

# SENATE BILL No. 1166

November 10, 2016, Introduced by Senator COLBECK and referred to the Committee on Education.

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 6, 20, 22a, 31a, 41, 51a, 56, 61a, 62, 81, and  
101 (MCL 388.1606, 388.1620, 388.1622a, 388.1631a, 388.1641,  
388.1651a, 388.1656, 388.1661a, 388.1662, 388.1681, and 388.1701),  
sections 6, 22a, 31a, 41, 51a, 56, 62, 81, and 101 as amended by  
2016 PA 249 and sections 20 and 61a as amended by 2016 PA 313, and  
by adding section 22e; and to repeal acts and parts of acts.

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

1           Sec. 6. (1) "Center program" means a program operated by a  
2 district or by an intermediate district for special education  
3 pupils from several districts in programs for pupils with autism

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

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

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

26 ~~———— (4) "Membership", except as otherwise provided in this~~  
27 ~~article, means for a district, a public school academy, the~~

~~1 education achievement system, or an intermediate district the sum  
2 of the product of .90 times the number of full time equated pupils  
3 in grades K to 12 actually enrolled and in regular daily attendance  
4 on the pupil membership count day for the current school year, plus  
5 the product of .10 times the final audited count from the  
6 supplemental count day for the immediately preceding school year. A  
7 district's, public school academy's, or intermediate district's  
8 membership shall be adjusted as provided under section 25e for  
9 pupils who enroll after the pupil membership count day in a strict  
10 discipline academy operating under sections 1311b to 1311m of the  
11 revised school code, MCL 380.1311b to 380.1311m. However, for a  
12 district that is a community district in its first year of  
13 operation, "membership" means the sum of the product of .90 times  
14 the number of full time equated pupils in grades K to 12 actually  
15 enrolled and in regular daily attendance in the community district  
16 on the pupil membership count day for the current school year, plus  
17 the product of .10 times the final audited count from the  
18 supplemental count day of pupils in grades K to 12 actually  
19 enrolled and in regular daily attendance in a qualifying school  
20 district as defined in section 5 of the revised school code, MCL  
21 380.5, for the immediately preceding school year. All pupil counts  
22 used in this subsection are as determined by the department and  
23 calculated by adding the number of pupils registered for attendance  
24 plus pupils received by transfer and minus pupils lost as defined  
25 by rules promulgated by the superintendent, and as corrected by a  
26 subsequent department audit. For the purposes of this section and  
27 section 6a, for a school of excellence that is a cyber school, as~~

~~1 defined in section 551 of the revised school code, MCL 380.551, and  
2 is in compliance with section 553a of the revised school code, MCL  
3 380.553a, a pupil's participation in the cyber school's educational  
4 program is considered regular daily attendance; for the education  
5 achievement system, a pupil's participation in a virtual  
6 educational program of the education achievement system or of an  
7 achievement school is considered regular daily attendance; and for  
8 a district a pupil's participation in a virtual course as defined  
9 in section 21f is considered regular daily attendance. The amount  
10 of the foundation allowance for a pupil in membership is determined  
11 under section 20. In making the calculation of membership, all of  
12 the following, as applicable, apply to determining the membership  
13 of a district, a public school academy, the education achievement  
14 system, or an intermediate district.~~

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

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

1 membership, the pupil shall not be counted in membership in any  
2 district.

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

6 ~~—— (d) A pupil placed by a court or state agency in an on-grounds  
7 program of a juvenile detention facility, a child caring  
8 institution, or a mental health institution, or a pupil funded  
9 under section 53a, shall be counted in membership in the district  
10 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  
13 blind shall be counted in membership in the pupil's intermediate  
14 district of residence.~~

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

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

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

25 ~~—— (i) For a new district or public school academy beginning its  
26 operation after December 31, 1994, or for the education achievement  
27 system or an achievement school, membership for the first 2 full or~~

1 ~~partial fiscal years of operation shall be determined as follows:~~

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

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

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

1 ~~supplemental count day.~~

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

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

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

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

20 ~~—— (A) Is enrolled in a public school academy or an alternative~~  
21 ~~education high school diploma program, that is primarily focused on~~  
22 ~~educating pupils with extreme barriers to education, such as being~~  
23 ~~homeless as defined under 42 USC 11302.~~

24 ~~—— (B) Had dropped out of school.~~

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

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

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

8 ~~—— (m) An individual who has achieved a high school diploma shall~~  
9 ~~not be counted in membership. An individual who has achieved a high~~  
10 ~~school equivalency certificate shall not be counted in membership~~  
11 ~~unless the individual is a student with a disability as defined in~~  
12 ~~R 340.1702 of the Michigan Administrative Code. An individual~~  
13 ~~participating in a job training program funded under former section~~  
14 ~~107a or a jobs program funded under former section 107b,~~  
15 ~~administered by the department of talent and economic development,~~  
16 ~~or participating in any successor of either of those 2 programs,~~  
17 ~~shall not be counted in membership.~~

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



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

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

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

27 ~~—— (c) An individual less than 16 years of age as of September 1~~

1 ~~of the current school year who is being educated in an alternative~~  
2 ~~education program shall not be counted in membership if there are~~  
3 ~~also adult education participants being educated in the same~~  
4 ~~program or classroom.~~

5 ~~—— (p) The department shall give a uniform interpretation of~~  
6 ~~full time and part time memberships.~~

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

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

1 ~~counting of full time equated memberships for pupils in~~  
2 ~~kindergarten that took effect for 2012-2013 is not a mandate.~~

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

19 ~~—— (t) A pupil enrolled in a cooperative education program may be~~  
20 ~~counted in membership in the pupil's district of residence with the~~  
21 ~~written approval of all parties to the cooperative agreement.~~

22 ~~—— (u) If, as a result of a disciplinary action, a district~~  
23 ~~determines through the district's alternative or disciplinary~~  
24 ~~education program that the best instructional placement for a pupil~~  
25 ~~is in the pupil's home or otherwise apart from the general school~~  
26 ~~population, if that placement is authorized in writing by the~~  
27 ~~district superintendent and district alternative or disciplinary~~

1 ~~education supervisor, and if the district provides appropriate~~  
2 ~~instruction as described in this subdivision to the pupil at the~~  
3 ~~pupil's home or otherwise apart from the general school population,~~  
4 ~~the district may count the pupil in membership on a pro rata basis,~~  
5 ~~with the proration based on the number of hours of instruction the~~  
6 ~~district actually provides to the pupil divided by the number of~~  
7 ~~hours required under section 101 for full time equivalency. For the~~  
8 ~~purposes of this subdivision, a district shall be considered to be~~  
9 ~~providing appropriate instruction if all of the following are met:~~

10 ~~—— (i) The district provides at least 2 nonconsecutive hours of~~  
11 ~~instruction per week to the pupil at the pupil's home or otherwise~~  
12 ~~apart from the general school population under the supervision of a~~  
13 ~~certificated teacher.~~

14 ~~—— (ii) The district provides instructional materials, resources,~~  
15 ~~and supplies that are comparable to those otherwise provided in the~~  
16 ~~district's alternative education program.~~

17 ~~—— (iii) Course content is comparable to that in the district's~~  
18 ~~alternative education program.~~

19 ~~—— (iv) Credit earned is awarded to the pupil and placed on the~~  
20 ~~pupil's transcript.~~

21 ~~—— (v) If a pupil was enrolled in a public school academy on the~~  
22 ~~pupil membership count day, if the public school academy's contract~~  
23 ~~with its authorizing body is revoked or the public school academy~~  
24 ~~otherwise ceases to operate, and if the pupil enrolls in a district~~  
25 ~~or the education achievement system within 45 days after the pupil~~  
26 ~~membership count day, the department shall adjust the district's or~~  
27 ~~the education achievement system's pupil count for the pupil~~

1 membership count day to include the pupil in the count.

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

12 ~~—— (x) If a district's membership for a particular fiscal year,~~  
13 ~~as otherwise calculated under this subsection, would be less than~~  
14 ~~1,550 pupils and the district has 4.5 or fewer pupils per square~~  
15 ~~mile, as determined by the department, and if the district does not~~  
16 ~~receive funding under section 22d(2), the district's membership~~  
17 ~~shall be considered to be the membership figure calculated under~~  
18 ~~this subdivision. If a district educates and counts in its~~  
19 ~~membership pupils in grades 9 to 12 who reside in a contiguous~~  
20 ~~district that does not operate grades 9 to 12 and if 1 or both of~~  
21 ~~the affected districts request the department to use the~~  
22 ~~determination allowed under this sentence, the department shall~~  
23 ~~include the square mileage of both districts in determining the~~  
24 ~~number of pupils per square mile for each of the districts for the~~  
25 ~~purposes of this subdivision. The membership figure calculated~~  
26 ~~under this subdivision is the greater of the following:~~

27 ~~—— (i) The average of the district's membership for the 3 fiscal-~~

~~1 year period ending with that fiscal year, calculated by adding the  
2 district's actual membership for each of those 3 fiscal years, as  
3 otherwise calculated under this subsection, and dividing the sum of  
4 those 3 membership figures by 3.~~

~~5 ——— (ii) The district's actual membership for that fiscal year as  
6 otherwise calculated under this subsection.~~

~~7 ——— (y) Full time equated memberships for special education pupils  
8 who are not enrolled in kindergarten but are enrolled in a  
9 classroom program under R 340.1754 of the Michigan Administrative  
10 Code shall be determined by dividing the number of class hours  
11 scheduled and provided per year by 450. Full time equated  
12 memberships for special education pupils who are not enrolled in  
13 kindergarten but are receiving early childhood special education  
14 services under R 340.1755 or R 340.1862 of the Michigan  
15 Administrative Code shall be determined by dividing the number of  
16 hours of service scheduled and provided per year per pupil by 180.~~

~~17 ——— (z) A pupil of a district that begins its school year after  
18 Labor Day who is enrolled in an intermediate district program that  
19 begins before Labor Day shall not be considered to be less than a  
20 full time pupil solely due to instructional time scheduled but not  
21 attended by the pupil before Labor Day.~~

~~22 ——— (aa) For the first year in which a pupil is counted in  
23 membership on the pupil membership count day in a middle college  
24 program, the membership is the average of the full time equated  
25 membership on the pupil membership count day and on the  
26 supplemental count day for the current school year, as determined  
27 by the department. If a pupil described in this subdivision was~~

~~1 counted in membership by the operating district on the immediately  
2 preceding supplemental count day, the pupil shall be excluded from  
3 the district's immediately preceding supplemental count for the  
4 purposes of determining the district's membership.~~

~~5 (bb) A district, a public school academy, or the education  
6 achievement system that educates a pupil who attends a United  
7 States Olympic Education Center may count the pupil in membership  
8 regardless of whether or not the pupil is a resident of this state.~~

~~9 (cc) A pupil enrolled in a district other than the pupil's  
10 district of residence pursuant to section 1148(2) of the revised  
11 school code, MCL 380.1148, shall be counted in the educating  
12 district or the education achievement system.~~

~~13 (dd) For a pupil enrolled in a dropout recovery program that  
14 meets the requirements of section 23a, the pupil shall be counted  
15 as 1/12 of a full time equated membership for each month that the  
16 district operating the program reports that the pupil was enrolled  
17 in the program and was in full attendance. However, if the special  
18 membership counting provisions under this subdivision and the  
19 operation of the other membership counting provisions under this  
20 subsection result in a pupil being counted as more than 1.0 FTE in  
21 a fiscal year, the payment made for the pupil under sections 22a  
22 and 22b shall not be based on more than 1.0 FTE for that pupil, and  
23 any portion of an FTE for that pupil that exceeds 1.0 shall instead  
24 be paid under section 25g. The district operating the program shall  
25 report to the center the number of pupils who were enrolled in the  
26 program and were in full attendance for a month not later than 30  
27 days after the end of the month. A district shall not report a~~

1 ~~pupil as being in full attendance for a month unless both of the~~  
2 ~~following are met.~~

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

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

14 ~~—— (cc) A pupil participating in a virtual course under section~~  
15 ~~21f shall be counted in membership in the district enrolling the~~  
16 ~~pupil.~~

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



1 ~~—— (gg) If a special education pupil is expelled under section~~  
 2 ~~1311 or 1311a of the revised school code, MCL 380.1311 and~~  
 3 ~~380.1311a, and is not in attendance on the pupil membership count~~  
 4 ~~day because of the expulsion, and if the pupil remains enrolled in~~  
 5 ~~the district and resumes regular daily attendance during that~~  
 6 ~~school year, the district's membership shall be adjusted to count~~  
 7 ~~the pupil in membership as if he or she had been in attendance on~~  
 8 ~~the pupil membership count day.~~

9 ~~—— (hh) A pupil enrolled in a community district shall be counted~~  
 10 ~~in membership in the community district. For a community district~~  
 11 ~~in its first fiscal year of operations only, until the department~~  
 12 ~~is able to calculate the community district's membership, the~~  
 13 ~~department shall consider the community district's membership to be~~  
 14 ~~the same as the membership for the immediately preceding fiscal~~  
 15 ~~year for a district with the same boundaries as the community~~  
 16 ~~district that had membership for that fiscal year.~~

17 (4) ~~(5)~~ "Public school academy" means that term as defined in  
 18 section 5 of the revised school code, MCL 380.5.

