 278 and 279, the amount of funding reported as not being expended will be  
13 reallocated to the institutions that intend to expend all funding received under  
14 section 278, 279, or 281.

15 Sec. 283. (1) From the amount appropriated in section 236, the public  
16 universities shall systematically inform Michigan high schools regarding the academic  
17 status of students from each high school in a manner prescribed by the ~~Presidents~~  
18 ~~Council, State Universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES** in  
19 cooperation with the Michigan Association of Secondary School Principals. Public  
20 universities shall also work with the center for educational performance and  
21 information to maintain a systematic approach for accomplishing this task.

22 (2) Michigan high schools shall systematically inform the public universities  
23 about the use of information received under this section in a manner prescribed by the  
24 Michigan Association of Secondary School Principals in cooperation with the ~~Presidents~~  
25 ~~Council, State Universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES**.

26 Sec. 284. From the amount appropriated in section 236, the public universities  
27 shall inform Michigan community colleges regarding the academic status of community

1 college transfer students in a manner prescribed by the ~~Presidents Council, State~~  
2 ~~Universities of Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES** in cooperation  
3 with the Michigan Community College Association. Public universities shall also work  
4 with the center for educational performance and information to maintain a systematic  
5 approach for accomplishing this task.

6       Sec. 290. By March 1 of each year, the ~~presidents council, state universities of~~  
7 ~~Michigan~~ **MICHIGAN ASSOCIATION OF STATE UNIVERSITIES** shall provide a listing of new  
8 degree programs for which enrollment information will be reported to HEIDI under  
9 sections 241 and 289, as well as a listing of degree programs that institutions of  
10 higher education will no longer offer in subsequent academic years, to the house and  
11 senate appropriations subcommittees on higher education, the house and senate fiscal  
12 agencies, and the state budget director.

ARTICLE IV

SUMMARY OF APPROPRIATIONS AND ANTICIPATED APPROPRIATIONS

SEC. 298. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ACT, THE AMOUNTS LISTED IN THIS SECTION FOR THE PUBLIC SCHOOLS, INTERMEDIATE SCHOOL DISTRICTS, COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES OF THIS STATE, AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION ARE A SUMMARY OF APPROPRIATIONS CONTAINED IN THIS ACT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2017 AND ANTICIPATED APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018, FROM THE FUNDS INDICATED IN THIS ACT:

(2) SUMMARY OF EDUCATION OMNIBUS APPROPRIATIONS

GROSS APPROPRIATION .....	\$ 16,180,792,100	\$ 16,093,139,500
TOTAL INTERDEPARTMENTAL GRANTS AND		
INTRADPARTMENTAL TRANSFERS .....	0	0
ADJUSTED GROSS APPROPRIATION .....	\$ 16,180,792,100	\$ 16,093,139,500
TOTAL FEDERAL REVENUES .....	1,917,659,100	1,917,659,100
TOTAL LOCAL REVENUES .....	0	0
TOTAL PRIVATE REVENUES .....	0	0
TOTAL OTHER STATE RESTRICTED REVENUES .....	12,632,103,700	12,717,051,100
STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 1,631,029,300	\$ 1,458,429,300

SEC. 298A. (1) SUMMARY OF APPROPRIATIONS FOR SCHOOL AID (ARTICLE I)

APPROPRIATION SUMMARY

GROSS APPROPRIATION .....	\$ 14,183,112,100	\$ 14,094,759,500
TOTAL INTERDEPARTMENTAL GRANTS AND		
INTRADPARTMENTAL TRANSFERS .....	0	0
ADJUSTED GROSS APPROPRIATION .....	\$ 14,183,112,100	\$ 14,094,759,500
TOTAL FEDERAL REVENUES .....	1,818,632,700	1,818,632,700
TOTAL LOCAL REVENUES .....	0	0
TOTAL PRIVATE REVENUES .....	0	0

