

**SUBSTITUTE FOR
SENATE BILL NO. 149**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 3, 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 11s,
15, 18, 18c, 20, 20d, 20f, 20m, 21, 22a, 22b, 22d, 22g, 24, 24a,
24c, 25f, 25g, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 31j, 32d, 32p,
32q, 35, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 55, 56,
61a, 61b, 61c, 62, 64b, 65, 67, 74, 81, 94, 94a, 98, 99h, 99s, 99t,
102d, 104, 104c, 104d, 107, 147, 147a, 147c, 152a, 152b, and 166b
(MCL 388.1603, 388.1604, 388.1606, 388.1608b, 388.1611, 388.1611a,
388.1611j, 388.1611k, 388.1611m, 388.1611r, 388.1611s, 388.1615,
388.1618, 388.1618c, 388.1620, 388.1620d, 388.1620f, 388.1620m,
388.1621, 388.1622a, 388.1622b, 388.1622d, 388.1622g, 388.1624,
388.1624a, 388.1624c, 388.1625f, 388.1625g, 388.1626a, 388.1626b,

388.1626c, 388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1631j, 388.1632d, 388.1632p, 388.1632q, 388.1635, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1662, 388.1664b, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699h, 388.1699s, 388.1699t, 388.1702d, 388.1704, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1752b, and 388.1766b), sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 20d, 20f, 22a, 22b, 22d, 22g, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 35, 35a, 39, 39a, 41, 51c, 51d, 53a, 54, 55, 56, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 99s, 102d, 104, 104d, 107, 147, 147a, 147c, 152a, and 166b as amended and sections 11s, 20m, 21, 31b, 31j, 32q, 54b, and 152b as added by 2016 PA 249, section 8b as amended by 2015 PA 85, section 18c as amended by 2012 PA 201, sections 20, 61a, 61c, 98, 99h, 99t, and 104c as amended by 2016 PA 313, and section 51a as amended by 2016 PA 534, and by adding sections 21h, 21j, 22m, 99c, 99k, 99u, and 160; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. ~~(1) "Achievement authority" means the education~~
2 ~~achievement authority, the public body corporate and special~~
3 ~~authority initially created under section 5 of article III and~~
4 ~~section 28 of article VII of the state constitution of 1963 and the~~
5 ~~urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to~~
6 ~~124.512, by an interlocal agreement effective August 11, 2011,~~
7 ~~between the school district of the city of Detroit and the board of~~

1 ~~regents of Eastern Michigan University, a state public university.~~

2 ~~—— (2) "Achievement school" means a public school within the~~
3 ~~education achievement system operated, managed, authorized,~~
4 ~~established, or overseen by the achievement authority.~~

5 (1) ~~(3)~~—"Average daily attendance", for the purposes of
6 complying with federal law, means 92% of the pupils counted in
7 membership on the pupil membership count day, as defined in section
8 6(7).

9 (2) ~~(4)~~—"Board" means the governing body of a district or
10 public school academy.

11 (3) ~~(5)~~—"Center" means the center for educational performance
12 and information created in section 94a.

13 (4) ~~(6)~~—"Community district" means a school district organized
14 under part 5b of the revised school code.

15 (5) ~~(7)~~—"Cooperative education program" means a written
16 voluntary agreement between and among districts to provide certain
17 educational programs for pupils in certain groups of districts. The
18 written agreement shall be approved by all affected districts at
19 least annually and shall specify the educational programs to be
20 provided and the estimated number of pupils from each district who
21 will participate in the educational programs.

22 (6) ~~(8)~~—"Department", except in section 107, means the
23 department of education.

24 (7) ~~(9)~~—"District" means a local school district established
25 under the revised school code or, except in sections 6(4), 6(6),
26 13, 20, 22a, 31a, 51a(14), 105, 105c, and 166b, a public school
27 academy. ~~Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a,~~

1 ~~105, 105c, and 166b, district also includes the education~~
 2 ~~achievement system.~~ Except in section 20, district also includes a
 3 community district.

4 (8) ~~(10)~~ "District of residence", except as otherwise provided
 5 in this subsection, means the district in which a pupil's custodial
 6 parent or parents or legal guardian resides. For a pupil described
 7 in section 24b, the pupil's district of residence is the district
 8 in which the pupil enrolls under that section. For a pupil
 9 described in section 6(4)(d), the pupil's district of residence
 10 shall be considered to be the district or intermediate district in
 11 which the pupil is counted in membership under that section. For a
 12 pupil under court jurisdiction who is placed outside the district
 13 in which the pupil's custodial parent or parents or legal guardian
 14 resides, the pupil's district of residence shall be considered to
 15 be the educating district or educating intermediate district.