19 (5) ~~(6)~~ "Pupil" means a person in membership **AN INDIVIDUAL**  
 20 **ENROLLED** in a public school. ~~A district must have the approval of~~  
 21 ~~the pupil's district of residence to count the pupil in membership,~~  
 22 ~~except approval by the pupil's district of residence is not~~  
 23 ~~required for any of the following:~~

24 ~~—— (a) A nonpublic part time pupil enrolled in grades K to 12 in~~  
 25 ~~accordance with section 166b.~~

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

1 ~~—— (c) A pupil enrolled in a public school academy or the~~  
2 ~~education achievement system.~~

3 ~~—— (d) A pupil enrolled in a district other than the pupil's~~  
4 ~~district of residence under an intermediate district schools of~~  
5 ~~choice pilot program as described in section 91a or former section~~  
6 ~~91 if the intermediate district and its constituent districts have~~  
7 ~~been exempted from section 105.~~

8 ~~—— (e) A pupil enrolled in a district other than the pupil's~~  
9 ~~district of residence if the pupil is enrolled in accordance with~~  
10 ~~section 105 or 105c.~~

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

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

1 ~~school premises.~~

2 ~~—— (ii) "Serious assault" means an act that constitutes a felony~~  
3 ~~violation of chapter XI of the Michigan penal code, 1931 PA 328,~~  
4 ~~MCL 750.81 to 750.90h, or that constitutes an assault and~~  
5 ~~infliction of serious or aggravated injury under section 81a of the~~  
6 ~~Michigan penal code, 1931 PA 328, MCL 750.81a.~~

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

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

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

19 ~~—— (ii) The pupil had previously dropped out of school.~~

20 ~~—— (iii) The pupil is pregnant or is a parent.~~

21 ~~—— (iv) The pupil has been referred to the program by a court.~~

22 ~~—— (i) A pupil enrolled in the Michigan Virtual School, for the~~  
23 ~~pupil's enrollment in the Michigan Virtual School.~~

24 ~~—— (j) A pupil who is the child of a person who works at the~~  
25 ~~district or who is the child of a person who worked at the district~~  
26 ~~as of the time the pupil first enrolled in the district but who no~~  
27 ~~longer works at the district due to a workforce reduction. As used~~

1 ~~in this subdivision, "child" includes an adopted child, stepchild,~~  
2 ~~or legal ward.~~

3 ~~—— (k) An expelled pupil who has been denied reinstatement by the~~  
4 ~~expelling district and is reinstated by another school board under~~  
5 ~~section 1311 or 1311a of the revised school code, MCL 380.1311 and~~  
6 ~~380.1311a.~~

7 ~~—— (l) A pupil enrolled in a district other than the pupil's~~  
8 ~~district of residence in a middle college program if the pupil's~~  
9 ~~district of residence and the enrolling district are both~~  
10 ~~constituent districts of the same intermediate district.~~

11 ~~—— (m) A pupil enrolled in a district other than the pupil's~~  
12 ~~district of residence who attends a United States Olympic Education~~  
13 ~~Center.~~

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

17 ~~—— (o) A pupil who enrolls in a district other than the pupil's~~  
18 ~~district of residence as a result of the pupil's school not making~~  
19 ~~adequate yearly progress under the no child left behind act of~~  
20 ~~2001, Public Law 107 110, or the every student succeeds act, Public~~  
21 ~~Law 114 95.~~

22 ~~—— However, except for pupils enrolled in the youth challenge~~  
23 ~~program at the site at which the youth challenge program operated~~  
24 ~~for 2015 2016, if a district educates pupils who reside in another~~  
25 ~~district and if the primary instructional site for those pupils is~~  
26 ~~established by the educating district after 2009 2010 and is~~  
27 ~~located within the boundaries of that other district, the educating~~

1 ~~district must have the approval of that other district to count~~  
2 ~~those pupils in membership.~~

3 ~~—— (7) "Pupil membership count day" of a district or intermediate~~  
4 ~~district means:~~

5 ~~—— (a) Except as provided in subdivision (b), the first Wednesday~~  
6 ~~in October each school year or, for a district or building in which~~  
7 ~~school is not in session on that Wednesday due to conditions not~~  
8 ~~within the control of school authorities, with the approval of the~~  
9 ~~superintendent, the immediately following day on which school is in~~  
10 ~~session in the district or building.~~

11 ~~—— (b) For a district or intermediate district maintaining school~~  
12 ~~during the entire school year, the following days:~~

13 ~~—— (i) Fourth Wednesday in July.~~

14 ~~—— (ii) First Wednesday in October.~~

15 ~~—— (iii) Second Wednesday in February.~~

16 ~~—— (iv) Fourth Wednesday in April.~~

17 ~~—— (8) "Pupils in grades K to 12 actually enrolled and in regular~~  
18 ~~daily attendance" means pupils in grades K to 12 in attendance and~~  
19 ~~receiving instruction in all classes for which they are enrolled on~~  
20 ~~the pupil membership count day or the supplemental count day, as~~  
21 ~~applicable. Except as otherwise provided in this subsection, a~~  
22 ~~pupil who is absent from any of the classes in which the pupil is~~  
23 ~~enrolled on the pupil membership count day or supplemental count~~  
24 ~~day and who does not attend each of those classes during the 10~~  
25 ~~consecutive school days immediately following the pupil membership~~  
26 ~~count day or supplemental count day, except for a pupil who has~~  
27 ~~been excused by the district, shall not be counted as 1.0 full-time~~

1 equated membership. A pupil who is excused from attendance on the  
2 pupil membership count day or supplemental count day and who fails  
3 to attend each of the classes in which the pupil is enrolled within  
4 30 calendar days after the pupil membership count day or  
5 supplemental count day shall not be counted as 1.0 full-time  
6 equated membership. In addition, a pupil who was enrolled and in  
7 attendance in a district, an intermediate district, a public school  
8 academy, or the education achievement system before the pupil  
9 membership count day or supplemental count day of a particular year  
10 but was expelled or suspended on the pupil membership count day or  
11 supplemental count day shall only be counted as 1.0 full-time  
12 equated membership if the pupil resumed attendance in the district,  
13 intermediate district, public school academy, or education  
14 achievement system within 45 days after the pupil membership count  
15 day or supplemental count day of that particular year. Pupils not  
16 counted as 1.0 full-time equated membership due to an absence from  
17 a class shall be counted as a prorated membership for the classes  
18 the pupil attended. For purposes of this subsection, "class" means  
19 a period of time in 1 day when pupils and a certificated teacher or  
20 legally qualified substitute teacher are together and instruction  
21 is taking place.

22 (6) ~~(9)~~ "Rule" means a rule promulgated pursuant to the  
23 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
24 24.328.

25 (7) ~~(10)~~ "The revised school code" means 1976 PA 451, MCL  
26 380.1 to 380.1852.

27 (8) ~~(11)~~ "School district of the first class", "first class

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

4 (9) ~~(12)~~—"School fiscal year" means a fiscal year that  
5 commences July 1 and continues through June 30.

6 (10) ~~(13)~~—"State board" means the state board of education.

7 (11) ~~(14)~~—"Superintendent", unless the context clearly refers  
8 to a district or intermediate district superintendent, means the  
9 superintendent of public instruction described in section 3 of  
10 article VIII of the state constitution of 1963.

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

13 ~~——(16) "Tuition pupil" means a pupil of school age attending  
14 school in a district other than the pupil's district of residence  
15 for whom tuition may be charged to the district of residence.~~

16 ~~Tuition pupil does not include a pupil who is a special education  
17 pupil, a pupil described in subsection (6)(c) to (o), or a pupil  
18 whose parent or guardian voluntarily enrolls the pupil in a  
19 district that is not the pupil's district of residence. A pupil's  
20 district of residence shall not require a high school tuition  
21 pupil, as provided under section 111, to attend another school  
22 district after the pupil has been assigned to a school district.~~

23 (12) ~~(17)~~—"State school aid fund" means the state school aid  
24 fund established in section 11 of article IX of the state  
25 constitution of 1963.

26 (13) ~~(18)~~—"Taxable value" means the taxable value of property  
27 as determined under section 27a of the general property tax act,

1 1893 PA 206, MCL 211.27a.

2 (14) ~~(19)~~—"Textbook" means a book, electronic book, or other  
 3 instructional print or electronic resource that is selected and  
 4 approved by the governing board of a district or, for an  
 5 achievement school, by the chancellor of the achievement authority  
 6 and that contains a presentation of principles of a subject, or  
 7 that is a literary work relevant to the study of a subject required  
 8 for the use of classroom pupils, or another type of course material  
 9 that forms the basis of classroom instruction.

10 (15) ~~(20)~~—"Total state aid" or "total state school aid" means  
 11 the total combined amount of all funds due to a district,  
 12 intermediate district, or other entity under all of the provisions  
 13 of this article.

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

15 ~~—(a) The basic foundation allowance is \$8,229.00.~~

16 ~~—(b) The minimum foundation allowance is \$7,511.00.~~ 2017-2018,

17 **THE FOUNDATION ALLOWANCE FOR ALL PUPILS IS AN AMOUNT EQUAL TO THE**  
 18 **TOTAL AMOUNT OF MONEY ESTIMATED TO BE AVAILABLE IN THE STATE SCHOOL**  
 19 **AID FUND FOR 2017-2018, AS ESTIMATED AT THE MAY 2017 REVENUE**  
 20 **ESTIMATING CONFERENCE CONDUCTED UNDER SECTION 367B OF THE**  
 21 **MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1367B, DIVIDED BY**  
 22 **THE STATEWIDE TOTAL NUMBER OF ESTIMATED PUPILS IN MEMBERSHIP FOR**  
 23 **2017-2018, AS ESTIMATED AT THAT MAY 2017 REVENUE ESTIMATING**  
 24 **CONFERENCE.**

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



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

1 ~~allowance for the current state fiscal year.~~

2 ~~—— (b) Except as otherwise provided in this subsection, for a~~  
3 ~~district that in the immediately preceding state fiscal year had a~~  
4 ~~foundation allowance in an amount equal to the amount of the basic~~  
5 ~~foundation allowance for the immediately preceding state fiscal~~  
6 ~~year, the district shall receive a foundation allowance for 2016-~~  
7 ~~2017 in an amount equal to the basic foundation allowance for 2016-~~  
8 ~~2017.~~

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

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

26 ~~—— (4) Except as otherwise provided in this subsection, beginning~~  
27 ~~in 2014-2015, the state portion of a district's foundation~~

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

1 ~~the community district.~~

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

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

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

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

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

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

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

20 (2) ~~(11)~~ State payments related to payment of the foundation  
21 allowance for a special education pupil are not calculated under  
22 this section but are instead calculated under section 51a.

23 (3) ~~(12)~~ To assist the legislature in determining the basic  
24 foundation allowance for the subsequent state fiscal year, each  
25 revenue estimating conference conducted under section 367b of the  
26 management and budget act, 1984 PA 431, MCL 18.1367b, shall  
27 calculate a pupil membership factor, a revenue adjustment factor,

1 and an index as follows:

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

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



1 senate subcommittees responsible for school aid appropriations not  
2 later than 7 days after the conclusion of the revenue conference.

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

10 (4) ~~(13)~~ Payments to districts, public school academies, or  
11 the education achievement system shall not be made under this  
12 section. Rather, the calculations under this section shall be used  
13 to determine the amount of ~~state payments under section 22b.~~ **MONEY**  
14 **DEPOSITED INTO THE EDUCATION SAVINGS ACCOUNTS OF PUPILS, AS**  
15 **PROVIDED FOR UNDER SECTION 22E AND THE MICHIGAN PARENTAL CHOICE IN**  
16 **EDUCATION PROGRAM ACT.**

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

22 ~~—— (15) As used in this section:~~

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

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

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

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

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

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

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

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

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

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

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

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

1 ~~2017, the maximum public school academy allocation is \$7,511.00.~~

2 ~~—— (k) "Membership" means the definition of that term under~~  
3 ~~section 6 as in effect for the particular fiscal year for which a~~  
4 ~~particular calculation is made.~~

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

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

15 ~~—— (n) "Receiving district" means a district to which all or part~~  
16 ~~of the territory of a dissolved district is attached under section~~  
17 ~~12 of the revised school code, MCL 380.12.~~

18 ~~—— (o) "School operating purposes" means the purposes included in~~  
19 ~~the operation costs of the district as prescribed in sections 7 and~~  
20 ~~18 and purposes authorized under section 1211 of the revised school~~  
21 ~~code, MCL 380.1211.~~

22 ~~—— (p) "School operating taxes" means local ad valorem property~~  
23 ~~taxes levied under section 1211 of the revised school code, MCL~~  
24 ~~380.1211, and retained for school operating purposes.~~

25 ~~—— (q) "Tax increment financing acts" means 1975 PA 197, MCL~~  
26 ~~125.1651 to 125.1681, the tax increment finance authority act, 1980~~  
27 ~~PA 450, MCL 125.1801 to 125.1830, the local development financing~~

1 ~~act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield~~  
2 ~~redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,~~  
3 ~~or the corridor improvement authority act, 2005 PA 280, MCL~~  
4 ~~125.2871 to 125.2899.~~

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

11       Sec. 22a. (1) From the appropriation in section 11, there is  
12 allocated an amount not to exceed \$5,260,000,000.00 for 2015-2016  
13 and an amount not to exceed \$5,205,000,000.00 for 2016-2017 for  
14 payments to districts and qualifying public school academies to  
15 guarantee each district and qualifying public school academy an  
16 amount equal to its 1994-95 total state and local per pupil revenue  
17 for school operating purposes under section 11 of article IX of the  
18 state constitution of 1963. Pursuant to section 11 of article IX of  
19 the state constitution of 1963, this guarantee does not apply to a  
20 district in a year in which the district levies a millage rate for  
21 school district operating purposes less than it levied in 1994.  
22 ~~However, subsection (2) applies to calculating the payments under~~  
23 ~~this section. Funds allocated under this section that are not~~  
24 ~~expended in the state fiscal year for which they were allocated, as~~  
25 ~~determined by the department, may be used to supplement the~~  
26 ~~allocations under sections 22b and 51c in order to fully fund those~~  
27 ~~calculated allocations for the same fiscal year.~~

1           (2) BEGINNING IN 2017-2018, PAYMENTS TO DISTRICTS OR FOR  
2 PUBLIC SCHOOL ACADEMIES SHALL NOT BE MADE UNDER THIS SECTION.  
3 RATHER, THE ALLOCATIONS AND CALCULATIONS UNDER THIS SECTION SHALL  
4 BE USED TO DETERMINE THE AMOUNT OF MONEY DEPOSITED INTO THE  
5 EDUCATION SAVINGS ACCOUNTS OF PUPILS, AS PROVIDED FOR UNDER SECTION  
6 22E AND THE MICHIGAN PARENTAL CHOICE IN EDUCATION PROGRAM ACT.