1	TOTAL OTHER STATE RESTRICTED REVENUES .....	12,134,479,400	12,218,726,800
2	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 230,000,000	\$ 57,400,000
3	(2) BASIC OPERATIONS		
4	PROPOSAL A OBLIGATION PAYMENT .....	\$ 5,206,000,000	\$ 5,124,000,000
5	DISCRETIONARY PAYMENT .....	3,900,000,000	3,888,000,000
6	ISD GENERAL OPERATIONS .....	68,182,000	68,182,000
7	HOLD HARMLESS PROVISION .....	18,000,000	18,000,000
8	DISTRICT DISSOLUTION TRANSITION COSTS .....	2,200,000	0
9	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM		
10	REFORM COSTS .....	1,082,800,000	1,088,300,000
11	ISOLATED DISTRICT FUNDING .....	5,000,000	5,000,000
12	CONSOLIDATION INNOVATION GRANTS .....	<u>5,000,000</u>	<u>0</u>
13	GROSS APPROPRIATION .....	\$ 10,287,182,000	\$ 10,191,482,000
14	APPROPRIATED FROM:		
15	STATE RESTRICTED REVENUES .....	10,105,720,200	10,160,167,700
16	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 181,461,800	\$ 31,314,300
17	(3) SPECIAL EDUCATION		
18	SPECIAL EDUCATION HEADLEE OBLIGATION .....	\$ 644,500,000	\$ 665,400,000
19	SPECIAL EDUCATION FOUNDATIONS .....	271,600,000	279,300,000
20	SPECIAL EDUCATION HOLD HARMLESS PAYMENT .....	1,100,000	500,000
21	SPECIAL EDUCATION NON-SEC. 52 PAYMENT .....	3,700,000	3,700,000
22	SPECIAL EDUCATION RULE CHANGE .....	2,200,000	2,200,000
23	SPECIAL EDUCATION COURT PLACED FTES .....	10,500,000	10,500,000
24	MICHIGAN SCHOOLS FOR THE DEAF AND BLIND .....	1,688,000	1,688,000
25	SPECIAL EDUCATION MILLAGE EQUALIZATION .....	37,758,100	37,758,100
26	SPECIAL EDUCATION FEDERAL PROGRAMS .....	<u>441,000,000</u>	<u>441,000,000</u>
27	GROSS APPROPRIATION .....	\$ 1,414,046,100	\$ 1,442,046,100

1	APPROPRIATED FROM:		
2	FEDERAL REVENUES .....	441,000,000	441,000,000
3	STATE RESTRICTED REVENUES .....	973,046,100	1,001,046,100
4	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
5	(4) SUPPORT SERVICES		
6	COURT-PLACED CHILDREN .....	\$ 8,000,000	\$ 8,000,000
7	JUVENILE DETENTION FACILITIES .....	1,328,100	1,328,100
8	YOUTH CHALLENGE PROGRAM .....	1,522,400	1,522,400
9	AT-RISK PROGRAM .....	378,988,200	378,988,200
10	CHILD AND ADOLESCENT HEALTH CENTERS .....	5,557,300	5,557,300
11	HEARING AND VISION SCREENING .....	5,150,000	5,150,000
12	MATH AND SCIENCE CENTERS .....	8,474,300	8,474,300
13	BILINGUAL EDUCATION .....	1,200,000	1,200,000
14	STRICT DISCIPLINE ACADEMIES PUPIL TRANSFERS .....	500,000	0
15	THIRD GRADE READING INITIATIVE .....	23,900,000	23,900,000
16	CONDUCTIVE LEARNING CENTER STUDY .....	150,000	0
17	FINANCIAL ANALYTICAL TOOLS .....	1,500,000	0
18	STATE SCHOOL REFORM OFFICE .....	5,000,000	10,200,000
19	SCHOOL WATER TESTING .....	9,000,000	9,000,000
20	SPECIAL EDUCATION TASKFORCE RECOMMENDATIONS .....	1,370,000	1,500,000
21	FLINT DECLARATION OF EMERGENCY .....	10,142,600	0
22	FEDERAL PROGRAMS .....	<u>852,739,900</u>	<u>852,739,900</u>
23	GROSS APPROPRIATION .....	\$ 1,314,522,800	\$ 1,370,560,200
24	APPROPRIATED FROM:		
25	FEDERAL REVENUES .....	857,989,200	857,989,200
26	STATE RESTRICTED REVENUES .....	443,546,100	446,596,000
27	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 12,987,500	\$ 2,975,000