16 (9) ~~(11)~~ "District superintendent" means the superintendent of
 17 a district ~~, OR~~ the chief administrator of a public school academy.
 18 ~~, or the chancellor of the achievement authority.~~

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

21 (1) ~~(2)~~ "Elementary pupil" means a pupil in membership in
 22 grades K to 8 in a district not maintaining classes above the
 23 eighth grade or in grades K to 6 in a district maintaining classes
 24 above the eighth grade. For the purposes of calculating universal
 25 service fund (e-rate) discounts, "elementary pupil" includes
 26 children enrolled in a preschool program operated by a district in
 27 its facilities.

1 (2) ~~(3)~~—"Extended school year" means an educational program
2 conducted by a district in which pupils must be enrolled but not
3 necessarily in attendance on the pupil membership count day in an
4 extended year program. The mandatory clock hours shall be completed
5 by each pupil not more than 365 calendar days after the pupil's
6 first day of classes for the school year prescribed. The department
7 shall prescribe pupil, personnel, and other reporting requirements
8 for the educational program.

9 (3) ~~(4)~~—"Fiscal year" means the state fiscal year that
10 commences October 1 and continues through September 30.

11 (4) ~~(5)~~—"High school equivalency certificate" means a
12 certificate granted for the successful completion of a high school
13 equivalency test.

14 (5) ~~(6)~~—"High school equivalency test" means the G.E.D. test
15 developed by the GED Testing Service, the Test Assessing Secondary
16 Completion (TASC) developed by CTS/McGraw-Hill, the HISET test
17 developed by the Education Testing Service (ETS), or another
18 comparable test approved by the department of talent and economic
19 development.

20 (6) ~~(7)~~—"High school equivalency test preparation program"
21 means a program that has high school level courses in English
22 language arts, social studies, science, and mathematics and that
23 prepares an individual to successfully complete a high school
24 equivalency test.

25 (7) ~~(8)~~—"High school pupil" means a pupil in membership in
26 grades 7 to 12, except in a district not maintaining grades above
27 the eighth grade.

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

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

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

1 or other credential of equal status.

2 (4) "Membership", except as otherwise provided in this
3 article, means for a district, a public school academy, ~~the~~
4 ~~education achievement system,~~ or an intermediate district the sum
5 of the product of .90 times the number of full-time equated pupils
6 in grades K to 12 actually enrolled and in regular daily attendance
7 on the pupil membership count day for the current school year, plus
8 the product of .10 times the final audited count from the
9 supplemental count day for the immediately preceding school year. A
10 district's, public school academy's, or intermediate district's
11 membership shall be adjusted as provided under section 25e for
12 pupils who enroll after the pupil membership count day in a strict
13 discipline academy operating under sections 1311b to 1311m of the
14 revised school code, MCL 380.1311b to 380.1311m. However, for a
15 district that is a community district, ~~in its first year of~~
16 ~~operation,~~ "membership" means the sum of the product of .90 times
17 the number of full-time equated pupils in grades K to 12 actually
18 enrolled and in regular daily attendance in the community district
19 on the pupil membership count day for the current school year, plus
20 the product of .10 times **THE SUM OF** the final audited count from
21 the supplemental count day of pupils in grades K to 12 actually
22 enrolled and in regular daily attendance in a ~~qualifying school~~
23 ~~district as defined in section 5 of the revised school code, MCL~~
24 ~~380.5,~~ **THE COMMUNITY DISTRICT FOR THE IMMEDIATELY PRECEDING SCHOOL**
25 **YEAR PLUS THE FINAL AUDITED COUNT FROM THE SUPPLEMENTAL COUNT DAY**
26 **OF PUPILS IN GRADES K TO 12 ACTUALLY ENROLLED AND IN REGULAR DAILY**
27 **ATTENDANCE IN THE EDUCATION ACHIEVEMENT SYSTEM** for the immediately

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

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

27 (b) If a pupil is educated in a district other than the

1 pupil's district of residence, if the pupil is not being educated
2 as part of a cooperative education program, if the pupil's district
3 of residence does not give the educating district its approval to
4 count the pupil in membership in the educating district, and if the
5 pupil is not covered by an exception specified in subsection (6) to
6 the requirement that the educating district must have the approval
7 of the pupil's district of residence to count the pupil in
8 membership, the pupil shall not be counted in membership in any
9 district.