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

12 ~~—— (a) Except as otherwise provided in this subsection, the state~~  
13 ~~portion of a district's 1994-95 foundation allowance is an amount~~  
14 ~~equal to the district's 1994-95 foundation allowance or \$6,500.00,~~  
15 ~~whichever is less, minus the difference between the sum of the~~  
16 ~~product of the taxable value per membership pupil of all property~~  
17 ~~in the district that is nonexempt property times the district's~~  
18 ~~certified mills and, for a district with certified mills exceeding~~  
19 ~~12, the product of the taxable value per membership pupil of~~  
20 ~~property in the district that is commercial personal property times~~  
21 ~~the certified mills minus 12 mills and the quotient of the ad~~  
22 ~~valorem property tax revenue of the district captured under tax~~  
23 ~~increment financing acts divided by the district's membership. For~~  
24 ~~a district that has a millage reduction required under section 31~~  
25 ~~of article IX of the state constitution of 1963, the state portion~~  
26 ~~of the district's foundation allowance shall be calculated as if~~  
27 ~~that reduction did not occur. For a receiving district, if school~~

~~1 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  
3 district to satisfy debt obligations of the dissolved district  
4 under section 12 of the revised school code, MCL 380.12, taxable  
5 value per membership pupil of all property in the receiving  
6 district that is nonexempt property and taxable value per  
7 membership pupil of property in the receiving district that is  
8 commercial personal property do not include property within the  
9 geographic area of the dissolved district; ad valorem property tax  
10 revenue of the receiving district captured under tax increment  
11 financing acts does not include ad valorem property tax revenue  
12 captured within the geographic boundaries of the dissolved district  
13 under tax increment financing acts; and certified mills do not  
14 include the certified mills of the dissolved district.~~

~~15 ——— (b) For a district that had a 1994-95 foundation allowance  
16 greater than \$6,500.00, the state payment under this subsection  
17 shall be the sum of the amount calculated under subdivision (a)  
18 plus the amount calculated under this subdivision. The amount  
19 calculated under this subdivision shall be equal to the difference  
20 between the district's 1994-95 foundation allowance minus \$6,500.00  
21 and the current year hold harmless school operating taxes per  
22 pupil. If the result of the calculation under subdivision (a) is  
23 negative, the negative amount shall be an offset against any state  
24 payment calculated under this subdivision. If the result of a  
25 calculation under this subdivision is negative, there shall not be  
26 a state payment or a deduction under this subdivision. The taxable  
27 values per membership pupil used in the calculations under this~~

1 ~~subdivision are as adjusted by ad valorem property tax revenue~~  
2 ~~captured under tax increment financing acts divided by the~~  
3 ~~district's membership. For a receiving district, if school~~  
4 ~~operating taxes are to be levied on behalf of a dissolved district~~  
5 ~~that has been attached in whole or in part to the receiving~~  
6 ~~district to satisfy debt obligations of the dissolved district~~  
7 ~~under section 12 of the revised school code, MCL 380.12, ad valorem~~  
8 ~~property tax revenue captured under tax increment financing acts do~~  
9 ~~not include ad valorem property tax revenue captured within the~~  
10 ~~geographic boundaries of the dissolved district under tax increment~~  
11 ~~financing acts.~~

12 ~~—— (3) Beginning in 2003-2004, for pupils in membership in a~~  
13 ~~qualifying public school academy, there is allocated under this~~  
14 ~~section to the authorizing body that is the fiscal agent for the~~  
15 ~~qualifying public school academy for forwarding to the qualifying~~  
16 ~~public school academy an amount equal to the 1994-95 per pupil~~  
17 ~~payment to the qualifying public school academy under section 20.~~

18 ~~—— (4) A district or qualifying public school academy may use~~  
19 ~~funds allocated under this section in conjunction with any federal~~  
20 ~~funds for which the district or qualifying public school academy~~  
21 ~~otherwise would be eligible.~~

22 ~~—— (5) Except as otherwise provided in this subsection, for a~~  
23 ~~district that is formed or reconfigured after June 1, 2000 by~~  
24 ~~consolidation of 2 or more districts or by annexation, the~~  
25 ~~resulting district's 1994-95 foundation allowance under this~~  
26 ~~section beginning after the effective date of the consolidation or~~  
27 ~~annexation shall be the average of the 1994-95 foundation~~



1 ~~allowances of each of the original or affected districts,~~  
2 ~~calculated as provided in this section, weighted as to the~~  
3 ~~percentage of pupils in total membership in the resulting district~~  
4 ~~in the state fiscal year in which the consolidation takes place who~~  
5 ~~reside in the geographic area of each of the original districts. If~~  
6 ~~an affected district's 1994-95 foundation allowance is less than~~  
7 ~~the 1994-95 basic foundation allowance, the amount of that~~  
8 ~~district's 1994-95 foundation allowance shall be considered for the~~  
9 ~~purpose of calculations under this subsection to be equal to the~~  
10 ~~amount of the 1994-95 basic foundation allowance. This subsection~~  
11 ~~does not apply to a receiving district unless there is a subsequent~~  
12 ~~consolidation or annexation that affects the district.~~

13 ~~—— (6) Payments under this section are subject to section 25f.~~

14 ~~—— (7) As used in this section:~~

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

19 ~~—— (b) "Certified mills" means the lesser of 18 mills or the~~  
20 ~~number of mills of school operating taxes levied by the district in~~  
21 ~~1993-94.~~

22 ~~—— (c) "Current state fiscal year" means the state fiscal year~~  
23 ~~for which a particular calculation is made.~~

24 ~~—— (d) "Current year hold harmless school operating taxes per~~  
25 ~~pupil" means the per pupil revenue generated by multiplying a~~  
26 ~~district's 1994-95 hold harmless millage by the district's current~~  
27 ~~year taxable value per membership pupil. For a receiving district,~~

~~1 if school operating taxes are to be levied on behalf of a dissolved  
2 district that has been attached in whole or in part to the  
3 receiving district to satisfy debt obligations of the dissolved  
4 district under section 12 of the revised school code, MCL 380.12,  
5 taxable value per membership pupil does not include the taxable  
6 value of property within the geographic area of the dissolved  
7 district.~~

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

~~12 ——— (f) "Hold harmless millage" means, for a district with a 1994-  
13 95 foundation allowance greater than \$6,500.00, the number of mills  
14 by which the exemption from the levy of school operating taxes on a  
15 homestead, qualified agricultural property, qualified forest  
16 property, supportive housing property, industrial personal  
17 property, commercial personal property, and property occupied by a  
18 public school academy could be reduced as provided in section 1211  
19 of the revised school code, MCL 380.1211, and the number of mills  
20 of school operating taxes that could be levied on all property as  
21 provided in section 1211(2) of the revised school code, MCL  
22 380.1211, as certified by the department of treasury for the 1994  
23 tax year. For a receiving district, if school operating taxes are  
24 to be levied on behalf of a dissolved district that has been  
25 attached in whole or in part to the receiving district to satisfy  
26 debt obligations of the dissolved district under section 12 of the  
27 revised school code, MCL 380.12, school operating taxes do not~~

1 ~~include school operating taxes levied within the geographic area of~~  
2 ~~the dissolved district.~~

3 ~~—— (g) "Homestead", "qualified agricultural property", "qualified~~  
4 ~~forest property", "supportive housing property", "industrial~~  
5 ~~personal property", and "commercial personal property" mean those~~  
6 ~~terms as defined in section 1211 of the revised school code, MCL~~  
7 ~~380.1211.~~

8 ~~—— (h) "Membership" means the definition of that term under~~  
9 ~~section 6 as in effect for the particular fiscal year for which a~~  
10 ~~particular calculation is made.~~

11 ~~—— (i) "Nonexempt property" means property that is not a~~  
12 ~~principal residence, qualified agricultural property, qualified~~  
13 ~~forest property, supportive housing property, industrial personal~~  
14 ~~property, commercial personal property, or property occupied by a~~  
15 ~~public school academy.~~

16 ~~—— (j) "Qualifying public school academy" means a public school~~  
17 ~~academy that was in operation in the 1994-95 school year and is in~~  
18 ~~operation in the current state fiscal year.~~

19 ~~—— (k) "Receiving district" means a district to which all or part~~  
20 ~~of the territory of a dissolved district is attached under section~~  
21 ~~12 of the revised school code, MCL 380.12.~~

22 ~~—— (l) "School operating taxes" means local ad valorem property~~  
23 ~~taxes levied under section 1211 of the revised school code, MCL~~  
24 ~~380.1211, and retained for school operating purposes as defined in~~  
25 ~~section 20.~~

26 ~~—— (m) "Tax increment financing acts" means 1975 PA 197, MCL~~  
27 ~~125.1651 to 125.1681, the tax increment finance authority act, 1980~~

1 PA 450, MCL 125.1801 to 125.1830, the local development financing  
2 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield  
3 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,  
4 or the corridor improvement authority act, 2005 PA 280, MCL  
5 125.2871 to 125.2899.

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

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

25 ——— (ii) For the number of mills of school operating taxes that  
26 may be levied on all property as provided in section 1211(2) of the  
27 revised school code, MCL 380.1211, the taxable value of all

1 ~~property for the calendar year ending in the current state fiscal~~  
2 ~~year. For a receiving district, if school operating taxes are to be~~  
3 ~~levied on behalf of a dissolved district that has been attached in~~  
4 ~~whole or in part to the receiving district to satisfy debt~~  
5 ~~obligations of the dissolved district under section 12 of the~~  
6 ~~revised school code, MCL 380.12, school operating taxes do not~~  
7 ~~include school operating taxes levied within the geographic area of~~  
8 ~~the dissolved district.~~

9       **SEC. 22E. (1) BEGINNING IN 2017-2018, ALL MONEY OTHERWISE**  
10 **ALLOCATED TO A DISTRICT OR INTERMEDIATE DISTRICT UNDER SECTION 22A,**  
11 **31A, 41, 51A, 56, 61A, 62, OR 81 AND FORMER SECTION 22B INSTEAD**  
12 **SHALL BE PAID TO THE DEPARTMENT OF TREASURY FOR DEPOSIT INTO**  
13 **PUPILS' EDUCATION SAVINGS ACCOUNTS UNDER THE MICHIGAN PARENTAL**  
14 **CHOICE IN EDUCATION PROGRAM ACT, AS FOLLOWS:**

15       **(A) MONEY OTHERWISE PAYABLE UNDER SECTION 22A AND FORMER**  
16 **SECTION 22B TO A DISTRICT OR INTERMEDIATE DISTRICT SHALL INSTEAD BE**  
17 **PAID TO THE EDUCATION SAVINGS ACCOUNT ESTABLISHED UNDER THE**  
18 **MICHIGAN PARENTAL CHOICE IN EDUCATION ACT OF EACH PUPIL RESIDING IN**  
19 **THE DISTRICT IN AN AMOUNT EQUAL TO THE FOUNDATION ALLOWANCE OF THE**  
20 **DISTRICT, AS CALCULATED UNDER SECTION 20.**

21       **(B) MONEY OTHERWISE PAYABLE UNDER SECTION 31A TO A DISTRICT**  
22 **SHALL INSTEAD BE PAID TO THE EDUCATION SAVINGS ACCOUNT ESTABLISHED**  
23 **UNDER THE MICHIGAN PARENTAL CHOICE IN EDUCATION ACT OF EACH PUPIL**  
24 **RESIDING IN THE DISTRICT WHO MEETS THE DEFINITION OF AN AT-RISK**  
25 **PUPIL UNDER SECTION 31A IN AN AMOUNT EQUAL TO THE QUOTIENT OF THE**  
26 **TOTAL AMOUNT OF MONEY THAT WOULD OTHERWISE BE ALLOCATED TO THE**  
27 **DISTRICT UNDER THAT SECTION DIVIDED BY THE NUMBER OF PUPILS**

1 RESIDING IN THE DISTRICT WHO MEET THE DEFINITION OF AN AT-RISK  
2 PUPIL UNDER SECTION 31A.

3 (C) MONEY OTHERWISE PAYABLE UNDER SECTION 41 TO A DISTRICT  
4 SHALL INSTEAD BE PAID TO THE EDUCATION SAVINGS ACCOUNT ESTABLISHED  
5 UNDER THE MICHIGAN PARENTAL CHOICE IN EDUCATION ACT OF EACH PUPIL  
6 RESIDING IN THE DISTRICT WHO IS A PUPIL OF LIMITED ENGLISH-SPEAKING  
7 ABILITY UNDER SECTION 1153 OF THE REVISED SCHOOL CODE, MCL  
8 380.1153, IN AN AMOUNT EQUAL TO THE QUOTIENT OF THE TOTAL AMOUNT OF  
9 MONEY THAT WOULD OTHERWISE BE ALLOCATED TO THE DISTRICT UNDER THAT  
10 SECTION DIVIDED BY THE NUMBER OF PUPILS RESIDING IN THE DISTRICT  
11 WHO ARE PUPILS OF LIMITED ENGLISH-SPEAKING ABILITY UNDER SECTION  
12 1153 OF THE REVISED SCHOOL CODE, MCL 380.1153.