1	(5) SCHOOL MEAL PROGRAMS		
2	SCHOOL LUNCH .....	\$ 535,695,100	\$ 535,695,100
3	SCHOOL BREAKFAST .....	<u>2,500,000</u>	<u>2,500,000</u>
4	GROSS APPROPRIATION .....	\$ 538,195,100	\$ 538,195,100
5	APPROPRIATED FROM:		
6	FEDERAL REVENUES .....	513,200,000	513,200,000
7	STATE RESTRICTED REVENUES .....	24,995,100	24,995,100
8	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0	\$ 0
9	(6) EARLY CHILDHOOD EDUCATION		
10	GREAT START READINESS PROGRAM .....	\$ 243,900,000	\$ 243,900,000
11	GREAT START EARLY CHILDHOOD BLOCK GRANTS .....	<u>13,400,000</u>	<u>13,400,000</u>
12	GROSS APPROPRIATION .....	\$ 257,300,000	\$ 257,300,000
13	APPROPRIATED FROM:		
14	STATE RESTRICTED REVENUES .....	257,000,000	257,000,000
15	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 300,000	\$ 300,000
16	(7) STUDENT ASSESSMENT AND ACCOUNTABILITY		
17	CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION ....	12,366,700	12,366,700
18	STUDENT ASSESSMENTS .....	40,144,400	40,144,400
19	DATA COLLECTION AND REPORTING COSTS .....	38,000,500	38,000,500
20	EDUCATOR EVALUATIONS .....	<u>10,000,000</u>	<u>10,000,000</u>
21	GROSS APPROPRIATION .....	\$ 100,511,600	\$ 100,511,600
22	APPROPRIATED FROM:		
23	FEDERAL REVENUES .....	6,443,500	6,443,500
24	STATE RESTRICTED REVENUES .....	81,894,900	81,894,900
25	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 12,173,200	\$ 12,173,200
26	(8) TECHNOLOGY INITIATIVES		
27	MICHIGAN VIRTUAL HIGH SCHOOL .....	\$ 7,387,500	\$ 7,387,500



1	FIRST ROBOTICS .....	2,500,000	2,000,000
2	MISTEM COUNCIL .....	<u>2,050,000</u>	<u>0</u>
3	GROSS APPROPRIATION .....	\$ 11,937,500 \$	9,387,500
4	APPROPRIATED FROM:		
5	STATE RESTRICTED REVENUES .....	2,500,000	2,000,000
6	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 9,437,500 \$	7,387,500
7	(9) COLLEGE AND CAREER READINESS		
8	VOCATIONAL EDUCATION .....	\$ 36,611,300 \$	36,611,300
9	VOCATIONAL EDUCATION MILLAGE REIMBURSEMENT .....	9,190,000	9,190,000
10	DUAL ENROLLMENT INCENTIVE .....	1,750,000	0
11	ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE		
12	TESTING .....	250,000	250,000
13	MICHIGAN COLLEGE ACCESS NETWORK .....	3,050,000	3,000,000
14	CTE AND EARLY MIDDLE COLLEGE PROGRAMS .....	15,000,000	15,000,000
15	CTE EQUIPMENT .....	10,000,000	0
16	DETROIT PRECOLLEGE ENGINEERING PROGRAM .....	<u>340,000</u>	<u>0</u>
17	GROSS APPROPRIATION .....	\$ 76,191,300 \$	64,051,300
18	APPROPRIATED FROM:		
19	STATE RESTRICTED REVENUES .....	62,551,300	60,801,300
20	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 13,640,000 \$	3,250,000
21	(10) ADULT EDUCATION		
22	ADULT EDUCATION .....	<u>\$ 25,000,000 \$</u>	<u>25,000,000</u>
23	GROSS APPROPRIATION .....	\$ 25,000,000 \$	25,000,000
24	APPROPRIATED FROM:		
25	STATE RESTRICTED REVENUES .....	25,000,000	25,000,000
26	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 0 \$	0
27	(11) TRANSPORTATION SAFETY		