10 (c) A special education pupil educated by the intermediate
11 district shall be counted in membership in the intermediate
12 district.

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

19 (e) A pupil enrolled in the Michigan ~~schools~~ **SCHOOLS** for the
20 ~~deaf and blind~~ **DEAF AND BLIND** shall be counted in membership in the
21 pupil's intermediate district of residence.

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

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

3 ~~(h) A pupil enrolled in an achievement school shall be counted~~
4 ~~in membership in the education achievement system.~~ **FOR THE PURPOSES**
5 **OF THIS SECTION AND SECTION 6A, FOR A CYBER SCHOOL, AS DEFINED IN**
6 **SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551, THAT IS IN**
7 **COMPLIANCE WITH SECTION 553A OF THE REVISED SCHOOL CODE, MCL**
8 **380.553A, A PUPIL'S PARTICIPATION IN THE CYBER SCHOOL'S EDUCATIONAL**
9 **PROGRAM IS CONSIDERED REGULAR DAILY ATTENDANCE, AND FOR A DISTRICT**
10 **OR PUBLIC SCHOOL ACADEMY, A PUPIL'S PARTICIPATION IN A VIRTUAL**
11 **COURSE AS DEFINED IN SECTION 21F IS CONSIDERED REGULAR DAILY**
12 **ATTENDANCE.**

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

17 (i) If operations begin before the pupil membership count day
18 for the fiscal year, membership is the average number of full-time
19 equated pupils in grades K to 12 actually enrolled and in regular
20 daily attendance on the pupil membership count day for the current
21 school year and on the supplemental count day for the current
22 school year, as determined by the department and calculated by
23 adding the number of pupils registered for attendance on the pupil
24 membership count day plus pupils received by transfer and minus
25 pupils lost as defined by rules promulgated by the superintendent,
26 and as corrected by a subsequent department audit, plus the final
27 audited count from the supplemental count day for the current

1 school year, and dividing that sum by 2.

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

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

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

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

1 follows:

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

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

9 (A) Is enrolled in a public school academy or an alternative
10 education high school diploma program, that is primarily focused on
11 educating pupils with extreme barriers to education, such as being
12 homeless as defined under 42 USC 11302.

13 (B) Had dropped out of school.

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

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

24 (m) An individual who has achieved a high school diploma shall
25 not be counted in membership. An individual who has achieved a high
26 school equivalency certificate shall not be counted in membership
27 unless the individual is a student with a disability as defined in

1 R 340.1702 of the Michigan ~~administrative code.~~ **ADMINISTRATIVE**
2 **CODE.** An individual participating in a job training program funded
3 under former section 107a or a jobs program funded under former
4 section 107b, administered by the department of talent and economic
5 development, or participating in any successor of either of those 2
6 programs, shall not be counted in membership.

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

21 (i) If the public school academy ~~or the education achievement~~
22 ~~system~~ provides instruction for at least 1/2 of the class hours
23 required under section 101, the public school academy ~~or the~~
24 ~~education achievement system~~ shall receive as its prorated share of
25 the full-time equated membership for each of those pupils an amount
26 equal to 1 times the product of the hours of instruction the public
27 school academy ~~or the education achievement system~~ provides divided

1 by the number of hours required under section 101 for full-time
2 equivalency, and the remainder of the full-time membership for each
3 of those pupils shall be allocated to the district or intermediate
4 district providing the remainder of the hours of instruction.

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

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

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

23 (q) The number of class hours used to calculate full-time
24 equated memberships shall be consistent with section 101. In
25 determining full-time equated memberships for pupils who are
26 enrolled in a postsecondary institution, a pupil shall not be
27 considered to be less than a full-time equated pupil solely because

1 of the effect of his or her postsecondary enrollment, including
2 necessary travel time, on the number of class hours provided by the
3 district to the pupil.

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

19 (s) For a district ~~, OR a public school academy, or the~~
20 ~~education achievement system~~ that has pupils enrolled in a grade
21 level that was not offered by the district ~~, the OR~~ public school
22 academy ~~, or the education achievement system~~ in the immediately
23 preceding school year, the number of pupils enrolled in that grade
24 level to be counted in membership is the average of the number of
25 those pupils enrolled and in regular daily attendance on the pupil
26 membership count day and the supplemental count day of the current
27 school year, as determined by the department. Membership shall be

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

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

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

26 (i) The district provides at least 2 nonconsecutive hours of
27 instruction per week to the pupil at the pupil's home or otherwise

1 apart from the general school population under the supervision of a
2 certificated teacher.