13 (D) MONEY OTHERWISE PAYABLE UNDER SECTION 51A TO A DISTRICT OR  
14 INTERMEDIATE DISTRICT SHALL INSTEAD BE PAID TO THE EDUCATION  
15 SAVINGS ACCOUNT ESTABLISHED UNDER THE MICHIGAN PARENTAL CHOICE IN  
16 EDUCATION ACT OF EACH PUPIL RESIDING IN THE DISTRICT WHO QUALIFIES  
17 FOR SPECIAL EDUCATION PROGRAMS AND SERVICES IN AN AMOUNT EQUAL TO  
18 THE QUOTIENT OF THE TOTAL AMOUNT OF MONEY THAT WOULD OTHERWISE BE  
19 ALLOCATED TO THE DISTRICT UNDER THAT SECTION DIVIDED BY THE NUMBER  
20 OF PUPILS RESIDING IN THE DISTRICT WHO QUALIFY FOR SPECIAL  
21 EDUCATION PROGRAMS AND SERVICES.

22 (E) MONEY OTHERWISE PAYABLE UNDER SECTION 56 TO AN  
23 INTERMEDIATE DISTRICT SHALL INSTEAD BE PAID TO THE EDUCATION  
24 SAVINGS ACCOUNT ESTABLISHED UNDER THE MICHIGAN PARENTAL CHOICE IN  
25 EDUCATION ACT OF EACH PUPIL RESIDING IN THE INTERMEDIATE DISTRICT  
26 WHO QUALIFIES FOR SPECIAL EDUCATION PROGRAMS AND SERVICES IN AN  
27 AMOUNT EQUAL TO THE QUOTIENT OF THE TOTAL AMOUNT OF MONEY THAT

1 WOULD OTHERWISE BE ALLOCATED TO THE INTERMEDIATE DISTRICT UNDER  
2 THAT SECTION DIVIDED BY THE NUMBER OF PUPILS RESIDING IN THE  
3 INTERMEDIATE DISTRICT WHO QUALIFY FOR SPECIAL EDUCATION PROGRAMS  
4 AND SERVICES.

5 (F) MONEY OTHERWISE PAYABLE UNDER SECTION 61A TO A DISTRICT OR  
6 SECONDARY AREA VOCATIONAL-TECHNICAL EDUCATION CENTER SHALL INSTEAD  
7 BE PAID TO THE EDUCATION SAVINGS ACCOUNT ESTABLISHED UNDER THE  
8 MICHIGAN PARENTAL CHOICE IN EDUCATION ACT OF EACH PUPIL RESIDING IN  
9 THE DISTRICT OR IN THE TERRITORY SERVED BY THE SECONDARY AREA  
10 VOCATIONAL-TECHNICAL EDUCATION CENTER ON AN EQUAL PER-PUPIL BASIS.

11 (G) MONEY OTHERWISE PAYABLE UNDER SECTION 62 TO AN  
12 INTERMEDIATE DISTRICT OR AREA VOCATIONAL-TECHNICAL EDUCATION  
13 PROGRAM ESTABLISHED UNDER SECTION 690(3) OF THE REVISED SCHOOL  
14 CODE, MCL 380.690, SHALL INSTEAD BE PAID TO THE EDUCATION SAVINGS  
15 ACCOUNT ESTABLISHED UNDER THE MICHIGAN PARENTAL CHOICE IN EDUCATION  
16 ACT OF EACH PUPIL RESIDING IN THE INTERMEDIATE DISTRICT ON AN EQUAL  
17 PER-PUPIL BASIS.

18 (H) MONEY OTHERWISE PAYABLE UNDER SECTION 81 TO AN  
19 INTERMEDIATE DISTRICT SHALL INSTEAD BE PAID TO THE EDUCATION  
20 SAVINGS ACCOUNT ESTABLISHED UNDER THE MICHIGAN PARENTAL CHOICE IN  
21 EDUCATION ACT OF EACH PUPIL RESIDING IN THE INTERMEDIATE DISTRICT  
22 ON AN EQUAL PER-PUPIL BASIS.

23 (2) BEGINNING WITH THE START OF THE 2017-2018 SCHOOL YEAR, AS  
24 PROVIDED UNDER THE MICHIGAN PARENTAL CHOICE IN EDUCATION PROGRAM  
25 ACT, THE DEPARTMENT OF TREASURY SHALL MAKE PAYMENTS TO DISTRICTS  
26 FROM PUPILS' EDUCATION ACCOUNTS FOR ELIGIBLE SERVICES PROVIDED TO  
27 PUPILS, AND DISTRICTS SHALL FUND THEIR OPERATIONS FROM THESE

1 PAYMENTS. AN INTERMEDIATE DISTRICT SHALL ENTER INTO CONTRACTS WITH  
2 DISTRICTS FOR EACH SERVICE THE INTERMEDIATE DISTRICT PROVIDES FOR A  
3 DISTRICT, AND SHALL CHARGE A FEE FOR EACH SERVICE AS PROVIDED UNDER  
4 THESE CONTRACTS. AN INTERMEDIATE DISTRICT SHALL FUND ITS OPERATIONS  
5 FROM THESE FEES. THE MONEY IN THE EDUCATION ACCOUNTS MAINTAINED  
6 UNDER THE MICHIGAN PARENTAL CHOICE IN EDUCATION PROGRAM ACT IS  
7 HEREBY APPROPRIATED FOR THIS PURPOSE.

8       Sec. 31a. (1) From the state school aid fund money  
9 appropriated in section 11, there is allocated for 2016-2017 an  
10 amount not to exceed \$389,695,500.00 for payments to eligible  
11 districts, eligible public school academies, and the education  
12 achievement system for the purposes of ensuring that pupils are  
13 proficient in reading by the end of grade 3 and that high school  
14 graduates are career and college ready and for the purposes under  
15 subsections (7) and (8). **BEGINNING IN 2017-2018, THE ALLOCATIONS**  
16 **THAT WOULD OTHERWISE BE MADE UNDER THIS SECTION TO ELIGIBLE**  
17 **DISTRICTS AND ELIGIBLE PUBLIC SCHOOL ACADEMIES SHALL INSTEAD BE**  
18 **PAID TO THE DEPARTMENT OF TREASURY FOR DEPOSIT INTO PUPILS'**  
19 **EDUCATION ACCOUNTS UNDER THE MICHIGAN PARENTAL CHOICE IN EDUCATION**  
20 **PROGRAM ACT, AS PROVIDED UNDER SECTION 22E.**

21 ~~—— (2) For a district or public school academy, or the education~~  
22 ~~achievement system, to be eligible to receive funding under this~~  
23 ~~section, other than funding under subsection (7) or (8), the sum of~~  
24 ~~the district's or public school academy's or the education~~  
25 ~~achievement system's combined state and local revenue per~~  
26 ~~membership pupil in the current state fiscal year, as calculated~~  
27 ~~under section 20, must be less than or equal to the basic~~



1 ~~foundation allowance under section 20 for the current state fiscal~~  
2 ~~year.~~

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

14 ~~—— (a) Implements effective instruction for all learners.~~

15 ~~—— (b) Intervenes early.~~

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

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

20 ~~—— (ii) Targeted group interventions.~~

21 ~~—— (iii) Intense individual interventions.~~

22 ~~—— (d) Monitors pupil progress to inform instruction.~~

23 ~~—— (e) Uses data to make instructional decisions.~~

24 ~~—— (f) Uses assessments including universal screening,~~  
25 ~~diagnostics, and progress monitoring.~~

26 ~~—— (g) Engages families and the community.~~

27 ~~—— (h) Implements evidence-based, scientifically validated,~~

1 ~~instruction and intervention.~~

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

4 ~~—— (j) Uses a collaborative problem solving model.~~

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

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

~~14 — (5) Except as otherwise provided in this section, a district  
15 or public school academy, or the education achievement system,  
16 receiving funding under this section shall use that money only to  
17 provide instructional programs and direct noninstructional  
18 services, including, but not limited to, medical, mental health, or  
19 counseling services, for at risk pupils; for school health clinics;  
20 and for the purposes of subsection (6), (7), (8), or (11). In  
21 addition, a district that is a school district of the first class  
22 or a district or public school academy in which at least 50% of the  
23 pupils in membership met the income eligibility criteria for free  
24 breakfast, lunch, or milk in the immediately preceding state fiscal  
25 year, as determined and reported as described in subsection (4), or  
26 the education achievement system if it meets this requirement, may  
27 use not more than 20% of the funds it receives under this section~~

1 ~~for school security. A district, the public school academy, or the~~  
2 ~~education achievement system shall not use any of that money for~~  
3 ~~administrative costs. The instruction or direct noninstructional~~  
4 ~~services provided under this section may be conducted before or~~  
5 ~~after regular school hours or by adding extra school days to the~~  
6 ~~school year.~~

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

16 **(2) AN EDUCATION SERVICE PROVIDER MAY RECEIVE MONEY FROM A**  
17 **PUPIL'S EDUCATION SAVINGS ACCOUNT ESTABLISHED UNDER THE MICHIGAN**  
18 **PARENTAL CHOICE IN EDUCATION ACT IF THAT MONEY IS USED FOR 1 OR**  
19 **MORE OF THE SERVICES APPROVED BY THE DEPARTMENT OF TREASURY UNDER**  
20 **THE MICHIGAN PARENTAL CHOICE IN EDUCATION ACT.**

21 ~~(3) (7)~~—From the funds allocated under subsection (1), there  
22 is allocated for 2016-2017 an amount not to exceed \$5,557,300.00 to  
23 support child and adolescent health centers. These grants shall be  
24 awarded for 5 consecutive years beginning with 2003-2004 in a form  
25 and manner approved jointly by the department and the department of  
26 health and human services. Each grant recipient shall remain in  
27 compliance with the terms of the grant award or shall forfeit the

1 grant award for the duration of the 5-year period after the  
2 noncompliance. To continue to receive funding for a child and  
3 adolescent health center under this section a grant recipient shall  
4 ensure that the child and adolescent health center has an advisory  
5 committee and that at least one-third of the members of the  
6 advisory committee are parents or legal guardians of school-aged  
7 children. A child and adolescent health center program shall  
8 recognize the role of a child's parents or legal guardian in the  
9 physical and emotional well-being of the child. Funding under this  
10 subsection shall be used to support child and adolescent health  
11 center services provided to children up to age 21. If any funds  
12 allocated under this subsection are not used for the purposes of  
13 this subsection for the fiscal year in which they are allocated,  
14 those unused funds shall be used that fiscal year to avoid or  
15 minimize any proration that would otherwise be required under  
16 subsection (12) for that fiscal year.

17 (4) ~~(8)~~—From the funds allocated under subsection (1), there  
18 is allocated for 2016-2017 an amount not to exceed \$5,150,000.00  
19 for the state portion of the hearing and vision screenings as  
20 described in section 9301 of the public health code, 1978 PA 368,  
21 MCL 333.9301. A local public health department shall pay at least  
22 50% of the total cost of the screenings. The frequency of the  
23 screenings shall be as required under R 325.13091 to R 325.13096  
24 and R 325.3271 to R 325.3276 of the Michigan ~~administrative code.~~  
25 **ADMINISTRATIVE CODE.** Funds shall be awarded in a form and manner  
26 approved jointly by the department and the department of health and  
27 human services. Notwithstanding section 17b, payments to eligible

1 entities under this subsection shall be paid on a schedule  
2 determined by the department.