1	BUS DRIVER SAFETY .....	\$	1,625,000	\$	1,625,000	
2	SCHOOL BUS INSPECTIONS .....		<u>1,695,600</u>		<u>1,695,600</u>	
3	GROSS APPROPRIATION .....	\$	3,320,600	\$	3,320,600	
4	APPROPRIATED FROM:					
5	STATE RESTRICTED REVENUES .....		3,320,600		3,320,600	
6	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	0	\$	0	
7	(12) DEBT SERVICE AND OTHER REQUIRED PAYMENTS					
8	SCHOOL BOND LOAN REDEMPTION FUND .....		126,500,000		126,500,000	
9	SCHOOL AID FUND BORROWING COSTS .....		3,000,000		4,000,000	
10	RENAISSANCE ZONE REIMBURSEMENT .....		20,000,000		20,000,000	
11	PAYMENT IN LIEU OF TAXES REIMBURSEMENT .....		4,405,100		4,405,100	
12	PROMISE ZONE PAYMENTS .....		1,000,000		1,000,000	
13	GROSS APPROPRIATION .....	\$	154,905,100	\$	155,905,100	
14	APPROPRIATED FROM:					
15	STATE RESTRICTED REVENUES .....		154,905,100		155,905,100	
16	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	0	\$	0	
17	SEC. 298B. (1) SUMMARY OF APPROPRIATIONS FOR COMMUNITY COLLEGES (ARTICLE II)					
18	APPROPRIATION SUMMARY					
19	GROSS APPROPRIATION .....	\$	399,025,600	\$	399,525,600	
20	TOTAL INTERDEPARTMENTAL GRANTS AND					
21	INTRADepartmental Transfers .....		0		0	
22	ADJUSTED GROSS APPROPRIATION .....	\$	399,025,600	\$	399,525,600	
23	TOTAL FEDERAL REVENUES .....		0		0	
24	TOTAL LOCAL REVENUES .....		0		0	
25	TOTAL PRIVATE REVENUES .....		0		0	
26	TOTAL OTHER STATE RESTRICTED REVENUES .....		260,414,800		260,914,800	
27	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	138,610,800	\$	138,610,800	

1	(2) OPERATIONS			
2	(A) ALPENA COMMUNITY COLLEGE			
3	OPERATIONS .....	\$	5,464,400 \$	5,627,100
4	PERFORMANCE FUNDING .....		162,700	0
5	GROSS APPROPRIATION .....	\$	5,627,100 \$	5,627,100
6	(B) BAY DE NOC COMMUNITY COLLEGE			
7	OPERATIONS .....	\$	5,490,200 \$	5,591,100
8	PERFORMANCE FUNDING .....		100,900	0
9	GROSS APPROPRIATION .....	\$	5,591,100 \$	5,591,100
10	(C) DELTA COLLEGE			
11	OPERATIONS .....	\$	14,704,000 \$	15,052,400
12	PERFORMANCE FUNDING .....		348,400	0
13	GROSS APPROPRIATION .....	\$	15,052,400 \$	15,052,400
14	(D) GLEN OAKS COMMUNITY COLLEGE			
15	OPERATIONS .....	\$	2,551,100 \$	2,596,700
16	PERFORMANCE FUNDING .....		45,600	0
17	GROSS APPROPRIATION .....	\$	2,596,700 \$	2,596,700
18	(E) GOGEBIC COMMUNITY COLLEGE			
19	OPERATIONS .....	\$	4,509,900 \$	4,626,900
20	PERFORMANCE FUNDING .....		117,000	0
21	GROSS APPROPRIATION .....	\$	4,626,900 \$	4,626,900
22	(F) GRAND RAPIDS COMMUNITY COLLEGE			
23	OPERATIONS .....	\$	18,187,300 \$	18,631,700
24	PERFORMANCE FUNDING .....		444,400	0
25	GROSS APPROPRIATION .....	\$	18,631,700 \$	18,631,700
26	(G) HENRY FORD COMMUNITY COLLEGE			
27	OPERATIONS .....	\$	21,893,300 \$	22,347,500