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

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

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

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

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

1 (x) If a district's membership for a particular fiscal year,
2 as otherwise calculated under this subsection, would be less than
3 1,550 pupils and the district has 4.5 or fewer pupils per square
4 mile, as determined by the department, and if the district does not
5 receive funding under section 22d(2), the district's membership
6 shall be considered to be the membership figure calculated under
7 this subdivision. If a district educates and counts in its
8 membership pupils in grades 9 to 12 who reside in a contiguous
9 district that does not operate grades 9 to 12 and if 1 or both of
10 the affected districts request the department to use the
11 determination allowed under this sentence, the department shall
12 include the square mileage of both districts in determining the
13 number of pupils per square mile for each of the districts for the
14 purposes of this subdivision. The membership figure calculated
15 under this subdivision is the greater of the following:

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

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

23 (y) Full-time equated memberships for special education pupils
24 who are not enrolled in kindergarten but are enrolled in a
25 classroom program under R 340.1754 of the Michigan ~~administrative~~
26 ~~code~~ **ADMINISTRATIVE CODE** shall be determined by dividing the number
27 of class hours scheduled and provided per year by 450. Full-time

1 equated memberships for special education pupils who are not
2 enrolled in kindergarten but are receiving early childhood special
3 education services under R 340.1755 or R 340.1862 of the Michigan
4 ~~administrative code~~ **ADMINISTRATIVE CODE** shall be determined by
5 dividing the number of hours of service scheduled and provided per
6 year per-pupil by 180.

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

12 (aa) For the first year in which a pupil is counted in
13 membership on the pupil membership count day in a middle college
14 program, the membership is the average of the full-time equated
15 membership on the pupil membership count day and on the
16 supplemental count day for the current school year, as determined
17 by the department. If a pupil described in this subdivision was
18 counted in membership by the operating district on the immediately
19 preceding supplemental count day, the pupil shall be excluded from
20 the district's immediately preceding supplemental count for the
21 purposes of determining the district's membership.

22 (bb) A district ~~, a~~ **OR** public school academy ~~, or the~~
23 ~~education achievement system~~ that educates a pupil who attends a
24 United States Olympic Education Center may count the pupil in
25 membership regardless of whether or not the pupil is a resident of
26 this state.

27 (cc) A pupil enrolled in a district other than the pupil's

1 district of residence pursuant to section 1148(2) of the revised
2 school code, MCL 380.1148, shall be counted in the educating
3 district. ~~or the education achievement system.~~

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

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

24 (ii) The pupil meets the district's definition under section
25 23a of satisfactory monthly progress for that month or, if the
26 pupil does not meet that definition of satisfactory monthly
27 progress for that month, the pupil did meet that definition of

1 satisfactory monthly progress in the immediately preceding month
2 and appropriate interventions are implemented within 10 school days
3 after it is determined that the pupil does not meet that definition
4 of satisfactory monthly progress.

5 (ee) A pupil participating in a virtual course under section
6 21f shall be counted in membership in the district enrolling the
7 pupil.

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

20 (gg) If a special education pupil is expelled under section
21 1311 or 1311a of the revised school code, MCL 380.1311 and
22 380.1311a, and is not in attendance on the pupil membership count
23 day because of the expulsion, and if the pupil remains enrolled in
24 the district and resumes regular daily attendance during that
25 school year, the district's membership shall be adjusted to count
26 the pupil in membership as if he or she had been in attendance on
27 the pupil membership count day.

1 (hh) A pupil enrolled in a community district shall be counted
2 in membership in the community district. ~~For a community district~~
3 ~~in its first fiscal year of operations only, until the department~~
4 ~~is able to calculate the community district's membership, the~~
5 ~~department shall consider the community district's membership to be~~
6 ~~the same as the membership for the immediately preceding fiscal~~
7 ~~year for a district with the same boundaries as the community~~
8 ~~district that had membership for that fiscal year.~~

9 (II) A PART-TIME PUPIL ENROLLED IN A NONPUBLIC SCHOOL IN
10 GRADES K TO 12 IN ACCORDANCE WITH SECTION 166B SHALL NOT BE COUNTED
11 AS MORE THAN 0.75 OF A FULL-TIME EQUATED MEMBERSHIP.