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

25 ~~—— (10) In order to receive funds under this section, a district~~  
26 ~~or public school academy or the education achievement system shall~~  
27 ~~allow access for the department or the department's designee to~~

1 ~~audit all records related to the program for which it receives~~  
2 ~~those funds. The district or public school academy or the education~~  
3 ~~achievement system shall reimburse the state for all disallowances~~  
4 ~~found in the audit.~~

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

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

21 ~~—— (13) If a district is formed by consolidation after June 1,~~  
22 ~~1995, and if 1 or more of the original districts were not eligible~~  
23 ~~before the consolidation for an additional allowance under this~~  
24 ~~section, the amount of the additional allowance under this section~~  
25 ~~for the consolidated district shall be based on the number of~~  
26 ~~pupils described in subsection (1) enrolled in the consolidated~~  
27 ~~district who reside in the territory of an original district that~~

1 ~~was eligible before the consolidation for an additional allowance~~  
2 ~~under this section. In addition, if a district is dissolved~~  
3 ~~pursuant to section 12 of the revised school code, MCL 380.12, the~~  
4 ~~intermediate district to which the dissolved school district was~~  
5 ~~constituent shall determine the estimated number of pupils that~~  
6 ~~meet the income eligibility criteria for free breakfast, lunch, or~~  
7 ~~milk, as described under subsection (4), enrolled in each of the~~  
8 ~~other districts within the intermediate district and provide that~~  
9 ~~estimate to the department for the purposes of distributing funds~~  
10 ~~under this section within 60 days after the school district is~~  
11 ~~declared dissolved.~~

12 (5) ~~(14)~~As used in this section, "at-risk pupil" means a  
13 pupil for whom the district has documentation that the pupil meets  
14 any of the following criteria:

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

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

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

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

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

26 (f) The pupil is enrolled in a priority or priority-successor  
27 school, as defined in the elementary and secondary education act of



1 2001 flexibility waiver approved by the United States Department of  
2 Education.

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

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

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

10 (iii) The pupil is homeless.

11 (iv) The pupil is a migrant.

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

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

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

18 ~~—— (15) Beginning in 2018-2019, if a district, public school~~  
19 ~~academy, or the education achievement system does not demonstrate~~  
20 ~~to the satisfaction of the department that at least 50% of at-risk~~  
21 ~~pupils are proficient in English language arts by the end of grade~~  
22 ~~3 as measured by the state assessment for the immediately preceding~~  
23 ~~school year and demonstrate to the satisfaction of the department~~  
24 ~~improvement over each of the 3 immediately preceding school years~~  
25 ~~in the percentage of at risk pupils that are career and college-~~  
26 ~~ready as determined by proficiency on the English language arts,~~  
27 ~~mathematics, and science content area assessments on the grade 11~~

1 ~~summative assessment under section 1279g(2)(a) of the revised~~  
2 ~~school code, MCL 380.1279g, the district, public school academy, or~~  
3 ~~education achievement system shall ensure all of the following:~~

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

12 ~~—— (b) The district, public school academy, or the education~~  
13 ~~achievement system shall determine the proportion of total at risk~~  
14 ~~pupils that represent the number of pupils in grade 11 that are not~~  
15 ~~career and college ready as measured by the student's score on the~~  
16 ~~English language arts, mathematics, and science content area~~  
17 ~~assessments on the grade 11 summative assessment under section~~  
18 ~~1279g(2)(a) of the revised school code, MCL 380.1279g, and the~~  
19 ~~district, public school academy, or the education achievement~~  
20 ~~system shall expend that same proportion multiplied by 1/2 of its~~  
21 ~~total at risk funds under this section on tutoring and other~~  
22 ~~activities to improve scores on the college entrance examination~~  
23 ~~portion of the Michigan merit examination.~~

24 ~~—— (16) As used in subsection (15), "total at risk pupils" means~~  
25 ~~the sum of the number of pupils in grade 3 that are not proficient~~  
26 ~~in English language arts by the end of third grade as measured on~~  
27 ~~the state assessment and the number of pupils in grade 11 that are~~

1 ~~not career and college ready as measured by the student's score on~~  
2 ~~the English language arts, mathematics, and science content area~~  
3 ~~assessments on the grade 11 summative assessment under section~~  
4 ~~1279g(2)(a) of the revised school code, MCL 380.1279g.~~

5 (6) ~~(17)~~ A district or public school academy that receives  
6 funds under this section or the education achievement system may  
7 use funds received under this section to provide an anti-bullying  
8 or crisis intervention program.

9 (7) ~~(18)~~ The department shall collaborate with the department  
10 of health and human services to prioritize assigning Pathways to  
11 Potential Success coaches to elementary schools that have a high  
12 percentage of pupils in grades K to 3 who are not reading at grade  
13 level.

14 Sec. 41. (1) From the appropriation in section 11, there is  
15 allocated an amount not to exceed \$1,200,000.00 for 2016-2017 to  
16 applicant districts and intermediate districts offering programs of  
17 instruction for pupils of limited English-speaking ability under  
18 section 1153 of the revised school code, MCL 380.1153.

19 Reimbursement shall be on a per-pupil basis and shall be based on  
20 the number of pupils of limited English-speaking ability in  
21 membership on the pupil membership count day. Funds allocated under  
22 this section shall be used solely for instruction in speaking,  
23 reading, writing, or comprehension of English. A pupil shall not be  
24 counted under this section or instructed in a program under this  
25 section for more than 3 years.

26 (2) **BEGINNING IN 2017-2018, THE ALLOCATIONS THAT WOULD**  
27 **OTHERWISE BE MADE UNDER THIS SECTION TO DISTRICTS AND INTERMEDIATE**

1 DISTRICTS SHALL INSTEAD BE PAID TO THE DEPARTMENT OF TREASURY FOR  
2 DEPOSIT INTO PUPILS' EDUCATION SAVINGS ACCOUNTS UNDER THE MICHIGAN  
3 PARENTAL CHOICE IN EDUCATION PROGRAM ACT, AS PROVIDED UNDER SECTION  
4 22E.

5 Sec. 51a. (1) From the appropriation in section 11, there is  
6 allocated an amount not to exceed \$945,246,100.00 for 2015-2016 and  
7 an amount not to exceed \$973,046,100.00 for 2016-2017 from state  
8 sources and all available federal funding under sections 611 to 619  
9 of part B of the individuals with disabilities education act, 20  
10 USC 1411 to 1419, estimated at \$370,000,000.00 each fiscal year for  
11 2015-2016 and for 2016-2017, plus any carryover federal funds from  
12 previous year appropriations. ~~The allocations under this subsection  
13 are for the purpose of reimbursing districts and intermediate  
14 districts for special education programs, services, and special  
15 education personnel as prescribed in article 3 of the revised  
16 school code, MCL 380.1701 to 380.1766; net tuition payments made by  
17 intermediate districts to the Michigan schools for the deaf and  
18 blind; and special education programs and services for pupils who  
19 are eligible for special education programs and services according  
20 to statute or rule. For meeting the costs of special education  
21 programs and services not reimbursed under this article, a district  
22 or intermediate district may use money in general funds or special  
23 education funds, not otherwise restricted, or contributions from  
24 districts to intermediate districts, tuition payments, gifts and  
25 contributions from individuals or other entities, or federal funds  
26 that may be available for this purpose, as determined by the  
27 intermediate district plan prepared pursuant to article 3 of the~~

1 ~~revised school code, MCL 380.1701 to 380.1766. Notwithstanding~~  
2 ~~section 17b, payments of federal funds to districts, intermediate~~  
3 ~~districts, and other eligible entities under this section shall be~~  
4 ~~paid on a schedule determined by the department.~~

5 ~~—— (2) From the funds allocated under subsection (1), there is~~  
6 ~~allocated the amount necessary, estimated at \$263,500,000.00 for~~  
7 ~~2015-2016 and estimated at \$271,600,000.00 for 2016-2017, for~~  
8 ~~payments toward reimbursing districts and intermediate districts~~  
9 ~~for 28.6138% of total approved costs of special education,~~  
10 ~~excluding costs reimbursed under section 53a, and 70.4165% of total~~  
11 ~~approved costs of special education transportation. Allocations~~  
12 ~~under this subsection shall be made as follows:~~

13 ~~—— (a) The initial amount allocated to a district under this~~  
14 ~~subsection toward fulfilling the specified percentages shall be~~  
15 ~~calculated by multiplying the district's special education pupil~~  
16 ~~membership, excluding pupils described in subsection (11), times~~  
17 ~~the foundation allowance under section 20 of the pupil's district~~  
18 ~~of residence plus the amount of the district's per pupil allocation~~  
19 ~~under section 20m, not to exceed the basic foundation allowance~~  
20 ~~under section 20 for the current fiscal year, or, for a special~~  
21 ~~education pupil in membership in a district that is a public school~~  
22 ~~academy, times an amount equal to the amount per membership pupil~~  
23 ~~calculated under section 20(6) or, for a pupil described in this~~  
24 ~~subsection who is counted in membership in the education~~  
25 ~~achievement system, times an amount equal to the amount per~~  
26 ~~membership pupil under section 20(7). For an intermediate district,~~  
27 ~~the amount allocated under this subdivision toward fulfilling the~~

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

8 ~~—— (b) After the allocations under subdivision (a), districts and~~  
9 ~~intermediate districts for which the payments calculated under~~  
10 ~~subdivision (a) do not fulfill the specified percentages shall be~~  
11 ~~paid the amount necessary to achieve the specified percentages for~~  
12 ~~the district or intermediate district.~~

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

~~1 operations or services between 1996-97 and subsequent fiscal years.  
2 Adjustments for reductions in special education program operations  
3 or services shall be made in a manner determined by the department  
4 and shall include adjustments for program or service shifts.~~

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

~~24 ——— (5) State funds shall be allocated on a total approved cost  
25 basis. Federal funds shall be allocated under applicable federal  
26 requirements, except that an amount not to exceed \$3,500,000.00 may  
27 be allocated by the department each fiscal year for 2015-2016 and~~

1 ~~for 2016-2017 to districts, intermediate districts, or other~~  
2 ~~eligible entities on a competitive grant basis for programs,~~  
3 ~~equipment, and services that the department determines to be~~  
4 ~~designed to benefit or improve special education on a statewide~~  
5 ~~scale.~~

6 ~~—— (6) From the amount allocated in subsection (1), there is~~  
7 ~~allocated an amount not to exceed \$2,200,000.00 each fiscal year~~  
8 ~~for 2015-2016 and for 2016-2017 to reimburse 100% of the net~~  
9 ~~increase in necessary costs incurred by a district or intermediate~~  
10 ~~district in implementing the revisions in the administrative rules~~  
11 ~~for special education that became effective on July 1, 1987. As~~  
12 ~~used in this subsection, "net increase in necessary costs" means~~  
13 ~~the necessary additional costs incurred solely because of new or~~  
14 ~~revised requirements in the administrative rules minus cost savings~~  
15 ~~permitted in implementing the revised rules. Net increase in~~  
16 ~~necessary costs shall be determined in a manner specified by the~~  
17 ~~department.~~

18 ~~(2) (7) For purposes of sections 51a to 58, all of the~~  
19 ~~following apply:~~

20 ~~—— (a) "Total approved costs of special education" shall be~~  
21 ~~determined in a manner specified by the department and may include~~  
22 ~~indirect costs, but shall not exceed 115% of approved direct costs~~  
23 ~~for section 52 and section 53a programs. The total approved costs~~  
24 ~~include salary and other compensation for all approved special~~  
25 ~~education personnel for the program, including payments for social~~  
26 ~~security and Medicare and public school employee retirement system~~  
27 ~~contributions. The total approved costs do not include salaries or~~



~~1 other compensation paid to administrative personnel who are not  
2 special education personnel as defined in section 6 of the revised  
3 school code, MCL 380.6. Costs reimbursed by federal funds, other  
4 than those federal funds included in the allocation made under this  
5 article, are not included. Special education approved personnel not  
6 utilized full time in the evaluation of students or in the delivery  
7 of special education programs, ancillary, and other related  
8 services shall be reimbursed under this section only for that  
9 portion of time actually spent providing these programs and  
10 services, with the exception of special education programs and  
11 services provided to youth placed in child caring institutions or  
12 juvenile detention programs approved by the department to provide  
13 an on grounds education program.~~

~~14 (b) Beginning with the 2004-2005 fiscal year, a district or  
15 intermediate district that employed special education support  
16 services staff to provide special education support services in  
17 2003-2004 or in a subsequent fiscal year and that in a fiscal year  
18 after 2003-2004 receives the same type of support services from  
19 another district or intermediate district shall report the cost of  
20 those support services for special education reimbursement purposes  
21 under this article. This subdivision does not prohibit the transfer  
22 of special education classroom teachers and special education  
23 classroom aides if the pupils counted in membership associated with  
24 those special education classroom teachers and special education  
25 classroom aides are transferred and counted in membership in the  
26 other district or intermediate district in conjunction with the  
27 transfer of those teachers and aides.~~