1	PERFORMANCE FUNDING .....		454,200	0
2	GROSS APPROPRIATION .....	\$	22,347,500 \$	22,347,500
3	(H) JACKSON COMMUNITY COLLEGE			
4	OPERATIONS .....	\$	12,245,300 \$	12,504,400
5	PERFORMANCE FUNDING .....		259,100	0
6	GROSS APPROPRIATION .....	\$	12,504,400 \$	12,504,400
7	(I) KALAMAZOO VALLEY COMMUNITY COLLEGE			
8	OPERATIONS .....	\$	12,689,400 \$	13,015,700
9	PERFORMANCE FUNDING .....		326,300	0
10	GROSS APPROPRIATION .....	\$	13,015,700 \$	13,015,700
11	(J) KELLOGG COMMUNITY COLLEGE			
12	OPERATIONS .....	\$	9,950,100 \$	10,159,800
13	PERFORMANCE FUNDING .....		209,700	0
14	GROSS APPROPRIATION .....	\$	10,159,800 \$	10,159,800
15	(K) KIRTLAND COMMUNITY COLLEGE			
16	OPERATIONS .....	\$	3,221,500 \$	3,303,300
17	PERFORMANCE FUNDING .....		81,800	0
18	GROSS APPROPRIATION .....	\$	3,303,300 \$	3,303,300
19	(L) LAKE MICHIGAN COLLEGE			
20	OPERATIONS .....	\$	5,417,700 \$	5,565,600
21	PERFORMANCE FUNDING .....		147,900	0
22	GROSS APPROPRIATION .....	\$	5,565,600 \$	5,565,600
23	(M) LANSING COMMUNITY COLLEGE			
24	OPERATIONS .....	\$	31,288,200 \$	31,915,300
25	PERFORMANCE FUNDING .....		627,100	0
26	GROSS APPROPRIATION .....	\$	31,915,300 \$	31,915,300
27	(N) MACOMB COMMUNITY COLLEGE			

1	OPERATIONS .....	\$	33,239,500	\$	33,900,200
2	PERFORMANCE FUNDING .....		660,700		0
3	GROSS APPROPRIATION .....	\$	33,900,200	\$	33,900,200
4	(O) MID MICHIGAN COMMUNITY COLLEGE				
5	OPERATIONS .....	\$	4,757,700	\$	4,917,300
6	PERFORMANCE FUNDING .....		159,600		0
7	GROSS APPROPRIATION .....	\$	4,917,300	\$	4,917,300
8	(P) MONROE COUNTY COMMUNITY COLLEGE				
9	OPERATIONS .....	\$	4,565,600	\$	4,679,100
10	PERFORMANCE FUNDING .....		113,500		0
11	GROSS APPROPRIATION .....	\$	4,679,100	\$	4,679,100
12	(Q) MONTCALM COMMUNITY COLLEGE				
13	OPERATIONS .....	\$	3,280,600	\$	3,404,000
14	PERFORMANCE FUNDING .....		123,400		0
15	GROSS APPROPRIATION .....	\$	3,404,000	\$	3,404,000
16	(R) C. S. MOTT COMMUNITY COLLEGE				
17	OPERATIONS .....	\$	15,901,700	\$	16,278,400
18	PERFORMANCE FUNDING .....		376,700		0
19	GROSS APPROPRIATION .....	\$	16,278,400	\$	16,278,400
20	(S) MUSKEGON COMMUNITY COLLEGE				
21	OPERATIONS .....	\$	9,020,700	\$	9,268,700
22	PERFORMANCE FUNDING .....		248,000		0
23	GROSS APPROPRIATION .....	\$	9,268,700	\$	9,268,700
24	(T) NORTH CENTRAL MICHIGAN COLLEGE				
25	OPERATIONS .....	\$	3,224,800	\$	3,345,100
26	PERFORMANCE FUNDING .....		120,300		0
27	GROSS APPROPRIATION .....	\$	3,345,100	\$	3,345,100

1	(U) NORTHWESTERN MICHIGAN COLLEGE			
2	OPERATIONS .....	\$	9,200,500 \$	9,410,000
3	PERFORMANCE FUNDING .....		209,500	0
4	GROSS APPROPRIATION .....	\$	9,410,000 \$	9,410,000
5	(V) OAKLAND COMMUNITY COLLEGE			
6	OPERATIONS .....	\$	21,429,400 \$	21,978,200
7	PERFORMANCE FUNDING .....		548,800	0
8	GROSS APPROPRIATION .....	\$	21,978,200 \$	21,978,200
9	(W) SCHOOLCRAFT COLLEGE			
10	OPERATIONS .....	\$	12,706,400 \$	13,057,800
11	PERFORMANCE FUNDING .....		351,400	0
12	GROSS APPROPRIATION .....	\$	13,057,800 \$	13,057,800
13	(X) SOUTHWESTERN MICHIGAN COLLEGE			
14	OPERATIONS .....	\$	6,657,600 \$	6,773,600
15	PERFORMANCE FUNDING .....		116,000	0
16	GROSS APPROPRIATION .....	\$	6,773,600 \$	6,773,600
17	(Y) ST. CLAIR COUNTY COMMUNITY COLLEGE			
18	OPERATIONS .....	\$	7,158,000 \$	7,337,100
19	PERFORMANCE FUNDING .....		179,100	0
20	GROSS APPROPRIATION .....	\$	7,337,100 \$	7,337,100
21	(Z) WASHTENAW COMMUNITY COLLEGE			
22	OPERATIONS .....	\$	13,301,100 \$	13,724,700
23	PERFORMANCE FUNDING .....		423,600	0
24	GROSS APPROPRIATION .....	\$	13,724,700 \$	13,724,700
25	(AA) WAYNE COUNTY COMMUNITY COLLEGE			
26	OPERATIONS .....	\$	16,989,800 \$	17,452,800
27	PERFORMANCE FUNDING .....		463,000	0

1	GROSS APPROPRIATION .....	\$	17,452,800	\$	17,452,800
2	(BB) WEST SHORE COMMUNITY COLLEGE				
3	OPERATIONS .....	\$	2,446,200	\$	2,527,500
4	PERFORMANCE FUNDING .....		81,300		0
5	GROSS APPROPRIATION .....	\$	2,527,500	\$	2,527,500
6	(CC) OPERATIONS FUNDING SOURCES				
7	GROSS APPROPRIATION .....	\$	318,992,000	\$	318,992,000
8	APPROPRIATED FROM:				
9	STATE SCHOOL AID FUND .....		185,481,200		185,481,200
10	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	133,510,800	\$	133,510,800
11	(3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT				
12	SYSTEM (MPSERS)				
13	MPSERS COST OFFSET .....	\$	1,733,600	\$	1,733,600
14	MPSERS UAL CAP REIMBURSEMENT .....		73,200,000		73,700,000
15	GROSS APPROPRIATION .....	\$	74,933,600	\$	75,433,600
16	APPROPRIATED FROM:				
17	STATE SCHOOL AID FUND .....		74,933,600		75,433,600
18	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	0	\$	0
19	(4) RENAISSANCE ZONE REIMBURSEMENTS				
20	RENAISSANCE ZONE REIMBURSEMENTS .....	\$	5,100,000	\$	5,100,000
21	GROSS APPROPRIATION .....	\$	5,100,000	\$	5,100,000
22	APPROPRIATED FROM:				
23	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	5,100,000	\$	5,100,000
24	SEC. 298C. (1) SUMMARY OF APPROPRIATIONS FOR UNIVERSITIES AND STUDENT FINANCIAL AID				
25	(ARTICLE III)				
26	APPROPRIATION SUMMARY				
27	GROSS APPROPRIATION .....	\$	1,598,654,400	\$	1,598,854,400

1	TOTAL INTERDEPARTMENTAL GRANTS AND		
2	INTRADepartmental Transfers .....	0	0
3	ADJUSTED GROSS APPROPRIATION .....	\$ 1,598,654,400	\$ 1,598,854,400
4	TOTAL FEDERAL REVENUES .....	99,026,400	99,026,400
5	TOTAL LOCAL REVENUES .....	0	0
6	TOTAL PRIVATE REVENUES .....	0	0
7	TOTAL OTHER STATE RESTRICTED REVENUES .....	237,209,500	237,409,500
8	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 1,262,418,500	\$ 1,262,418,500
9	(2) UNIVERSITY OPERATIONS		
10	(A) CENTRAL MICHIGAN UNIVERSITY		
11	OPERATIONS .....	\$ 81,127,100	\$ 85,332,200
12	PERFORMANCE FUNDING .....	4,205,100	0
13	GROSS APPROPRIATION .....	\$ 85,332,200	\$ 85,332,200
14	(B) EASTERN MICHIGAN UNIVERSITY		
15	OPERATIONS .....	\$ 71,782,500	\$ 75,105,400
16	PERFORMANCE FUNDING .....	3,322,900	0
17	GROSS APPROPRIATION .....	\$ 75,105,400	\$ 75,105,400
18	(C) FERRIS STATE UNIVERSITY		
19	OPERATIONS .....	\$ 50,369,800	\$ 53,210,000
20	PERFORMANCE FUNDING .....	2,840,200	0
21	GROSS APPROPRIATION .....	\$ 53,210,000	\$ 53,210,000
22	(D) GRAND VALLEY STATE UNIVERSITY		
23	OPERATIONS .....	\$ 65,275,700	\$ 69,712,000
24	PERFORMANCE FUNDING .....	4,436,300	0
25	GROSS APPROPRIATION .....	\$ 69,712,000	\$ 69,712,000
26	(E) LAKE SUPERIOR STATE UNIVERSITY		
27	OPERATIONS .....	\$ 13,207,400	\$ 13,748,400