1 ~~—— (c) If the department determines before bookclosing for a~~  
2 ~~fiscal year that the amounts allocated for that fiscal year under~~  
3 ~~subsections (2), (3), (6), and (11) and sections 53a, 54, and 56~~  
4 ~~will exceed expenditures for that fiscal year under subsections~~  
5 ~~(2), (3), (6), and (11) and sections 53a, 54, and 56, then for a~~  
6 ~~district or intermediate district whose reimbursement for that~~  
7 ~~fiscal year would otherwise be affected by subdivision (b),~~  
8 ~~subdivision (b) does not apply to the calculation of the~~  
9 ~~reimbursement for that district or intermediate district and~~  
10 ~~reimbursement for that district or intermediate district shall be~~  
11 ~~calculated in the same manner as it was for 2003-2004. If the~~  
12 ~~amount of the excess allocations under subsections (2), (3), (6),~~  
13 ~~and (11) and sections 53a, 54, and 56 is not sufficient to fully~~  
14 ~~fund the calculation of reimbursement to those districts and~~  
15 ~~intermediate districts under this subdivision, then the~~  
16 ~~calculations and resulting reimbursement under this subdivision~~  
17 ~~shall be prorated on an equal percentage basis. Beginning in 2015-~~  
18 ~~2016, the amount of reimbursement under this subdivision for a~~  
19 ~~fiscal year shall not exceed \$2,000,000.00 for any district or~~  
20 ~~intermediate district.~~

21 ~~—— (d) Reimbursement~~ **REIMBURSEMENT** for ancillary and other  
22 related services, as defined by R 340.1701c of the Michigan  
23 ~~administrative code,~~ **ADMINISTRATIVE CODE**, shall not be provided  
24 when those services are covered by and available through private  
25 group health insurance carriers or federal reimbursed program  
26 sources unless the department and district or intermediate district  
27 agree otherwise and that agreement is approved by the state budget

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

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

21 ~~—— (8) A pupil who is enrolled in a full-time special education~~  
22 ~~program conducted or administered by an intermediate district or a~~  
23 ~~pupil who is enrolled in the Michigan schools for the deaf and~~  
24 ~~blind shall not be included in the membership count of a district,~~  
25 ~~but shall be counted in membership in the intermediate district of~~  
26 ~~residence.~~

27 ~~—— (9) Special education personnel transferred from 1 district to~~

1 ~~another to implement the revised school code shall be entitled to~~  
2 ~~the rights, benefits, and tenure to which the person would~~  
3 ~~otherwise be entitled had that person been employed by the~~  
4 ~~receiving district originally.~~

5 (3) ~~(10)~~—If a district or intermediate district uses money  
6 received under this section for a purpose other than the purpose or  
7 purposes for which the money is allocated, the department may  
8 require the district or intermediate district to refund the amount  
9 of money received. Money that is refunded shall be deposited in the  
10 state treasury to the credit of the state school aid fund.

11 ~~——(11) From the funds allocated in subsection (1), there is~~  
12 ~~allocated the amount necessary, estimated at \$3,800,000.00 for~~  
13 ~~2015-2016 and estimated at \$3,700,000.00 for 2016-2017, to pay the~~  
14 ~~foundation allowances for pupils described in this subsection. The~~  
15 ~~allocation to a district under this subsection shall be calculated~~  
16 ~~by multiplying the number of pupils described in this subsection~~  
17 ~~who are counted in membership in the district times the sum of the~~  
18 ~~foundation allowance under section 20 of the pupil's district of~~  
19 ~~residence plus the amount of the district's per pupil allocation~~  
20 ~~under section 20m, not to exceed the basic foundation allowance~~  
21 ~~under section 20 for the current fiscal year, or, for a pupil~~  
22 ~~described in this subsection who is counted in membership in a~~  
23 ~~district that is a public school academy, times an amount equal to~~  
24 ~~the amount per membership pupil under section 20(6) or, for a pupil~~  
25 ~~described in this subsection who is counted in membership in the~~  
26 ~~education achievement system, times an amount equal to the amount~~  
27 ~~per membership pupil under section 20(7). The allocation to an~~

1 ~~intermediate district under this subsection shall be calculated in~~  
2 ~~the same manner as for a district, using the foundation allowance~~  
3 ~~under section 20 of the pupil's district of residence, not to~~  
4 ~~exceed the basic foundation allowance under section 20 for the~~  
5 ~~current fiscal year, and that district's per pupil allocation under~~  
6 ~~section 20m. This subsection applies to all of the following~~  
7 ~~pupils:~~

8 ~~—— (a) Pupils described in section 53a.~~

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

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

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

24 ~~—— (a) 100% of the reimbursement required under section 53a.~~

25 ~~—— (b) 100% of the reimbursement required under subsection (6).~~

26 ~~—— (c) 100% of the payment required under section 54.~~

27 ~~—— (d) 100% of the payment required under subsection (3).~~

1 ~~—— (c) 100% of the payments under section 56.~~

2 ~~—— (13) The allocations under subsections (2), (3), and (11)~~  
3 ~~shall be allocations to intermediate districts only and shall not~~  
4 ~~be allocations to districts, but instead shall be calculations used~~  
5 ~~only to determine the state payments under section 22b.~~

6 ~~—— (14) If a public school academy enrolls pursuant to this~~  
7 ~~section a pupil who resides outside of the intermediate district in~~  
8 ~~which the public school academy is located and who is eligible for~~  
9 ~~special education programs and services according to statute or~~  
10 ~~rule, or who is a child with disabilities, as defined under the~~  
11 ~~individuals with disabilities education act, Public Law 108 446,~~  
12 ~~the provision of special education programs and services and the~~  
13 ~~payment of the added costs of special education programs and~~  
14 ~~services for the pupil are the responsibility of the district and~~  
15 ~~intermediate district in which the pupil resides unless the~~  
16 ~~enrolling district or intermediate district has a written agreement~~  
17 ~~with the district or intermediate district in which the pupil~~  
18 ~~resides or the public school academy for the purpose of providing~~  
19 ~~the pupil with a free appropriate public education and the written~~  
20 ~~agreement includes at least an agreement on the responsibility for~~  
21 ~~the payment of the added costs of special education programs and~~  
22 ~~services for the pupil.~~

23 ~~—— (15) Beginning in 2016 2017, a district, public school~~  
24 ~~academy, or intermediate district that fails to comply with~~  
25 ~~subsection (14) or with the requirements of federal regulations~~  
26 ~~regarding the treatment of public school academies and public~~  
27 ~~school academy pupils for the purposes of special education, 34 CFR~~

1 ~~300.209, forfeits from its total state aid an amount equal to 10%~~  
2 ~~of its total state aid.~~

3 (4) BEGINNING IN 2017-2018, THE ALLOCATIONS THAT WOULD  
4 OTHERWISE BE MADE UNDER THIS SECTION TO DISTRICTS AND INTERMEDIATE  
5 DISTRICTS SHALL INSTEAD BE PAID TO THE DEPARTMENT OF TREASURY FOR  
6 DEPOSIT INTO PUPILS' EDUCATION SAVINGS ACCOUNTS UNDER THE MICHIGAN  
7 PARENTAL CHOICE IN EDUCATION PROGRAM ACT, AS PROVIDED UNDER SECTION  
8 22E.

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

10 ~~—— (a) "Membership" means for a particular fiscal year the total~~  
11 ~~membership for the immediately preceding fiscal year of the~~  
12 ~~intermediate district and the districts constituent to the~~  
13 ~~intermediate district.~~

14 ~~—— (b) "Millage levied" means the millage levied for special~~  
15 ~~education pursuant to part 30 of the revised school code, MCL~~  
16 ~~380.1711 to 380.1743, including a levy for debt service~~  
17 ~~obligations.~~

18 ~~—— (c) "Taxable value" means the total taxable value of the~~  
19 ~~districts constituent to an intermediate district, except that if a~~  
20 ~~district has elected not to come under part 30 of the revised~~  
21 ~~school code, MCL 380.1711 to 380.1743, membership and taxable value~~  
22 ~~of the district shall not be included in the membership and taxable~~  
23 ~~value of the intermediate district.~~

24 (1) ~~(2)~~ From the allocation under section 51a(1), there is  
25 allocated an amount not to exceed \$37,758,100.00 each fiscal year  
26 for 2015-2016 and for 2016-2017. ~~to reimburse intermediate~~  
27 ~~districts levying millages for special education pursuant to part~~

~~30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan.~~

~~—— (3) Reimbursement for those millages levied in 2014-2015 shall be made in 2015-2016 at an amount per 2014-2015 membership pupil computed by subtracting from \$175,300.00 the 2014-2015 taxable value behind each membership pupil and multiplying the resulting difference by the 2014-2015 millage levied.~~

~~—— (4) Reimbursement for those millages levied in 2015-2016 shall be made in 2016-2017 at an amount per 2015-2016 membership pupil computed by subtracting from \$179,600.00 the 2015-2016 taxable value behind each membership pupil and multiplying the resulting difference by the 2015-2016 millage levied.~~

~~—— (5) The amount paid to a single intermediate district under this section shall not exceed 62.9% of the total amount allocated under subsection (2).~~

~~—— (6) The amount paid to a single intermediate district under this section shall not be less than 75% of the amount allocated to the intermediate district under this section for the immediately preceding fiscal year.~~

**(2) BEGINNING IN 2017-2018, THE ALLOCATIONS THAT WOULD**



1 OTHERWISE BE MADE UNDER THIS SECTION TO DISTRICTS AND INTERMEDIATE  
2 DISTRICTS SHALL INSTEAD BE PAID TO THE DEPARTMENT OF TREASURY FOR  
3 DEPOSIT INTO PUPILS' EDUCATION SAVINGS ACCOUNTS UNDER THE MICHIGAN  
4 PARENTAL CHOICE IN EDUCATION PROGRAM ACT, AS PROVIDED UNDER SECTION  
5 22E.

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

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

~~14 — (2) Except for a district that served as the fiscal agent for  
15 a vocational education consortium in the 1993-94 school year,  
16 districts and intermediate districts shall be reimbursed for local  
17 career and technical education administration, shared time career  
18 and technical education administration, and career education  
19 planning district career and technical education administration.  
20 The definition of what constitutes administration and reimbursement  
21 shall be pursuant to guidelines adopted by the superintendent. Not  
22 more than \$800,000.00 of the allocation in subsection (1) shall be  
23 distributed under this subsection.~~

~~24 — (3) A career and technical education program funded under this  
25 section may provide an opportunity for participants who are  
26 eligible to be funded under section 107 to enroll in the career and  
27 technical education program funded under this section if the~~

1 ~~participation does not occur during regular school hours.~~

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

18 **(2) BEGINNING IN 2017-2018, THE ALLOCATIONS THAT WOULD**  
19 **OTHERWISE BE MADE UNDER THIS SECTION TO DISTRICTS AND INTERMEDIATE**  
20 **DISTRICTS SHALL INSTEAD BE PAID TO THE DEPARTMENT OF TREASURY FOR**  
21 **DEPOSIT INTO PUPILS' EDUCATION SAVINGS ACCOUNTS UNDER THE MICHIGAN**  
22 **PARENTAL CHOICE IN EDUCATION PROGRAM ACT, AS PROVIDED UNDER SECTION**  
23 **22E.**

24 ~~Sec. 62. (1) For the purposes of this section:~~

25 ~~—— (a) "Membership" means for a particular fiscal year the total~~  
26 ~~membership for the immediately preceding fiscal year of the~~  
27 ~~intermediate district and the districts constituent to the~~

1 ~~intermediate district or the total membership for the immediately~~  
2 ~~preceding fiscal year of the area vocational technical program.~~

3 ~~—— (b) "Millage levied" means the millage levied for area~~  
4 ~~vocational technical education pursuant to sections 681 to 690 of~~  
5 ~~the revised school code, MCL 380.681 to 380.690, including a levy~~  
6 ~~for debt service obligations incurred as the result of borrowing~~  
7 ~~for capital outlay projects and in meeting capital projects fund~~  
8 ~~requirements of area vocational technical education.~~

9 ~~—— (c) "Taxable value" means the total taxable value of the~~  
10 ~~districts constituent to an intermediate district or area~~  
11 ~~vocational technical education program, except that if a district~~  
12 ~~has elected not to come under sections 681 to 690 of the revised~~  
13 ~~school code, MCL 380.681 to 380.690, the membership and taxable~~  
14 ~~value of that district shall not be included in the membership and~~  
15 ~~taxable value of the intermediate district. However, the membership~~  
16 ~~and taxable value of a district that has elected not to come under~~  
17 ~~sections 681 to 690 of the revised school code, MCL 380.681 to~~  
18 ~~380.690, shall be included in the membership and taxable value of~~  
19 ~~the intermediate district if the district meets both of the~~  
20 ~~following:~~

21 ~~—— (i) The district operates the area vocational technical~~  
22 ~~education program pursuant to a contract with the intermediate~~  
23 ~~district.~~

24 ~~—— (ii) The district contributes an annual amount to the~~  
25 ~~operation of the program that is commensurate with the revenue that~~  
26 ~~would have been raised for operation of the program if millage were~~  
27 ~~levied in the district for the program under sections 681 to 690 of~~

1 ~~the revised school code, MCL 380.681 to 380.690.~~

2       (1) ~~(2) From the appropriation in section 11, there is~~  
3 ~~allocated an amount not to exceed \$9,190,000.00 each fiscal year~~  
4 ~~for 2015-2016 and for 2016-2017. to reimburse intermediate~~  
5 ~~districts and area vocational technical education programs~~  
6 ~~established under section 690(3) of the revised school code, MCL~~  
7 ~~380.690, levying millages for area vocational technical education~~  
8 ~~pursuant to sections 681 to 690 of the revised school code, MCL~~  
9 ~~380.681 to 380.690. The purpose, use, and expenditure of the~~  
10 ~~reimbursement shall be limited as if the funds were generated by~~  
11 ~~those millages.~~