1	PERFORMANCE FUNDING .....		541,000	0
2	GROSS APPROPRIATION .....	\$	13,748,400 \$	13,748,400
3	(F) MICHIGAN STATE UNIVERSITY			
4	OPERATIONS .....	\$	268,770,700 \$	279,126,200
5	PERFORMANCE FUNDING .....		10,355,500	0
6	MSU AGBIORESEARCH .....		33,243,100	33,243,100
7	MSU EXTENSION .....		28,672,600	28,672,600
8	GROSS APPROPRIATION .....	\$	341,041,900 \$	341,041,900
9	(G) MICHIGAN TECHNOLOGICAL UNIVERSITY			
10	OPERATIONS .....	\$	46,754,700 \$	48,772,500
11	PERFORMANCE FUNDING .....		2,017,800	0
12	GROSS APPROPRIATION .....	\$	48,772,500 \$	48,772,500
13	(H) NORTHERN MICHIGAN UNIVERSITY			
14	OPERATIONS .....	\$	45,107,700 \$	46,868,000
15	PERFORMANCE FUNDING .....		1,760,300	0
16	GROSS APPROPRIATION .....	\$	46,868,000 \$	46,868,000
17	(I) OAKLAND UNIVERSITY			
18	OPERATIONS .....	\$	48,371,900 \$	51,300,200
19	PERFORMANCE FUNDING .....		2,928,300	0
20	GROSS APPROPRIATION .....	\$	51,300,200 \$	51,300,200
21	(J) SAGINAW VALLEY STATE UNIVERSITY			
22	OPERATIONS .....	\$	28,181,200 \$	29,582,900
23	PERFORMANCE FUNDING .....		1,401,700	0
24	GROSS APPROPRIATION .....	\$	29,582,900 \$	29,582,900
25	(K) UNIVERSITY OF MICHIGAN - ANN ARBOR			
26	OPERATIONS .....	\$	299,975,000 \$	312,693,500
27	PERFORMANCE FUNDING .....		12,718,500	0

1	GROSS APPROPRIATION .....	\$	312,693,500	\$	312,693,500
2	(L) UNIVERSITY OF MICHIGAN - DEARBORN				
3	OPERATIONS .....	\$	24,033,100	\$	25,190,500
4	PERFORMANCE FUNDING .....		1,157,400		0
5	GROSS APPROPRIATION .....	\$	25,190,500	\$	25,190,500
6	(M) UNIVERSITY OF MICHIGAN - FLINT				
7	OPERATIONS .....	\$	21,815,400	\$	22,918,300
8	PERFORMANCE FUNDING .....		1,102,900		0
9	GROSS APPROPRIATION .....	\$	22,918,300	\$	22,918,300
10	(N) WAYNE STATE UNIVERSITY				
11	OPERATIONS .....	\$	191,451,300	\$	198,082,800
12	PERFORMANCE FUNDING .....		6,631,500		0
13	GROSS APPROPRIATION .....	\$	198,082,800	\$	198,082,800
14	(O) WESTERN MICHIGAN UNIVERSITY				
15	OPERATIONS .....	\$	104,334,100	\$	108,702,100
16	PERFORMANCE FUNDING .....		4,368,000		0
17	GROSS APPROPRIATION .....	\$	108,702,100	\$	108,702,100
18	(P) OPERATIONS FUNDING SOURCES				
19	GROSS APPROPRIATION .....	\$	1,482,260,700	\$	1,482,260,700
20	APPROPRIATED FROM:				
21	STATE SCHOOL AID FUND .....		231,219,500		231,219,500
22	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	1,251,041,200	\$	1,251,041,200
23	(3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT				
24	SYSTEM (MPSERS)				
25	MPSERS UAL CAP REIMBURSEMENT .....	\$	5,890,000	\$	6,090,000
26	GROSS APPROPRIATION .....	\$	5,890,000	\$	6,090,000
27	APPROPRIATED FROM:				

1	STATE SCHOOL AID FUND .....		5,890,000		6,090,000
2	STATE GENERAL FUND/GENERAL PURPOSE .....	\$		0 \$	0
3	(4) STATE AND REGIONAL PROGRAMS				
4	HIGHER EDUCATION DATABASE MODERNIZATION AND				
5	CONVERSION .....	\$	200,000	\$	200,000
6	MIDWESTERN HIGHER EDUCATION COMPACT .....		115,000		115,000
7	GROSS APPROPRIATION .....	\$	315,000	\$	315,000
8	APPROPRIATED FROM:				
9	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	315,000	\$	315,000
10	(5) MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA				
11	PARKS PROGRAM .....				
12	SELECT STUDENT SUPPORT SERVICES .....	\$	1,956,100	\$	1,956,100
13	MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM .....		586,800		586,800
14	MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM .....		148,600		148,600
15	GROSS APPROPRIATION .....	\$	2,691,500	\$	2,691,500
16	APPROPRIATED FROM:				
17	STATE GENERAL FUND/GENERAL PURPOSE .....	\$	2,691,500	\$	2,691,500
18	(6) GRANTS AND FINANCIAL AID				
19	STATE COMPETITIVE SCHOLARSHIPS .....	\$	18,361,700	\$	18,361,700
20	TUITION GRANTS .....		34,035,500		34,035,500
21	TUITION INCENTIVE PROGRAM .....		50,500,000		50,500,000
22	CHILDREN OF VETERANS AND OFFICER'S SURVIVOR				
23	TUITION GRANT PROGRAMS .....		1,400,000		1,400,000
24	PROJECT GEAR-UP .....		3,200,000		3,200,000
25	GROSS APPROPRIATION .....	\$	107,497,200	\$	107,497,200
26	APPROPRIATED FROM:				
27	UNITED STATES DEPARTMENT OF EDUCATION, OFFICE OF				

1	ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP PROGRAM..	3,200,000	3,200,000
2	SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR NEEDY		
3	FAMILIES .....	95,826,400	95,826,400
4	CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT		
5	PROGRAM .....	100,000	100,000
6	STATE GENERAL FUND/GENERAL PURPOSE .....	\$ 8,370,800	\$ 8,370,800

7 Enacting section 1. (1) In accordance with section 30 of article I of the state  
8 constitution of 1963, total state spending on school aid under article I as amended by  
9 this amendatory act from state sources for fiscal year 2016-2017 is estimated at  
10 \$12,364,479,400.00 and state appropriations for school aid to be paid to local units  
11 of government for fiscal year 2016-2017 are estimated at \$12,212,368,600.00.

12 (2) In accordance with section 30 of article IX of the state constitution of  
13 1963, total state spending from state sources for community colleges for fiscal year  
14 2016-2017 under article II as amended by this amendatory act is estimated at  
15 \$399,025,600.00 and the amount of that state spending from state sources to be paid to  
16 local units of government for fiscal year 2016-2017 is estimated at \$399,025,600.00.

17 (3) In accordance with section 30 of article IX of the state constitution of  
18 1963, total state spending from state sources for higher education for fiscal year  
19 2016-2017 under article III as amended by this amendatory act is estimated at  
20 \$1,499,628,000.00 and the amount of that state spending from state sources to be paid  
21 to local units of government for fiscal year 2016-2017 is estimated at \$0.

22 Enacting Section 2. Sections 22i, 25e, 31c, 31h, 43, 99c, 104d, 166, 201a, 208,  
23 210c, 212, 227, 228, 230a, 236a, 239a, 261, 271a, 274, 275a, and 293 of the state  
24 school aid act of 1979, 1979 PA 94, 388.1622i, 388.1625e, 388.1631c, 388.1631h,  
25 388.1643, 388.1699c, 388.1704d, 388.1766, 388.1801a, 388.1808, 388.1810c, 388.1812,  
26 388.1827, 388.1828, 388.1830a, 388.1836a, 388.1839a, 388.1861, 388.1871a, 388.1874,  
27 388.1875a, and 388.1893 are repealed effective October 1, 2016.