12       ~~(3) Reimbursement for the millages levied in 2014-2015 shall~~  
13 ~~be made in 2015-2016 at an amount per 2014-2015 membership pupil~~  
14 ~~computed by subtracting from \$192,200.00 the 2014-2015 taxable~~  
15 ~~value behind each membership pupil and multiplying the resulting~~  
16 ~~difference by the 2014-2015 millage levied.~~

17       ~~(4) Reimbursement for the millages levied in 2015-2016 shall~~  
18 ~~be made in 2016-2017 at an amount per 2015-2016 membership pupil~~  
19 ~~computed by subtracting from \$196,300.00 the 2015-2016 taxable~~  
20 ~~value behind each membership pupil and multiplying the resulting~~  
21 ~~difference by the 2015-2016 millage levied.~~

22       ~~(5) The amount paid to a single intermediate district under~~  
23 ~~this section shall not exceed 38.4% of the total amount allocated~~  
24 ~~under subsection (2).~~

25       ~~(6) The amount paid to a single intermediate district under~~  
26 ~~this section shall not be less than 75% of the amount allocated to~~  
27 ~~the intermediate district under this section for the immediately~~

1 ~~preceding fiscal year.~~

2 (2) BEGINNING IN 2017-2018, THE ALLOCATIONS THAT WOULD  
3 OTHERWISE BE MADE UNDER THIS SECTION TO INTERMEDIATE DISTRICTS AND  
4 AREA VOCATIONAL-TECHNICAL EDUCATION PROGRAMS ESTABLISHED UNDER  
5 SECTION 690(3) OF THE REVISED SCHOOL CODE, MCL 380.690, SHALL  
6 INSTEAD BE PAID TO THE DEPARTMENT OF TREASURY FOR DEPOSIT INTO  
7 PUPILS' EDUCATION SAVINGS ACCOUNTS UNDER THE MICHIGAN PARENTAL  
8 CHOICE IN EDUCATION PROGRAM ACT, AS PROVIDED UNDER SECTION 22E.

9 Sec. 81. ~~(1) From the appropriation in section 11, there is~~  
10 ~~allocated for 2016-2017 to the intermediate districts the sum~~  
11 ~~necessary, but not to exceed \$67,108,000.00 to provide state aid to~~  
12 ~~intermediate districts under this section.~~

13 (1) ~~(2) From the allocation in subsection (1), there is~~  
14 ~~allocated for 2016-2017 an amount not to exceed \$67,108,000.00 for~~  
15 ~~allocations UNDER THIS SECTION. to each intermediate district in an~~  
16 ~~amount equal to 100% of the amount allocated to the intermediate~~  
17 ~~district under this subsection for 2015-2016. Funding provided~~  
18 ~~under this section shall be used to comply with requirements of~~  
19 ~~this article and the revised school code that are applicable to~~  
20 ~~intermediate districts, and for which funding is not provided~~  
21 ~~elsewhere in this article, and to provide technical assistance to~~  
22 ~~districts as authorized by the intermediate school board.~~

23 ~~—— (3) Intermediate districts receiving funds under subsection~~  
24 ~~(2) shall collaborate with the department to develop expanded~~  
25 ~~professional development opportunities for teachers to update and~~  
26 ~~expand their knowledge and skills needed to support the Michigan~~  
27 ~~merit curriculum.~~

1 ~~—— (4) From the allocation in subsection (1), there is allocated~~  
2 ~~to an intermediate district, formed by the consolidation or~~  
3 ~~annexation of 2 or more intermediate districts or the attachment of~~  
4 ~~a total intermediate district to another intermediate school~~  
5 ~~district or the annexation of all of the constituent K-12 districts~~  
6 ~~of a previously existing intermediate school district which has~~  
7 ~~disorganized, an additional allotment of \$3,500.00 each fiscal year~~  
8 ~~for each intermediate district included in the new intermediate~~  
9 ~~district for 3 years following consolidation, annexation, or~~  
10 ~~attachment.~~

11 ~~—— (5) In order to receive funding under subsection (2), an~~  
12 ~~intermediate district shall do all of the following:~~

13 ~~—— (a) Demonstrate to the satisfaction of the department that the~~  
14 ~~intermediate district employs at least 1 person who is trained in~~  
15 ~~pupil accounting and auditing procedures, rules, and regulations.~~

16 ~~—— (b) Demonstrate to the satisfaction of the department that the~~  
17 ~~intermediate district employs at least 1 person who is trained in~~  
18 ~~rules, regulations, and district reporting procedures for the~~  
19 ~~individual level student data that serves as the basis for the~~  
20 ~~calculation of the district and high school graduation and dropout~~  
21 ~~rates.~~

22 ~~—— (c) Comply with sections 1278a and 1278b of the revised school~~  
23 ~~code, MCL 380.1278a and 380.1278b.~~

24 ~~—— (d) Furnish data and other information required by state and~~  
25 ~~federal law to the center and the department in the form and manner~~  
26 ~~specified by the center or the department, as applicable.~~

27 ~~—— (e) Comply with section 1230g of the revised school code, MCL~~

1 380.1230g.

2 ~~—— (f) Comply with section 761 of the revised school code, MCL~~  
3 ~~380.761.~~

4 (2) BEGINNING IN 2017-2018, THE ALLOCATIONS THAT WOULD  
5 OTHERWISE BE MADE UNDER THIS SECTION TO INTERMEDIATE DISTRICTS  
6 SHALL INSTEAD BE PAID TO THE DEPARTMENT OF TREASURY FOR DEPOSIT  
7 INTO PUPILS' EDUCATION SAVINGS ACCOUNTS UNDER THE MICHIGAN PARENTAL  
8 CHOICE IN EDUCATION PROGRAM ACT, AS PROVIDED UNDER SECTION 22E.

9 Sec. 101. ~~(1) To be eligible to receive state aid under this~~  
10 ~~article, not later than the fifth Wednesday after the pupil~~  
11 ~~membership count day and not later than the fifth Wednesday after~~  
12 ~~the supplemental count day, each district superintendent shall~~  
13 ~~submit to the center and the intermediate superintendent, in the~~  
14 ~~form and manner prescribed by the center, the number of pupils~~  
15 ~~enrolled and in regular daily attendance in the district as of the~~  
16 ~~pupil membership count day and as of the supplemental count day, as~~  
17 ~~applicable, for the current school year. In addition, a district~~  
18 ~~maintaining school during the entire year, as provided under~~  
19 ~~section 1561 of the revised school code, MCL 380.1561, shall submit~~  
20 ~~to the center and the intermediate superintendent, in the form and~~  
21 ~~manner prescribed by the center, the number of pupils enrolled and~~  
22 ~~in regular daily attendance in the district for the current school~~  
23 ~~year pursuant to rules promulgated by the superintendent. Not later~~  
24 ~~than the sixth Wednesday after the pupil membership count day and~~  
25 ~~not later than the sixth Wednesday after the supplemental count~~  
26 ~~day, the district shall certify the data in a form and manner~~  
27 ~~prescribed by the center and file the certified data with the~~



1 ~~intermediate superintendent. If a district fails to submit and~~  
2 ~~certify the attendance data, as required under this subsection, the~~  
3 ~~center shall notify the department and state aid due to be~~  
4 ~~distributed under this article shall be withheld from the~~  
5 ~~defaulting district immediately, beginning with the next payment~~  
6 ~~after the failure and continuing with each payment until the~~  
7 ~~district complies with this subsection. If a district does not~~  
8 ~~comply with this subsection by the end of the fiscal year, the~~  
9 ~~district forfeits the amount withheld. A person who willfully~~  
10 ~~falsifies a figure or statement in the certified and sworn copy of~~  
11 ~~enrollment shall be punished in the manner prescribed by section~~  
12 ~~161.~~

13 ~~—— (2) To be eligible to receive state aid under this article,~~  
14 ~~not later than the twenty fourth Wednesday after the pupil~~  
15 ~~membership count day and not later than the twenty fourth Wednesday~~  
16 ~~after the supplemental count day, an intermediate district shall~~  
17 ~~submit to the center, in a form and manner prescribed by the~~  
18 ~~center, the audited enrollment and attendance data for the pupils~~  
19 ~~of its constituent districts and of the intermediate district. If~~  
20 ~~an intermediate district fails to submit the audited data as~~  
21 ~~required under this subsection, state aid due to be distributed~~  
22 ~~under this article shall be withheld from the defaulting~~  
23 ~~intermediate district immediately, beginning with the next payment~~  
24 ~~after the failure and continuing with each payment until the~~  
25 ~~intermediate district complies with this subsection. If an~~  
26 ~~intermediate district does not comply with this subsection by the~~  
27 ~~end of the fiscal year, the intermediate district forfeits the~~

1 ~~amount withheld.~~

2 (1) ~~(3)~~ Except as otherwise provided in ~~subsections (11) and~~  
3 ~~(12)~~, **THIS SECTION**, all of the following apply to the provision of  
4 pupil instruction:

5 (a) Except as otherwise provided in this section, each  
6 district shall provide at least 1,098 hours and, beginning in 2010-  
7 2011, the required minimum number of days of pupil instruction.  
8 Beginning in 2014-2015, the required minimum number of days of  
9 pupil instruction is 175. However, all of the following apply to  
10 these requirements:

11 (i) If a collective bargaining agreement that provides a  
12 complete school calendar was in effect for employees of a district  
13 as of July 1, 2013, and if that school calendar is not in  
14 compliance with this subsection, then this subsection does not  
15 apply to that district until after the expiration of that  
16 collective bargaining agreement. If a district entered into a  
17 collective bargaining agreement on or after July 1, 2013 and if  
18 that collective bargaining agreement did not provide for at least  
19 175 days of pupil instruction beginning in 2014-2015, then the  
20 department shall withhold from the district's total state school  
21 aid an amount equal to 5% of the funding the district receives in  
22 2014-2015 under sections 22a and 22b.

23 (ii) A district may apply for a waiver under subsection ~~(9)~~  
24 (7) from the requirements of this subdivision.

25 (b) Beginning in 2016-2017, the required minimum number of  
26 days of pupil instruction is 180. If a collective bargaining  
27 agreement that provides a complete school calendar was in effect

1 for employees of a district as of ~~the effective date of the~~  
2 ~~amendatory act that added this subdivision,~~ **JUNE 24, 2014**, and if  
3 that school calendar is not in compliance with this subdivision,  
4 then this subdivision does not apply to that district until after  
5 the expiration of that collective bargaining agreement. A district  
6 may apply for a waiver under subsection ~~(9)~~-(7) from the  
7 requirements of this subdivision.

8 (c) Except as otherwise provided in this article, a district  
9 failing to comply with the required minimum hours and days of pupil  
10 instruction under this subsection shall forfeit from its total  
11 state aid allocation an amount determined by applying a ratio of  
12 the number of hours or days the district was in noncompliance in  
13 relation to the required minimum number of hours and days under  
14 this subsection. Not later than August 1, the board of each  
15 district shall either certify to the department that the district  
16 was in full compliance with this section regarding the number of  
17 hours and days of pupil instruction in the previous school year, or  
18 report to the department, in a form and manner prescribed by the  
19 center, each instance of noncompliance. If the district did not  
20 provide at least the required minimum number of hours and days of  
21 pupil instruction under this subsection, the deduction of state aid  
22 shall be made in the following fiscal year from the first payment  
23 of state school aid. A district is not subject to forfeiture of  
24 funds under this subsection for a fiscal year in which a forfeiture  
25 was already imposed under subsection ~~(6)~~-(4).

26 (d) Hours or days lost because of strikes or teachers'  
27 conferences shall not be counted as hours or days of pupil

1 instruction.

2 (e) If a collective bargaining agreement that provides a  
3 complete school calendar is in effect for employees of a district  
4 as of October 19, 2009, and if that school calendar is not in  
5 compliance with this subsection, then this subsection does not  
6 apply to that district until after the expiration of that  
7 collective bargaining agreement.

8 ~~—— (f) Except as otherwise provided in subdivisions (g) and (h),  
9 a district not having at least 75% of the district's membership in  
10 attendance on any day of pupil instruction shall receive state aid  
11 in that proportion of 1/180 that the actual percent of attendance  
12 bears to the specified percentage.~~

13 ~~—— (g) If a district adds 1 or more days of pupil instruction to  
14 the end of its instructional calendar for a school year to comply  
15 with subdivision (a) because the district otherwise would fail to  
16 provide the required minimum number of days of pupil instruction  
17 even after the operation of subsection (4) due to conditions not  
18 within the control of school authorities, then subdivision (f) does  
19 not apply for any day of pupil instruction that is added to the end  
20 of the instructional calendar. Instead, for any of those days, if  
21 the district does not have at least 60% of the district's  
22 membership in attendance on that day, the district shall receive  
23 state aid in that proportion of 1/180 that the actual percentage of  
24 attendance bears to the specified percentage. For any day of pupil  
25 instruction added to the instructional calendar as described in  
26 this subdivision, the district shall report to the department the  
27 percentage of the district's membership that is in attendance, in~~

1 ~~the form and manner prescribed by the department.~~

2 ~~—— (h) At the request of a district that operates a department-~~  
3 ~~approved alternative education program and that does not provide~~  
4 ~~instruction for pupils in all of grades K to 12, the superintendent~~  
5 ~~shall grant a waiver from the requirements of subdivision (f). The~~  
6 ~~waiver shall indicate that an eligible district is subject to the~~  
7 ~~proration provisions of subdivision (f) only if the district does~~  
8 ~~not have at least 50% of the district's membership in attendance on~~  
9 ~~any day of pupil instruction. In order to be eligible for this~~  
10 ~~waiver, a district must maintain records to substantiate its~~  
11 ~~compliance with the following requirements:~~

12 ~~—— (i) The district offers the minimum hours of pupil instruction~~  
13 ~~as required under this section.~~

14 ~~—— (ii) For each enrolled pupil, the district uses appropriate~~  
15 ~~academic assessments to develop an individual education plan that~~  
16 ~~leads to a high school diploma.~~

17 ~~—— (iii) The district tests each pupil to determine academic~~  
18 ~~progress at regular intervals and records the results of those~~  
19 ~~tests in that pupil's individual education plan.~~

20 ~~—— (i) All of the following apply to a waiver granted under~~  
21 ~~subdivision (h):~~

22 ~~—— (i) If the waiver is for a blended model of delivery, a waiver~~  
23 ~~that is granted for the 2011-2012 fiscal year or a subsequent~~  
24 ~~fiscal year remains in effect unless it is revoked by the~~  
25 ~~superintendent.~~

26 ~~—— (ii) If the waiver is for a 100% online model of delivery and~~  
27 ~~the educational program for which the waiver is granted makes~~

1 ~~educational services available to pupils for a minimum of at least~~  
2 ~~1,098 hours during a school year and ensures that each pupil~~  
3 ~~participates in the educational program for at least 1,098 hours~~  
4 ~~during a school year, a waiver that is granted for the 2011-2012~~  
5 ~~fiscal year or a subsequent fiscal year remains in effect unless it~~  
6 ~~is revoked by the superintendent.~~

7 ~~—— (iii) A waiver that is not a waiver described in subparagraph~~  
8 ~~(i) or (ii) is valid for 1 fiscal year and must be renewed annually~~  
9 ~~to remain in effect.~~

10 (F) ~~(j)~~ The superintendent shall promulgate rules for the  
11 implementation of this subsection.

12 (2) ~~(4)~~ Except as otherwise provided in this subsection, the  
13 first 6 days or the equivalent number of hours for which pupil  
14 instruction is not provided because of conditions not within the  
15 control of school authorities, such as severe storms, fires,  
16 epidemics, utility power unavailability, water or sewer failure, or  
17 health conditions as defined by the city, county, or state health  
18 authorities, shall be counted as hours and days of pupil  
19 instruction. With the approval of the superintendent of public  
20 instruction, the department shall count as hours and days of pupil  
21 instruction for a fiscal year not more than 3 additional days or  
22 the equivalent number of additional hours for which pupil  
23 instruction is not provided in a district due to unusual and  
24 extenuating occurrences resulting from conditions not within the  
25 control of school authorities such as those conditions described in  
26 this subsection. Subsequent such hours or days shall not be counted  
27 as hours or days of pupil instruction.

1           (3) ~~(5)~~—A district shall not forfeit part of its state aid  
2 appropriation because it adopts or has in existence an alternative  
3 scheduling program for pupils in kindergarten if the program  
4 provides at least the number of hours required under subsection ~~(3)~~  
5 ~~for a full-time equated membership for a pupil in kindergarten as~~  
6 ~~provided under section 6(4)-(1)~~ .

7           (4) ~~(6)~~—In addition to any other penalty or forfeiture under  
8 this section, if at any time the department determines that 1 or  
9 more of the following have occurred in a district, the district  
10 shall forfeit in the current fiscal year beginning in the next  
11 payment to be calculated by the department a proportion of the  
12 funds due to the district under this article that is equal to the  
13 proportion below the required minimum number of hours and days of  
14 pupil instruction under subsection ~~(3)~~, ~~(1)~~, as specified in the  
15 following:

16           (a) The district fails to operate its schools for at least the  
17 required minimum number of hours and days of pupil instruction  
18 under subsection ~~(3)~~—~~(1)~~ in a school year, including hours and days  
19 counted under subsection ~~(4)~~—~~(2)~~ .

20           (b) The board of the district takes formal action not to  
21 operate its schools for at least the required minimum number of  
22 hours and days of pupil instruction under subsection ~~(3)~~—~~(1)~~ in a  
23 school year, including hours and days counted under subsection  
24 ~~(4)~~—~~(2)~~ .

25           (5) ~~(7)~~—In providing the minimum number of hours and days of  
26 pupil instruction required under subsection ~~(3)~~, ~~(1)~~, a district  
27 shall use the following guidelines, and a district shall maintain

1 records to substantiate its compliance with the following  
2 guidelines:

3 (a) Except as otherwise provided in this subsection, a pupil  
4 must be scheduled for at least the required minimum number of hours  
5 of instruction, excluding study halls, or at least the sum of 90  
6 hours plus the required minimum number of hours of instruction,  
7 including up to 2 study halls.

8 (b) The time a pupil is assigned to any tutorial activity in a  
9 block schedule may be considered instructional time, unless that  
10 time is determined in an audit to be a study hall period.

11 (c) Except as otherwise provided in this subdivision, a pupil  
12 in grades 9 to 12 for whom a reduced schedule is determined to be  
13 in the individual pupil's best educational interest must be  
14 scheduled for a number of hours equal to at least 80% of the  
15 required minimum number of hours of pupil instruction to be  
16 considered a full-time equivalent pupil. A pupil in grades 9 to 12  
17 who is scheduled in a 4-block schedule may receive a reduced  
18 schedule under this subsection if the pupil is scheduled for a  
19 number of hours equal to at least 75% of the required minimum  
20 number of hours of pupil instruction to be considered a full-time  
21 equivalent pupil.

22 (d) If a pupil in grades 9 to 12 who is enrolled in a  
23 cooperative education program or a special education pupil cannot  
24 receive the required minimum number of hours of pupil instruction  
25 solely because of travel time between instructional sites during  
26 the school day, that travel time, up to a maximum of 3 hours per  
27 school week, shall be considered to be pupil instruction time for



1 the purpose of determining whether the pupil is receiving the  
2 required minimum number of hours of pupil instruction. However, if  
3 a district demonstrates to the satisfaction of the department that  
4 the travel time limitation under this subdivision would create  
5 undue costs or hardship to the district, the department may  
6 consider more travel time to be pupil instruction time for this  
7 purpose.

8 (e) In grades 7 through 12, instructional time that is part of  
9 a ~~junior reserve officer training corps~~ **JUNIOR RESERVE OFFICER**  
10 **TRAINING CORPS** (JROTC) program shall be considered to be pupil  
11 instruction time regardless of whether the instructor is a  
12 certificated teacher if all of the following are met:

13 (i) The instructor has met all of the requirements established  
14 by the United States Department of Defense and the applicable  
15 branch of the armed services for serving as an instructor in the  
16 ~~junior reserve officer training corps~~ **JUNIOR RESERVE OFFICER**  
17 **TRAINING CORPS** program.

18 (ii) The board of the district or intermediate district  
19 employing or assigning the instructor complies with the  
20 requirements of sections 1230 and 1230a of the revised school code,  
21 MCL 380.1230 and 380.1230a, with respect to the instructor to the  
22 same extent as if employing the instructor as a regular classroom  
23 teacher.

24 (6) ~~(8)~~—Except as otherwise provided in ~~subsections (11) and~~  
25 ~~(12)~~, **THIS SECTION**, the department shall apply the guidelines under  
26 subsection ~~(7)~~ **(5)** in calculating the full-time equivalency of  
27 pupils.

1           (7) ~~(9)~~—Upon application by the district for a particular  
2 fiscal year, the superintendent shall waive for a district the  
3 minimum number of hours and days of pupil instruction requirement  
4 of subsection ~~(3)~~—(1) for a department-approved alternative  
5 education program or another innovative program approved by the  
6 department, including a 4-day school week. If a district applies  
7 for and receives a waiver under this subsection and complies with  
8 the terms of the waiver, the district is not subject to forfeiture  
9 under this section for the specific program covered by the waiver.  
10 If the district does not comply with the terms of the waiver, the  
11 amount of the forfeiture shall be calculated based upon a  
12 comparison of the number of hours and days of pupil instruction  
13 actually provided to the minimum number of hours and days of pupil  
14 instruction required under subsection ~~(3)~~—(1). Pupils enrolled in  
15 a department-approved alternative education program under this  
16 subsection shall be reported to the center in a form and manner  
17 determined by the center. All of the following apply to a waiver  
18 granted under this subsection:

19           (a) If the waiver is for a blended model of delivery, a waiver  
20 that is granted for the 2011-2012 fiscal year or a subsequent  
21 fiscal year remains in effect unless it is revoked by the  
22 superintendent.

23           (b) If the waiver is for a 100% online model of delivery and  
24 the educational program for which the waiver is granted makes  
25 educational services available to pupils for a minimum of at least  
26 1,098 hours during a school year and ensures that each pupil is on  
27 track for course completion at proficiency level, a waiver that is

1 granted for the 2011-2012 fiscal year or a subsequent fiscal year  
2 remains in effect unless it is revoked by the superintendent.

3 (c) A waiver that is not a waiver described in subdivision (a)  
4 or (b) is valid for 1 fiscal year and must be renewed annually to  
5 remain in effect.

6 ~~—— (10) Until 2014-2015, a district may count up to 38 hours of~~  
7 ~~qualifying professional development for teachers as hours of pupil~~  
8 ~~instruction. However, if a collective bargaining agreement that~~  
9 ~~provides for the counting of up to 38 hours of qualifying~~  
10 ~~professional development for teachers as pupil instruction is in~~  
11 ~~effect for employees of a district as of July 1, 2013, then until~~  
12 ~~the school year that begins after the expiration of that collective~~  
13 ~~bargaining agreement a district may count up to the contractually~~  
14 ~~specified number of hours of qualifying professional development~~  
15 ~~for teachers as hours of pupil instruction. Professional~~  
16 ~~development provided online is allowable and encouraged, as long as~~  
17 ~~the instruction has been approved by the district. The department~~  
18 ~~shall issue a list of approved online professional development~~  
19 ~~providers, which shall include the Michigan Virtual School. As used~~  
20 ~~in this subsection, "qualifying professional development" means~~  
21 ~~professional development that is focused on 1 or more of the~~  
22 ~~following:~~

23 ~~—— (a) Achieving or improving adequate yearly progress as defined~~  
24 ~~under the no child left behind act of 2001, Public Law 107-110.~~

25 ~~—— (b) Achieving accreditation or improving a school's~~  
26 ~~accreditation status under section 1280 of the revised school code,~~  
27 ~~MCL 380.1280.~~

1 ~~———— (c) Achieving highly qualified teacher status as defined under~~  
2 ~~the no child left behind act of 2001, Public Law 107-110.~~

3 ~~———— (d) Integrating technology into classroom instruction.~~

4 ~~———— (e) Maintaining teacher certification.~~

5 (8) ~~(11)~~ Subsections ~~(3)~~ and ~~(8)~~ **(1) AND (6)** do not apply to a  
6 school of excellence that is a cyber school, as defined in section  
7 551 of the revised school code, MCL 380.551, and is in compliance  
8 with section 553a of the revised school code, MCL 380.553a.

9 (9) ~~(12)~~ Subsections ~~(3)~~ and ~~(8)~~ **(1) AND (6)** do not apply to  
10 eligible pupils enrolled in a dropout recovery program that meets  
11 the requirements of section 23a. As used in this subsection,  
12 "eligible pupil" means that term as defined in section 23a.

13 (10) ~~(13)~~ Beginning in 2013, at least every 2 years the  
14 superintendent shall review the waiver standards set forth in the  
15 pupil accounting and auditing manuals to ensure that the waiver  
16 standards and waiver process continue to be appropriate and  
17 responsive to changing trends in online learning. The  
18 superintendent shall solicit and consider input from stakeholders  
19 as part of this review.

20 Enacting section 1. Sections 6a, 6b, 22b, 25e, 105, 105b,  
21 105c, and 106 of the state school aid act of 1979, 1979 PA 94, MCL  
22 388.1606a, 388.1606b, 388.1622b, 388.1625e, 388.1705, 388.1705b,  
23 388.1705c, and 288.1706, are repealed effective October 1, 2017.

24 Enacting section 2. Sections 6, 20, 22a, and 101 of the state  
25 school aid act of 1979, 1979 PA 94, MCL 388.1606, 388.1620,  
26 338.1622a, and 388.1701, as amended by this amendatory act, take  
27 effect October 1, 2017.

1           Enacting section 3. This amendatory act does not take effect  
2 unless all of the following bills of the 98th Legislature are  
3 enacted into law:

4           (a) Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
5 05943'16).

6           (b) Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
7 06481'16).

8           (c) Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
9 06483'16).

10          (d) Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
11 06484'16).