12 (JJ) A DISTRICT THAT BORDERS ANOTHER STATE OR A PUBLIC SCHOOL
13 ACADEMY THAT OPERATES AT LEAST GRADES 9 TO 12 AND IS LOCATED WITHIN
14 20 MILES OF A BORDER WITH ANOTHER STATE MAY COUNT IN MEMBERSHIP A
15 PUPIL WHO IS ENROLLED IN A COURSE AT A COLLEGE OR UNIVERSITY THAT
16 IS LOCATED IN THE BORDERING STATE AND WITHIN 20 MILES OF THE BORDER
17 WITH THIS STATE IF ALL OF THE FOLLOWING ARE MET:

18 (i) THE PUPIL WOULD MEET THE DEFINITION OF AN ELIGIBLE STUDENT
19 UNDER THE POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL
20 388.511 TO 388.524, IF THE COURSE WERE AN ELIGIBLE COURSE UNDER
21 THAT ACT.

22 (ii) THE COURSE IN WHICH THE PUPIL IS ENROLLED WOULD MEET THE
23 DEFINITION OF AN ELIGIBLE COURSE UNDER THE POSTSECONDARY ENROLLMENT
24 OPTIONS ACT, 1996 PA 160, MCL 388.511 TO 388.524, IF THE COURSE
25 WERE PROVIDED BY AN ELIGIBLE POSTSECONDARY INSTITUTION UNDER THAT
26 ACT.

27 (iii) THE DEPARTMENT DETERMINES THAT THE COLLEGE OR UNIVERSITY

1 IS AN INSTITUTION THAT, IN THE OTHER STATE, FULFILLS A FUNCTION
2 COMPARABLE TO A STATE UNIVERSITY OR COMMUNITY COLLEGE, AS THOSE
3 TERMS ARE DEFINED IN SECTION 3 OF THE POSTSECONDARY ENROLLMENT
4 OPTIONS ACT, 1996 PA 160, MCL 388.513, OR IS AN INDEPENDENT
5 NONPROFIT DEGREE-GRANTING COLLEGE OR UNIVERSITY.

6 (iv) THE DISTRICT OR PUBLIC SCHOOL ACADEMY PAYS FOR A PORTION
7 OF THE PUPIL'S TUITION AT THE COLLEGE OR UNIVERSITY IN AN AMOUNT
8 EQUAL TO THE ELIGIBLE CHARGES THAT THE DISTRICT OR PUBLIC SCHOOL
9 ACADEMY WOULD PAY TO AN ELIGIBLE POSTSECONDARY INSTITUTION UNDER
10 THE POSTSECONDARY ENROLLMENT OPTIONS ACT, 1996 PA 160, MCL 388.511
11 TO 388.524, AS IF THE COURSE WERE AN ELIGIBLE COURSE UNDER THAT
12 ACT.

13 (v) THE DISTRICT OR PUBLIC SCHOOL ACADEMY AWARDS HIGH SCHOOL
14 CREDIT TO A PUPIL WHO SUCCESSFULLY COMPLETES A COURSE AS DESCRIBED
15 IN THIS SUBDIVISION.

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

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

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

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

27 (c) A pupil enrolled in a public school academy. ~~or the~~

1 ~~education achievement system.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

1 or legal ward.

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

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

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

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

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

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

1 those pupils in membership.

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

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

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

12 (i) Fourth Wednesday in July.

13 (ii) First Wednesday in October.

14 (iii) Second Wednesday in February.

15 (iv) Fourth Wednesday in April.

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

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

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

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

26 (11) "School district of the first class", "first class school
27 district", and "district of the first class" mean, for the purposes

1 of this article only, a district that had at least 40,000 pupils in
2 membership for the immediately preceding fiscal year.

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

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

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

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

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

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

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

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

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

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

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

18 (2) If the department does not assign a district code to a
19 public school academy within the 30-day period described in
20 subsection (1), the district code the department shall use to make
21 payments under this article to the newly authorized public school
22 academy shall be a number that is equivalent to the sum of the last
23 district code assigned to a public school academy located in the
24 same county as the newly authorized public school academy plus 1.
25 However, if there is not an existing public school academy located
26 in the same county as the newly authorized public school academy,
27 then the district code the department shall use to make payments

1 under this article to the newly authorized public school academy
2 shall be a 5-digit number that has the county code in which the
3 public school academy is located as its first 2 digits, 9 as its
4 third digit, 0 as its fourth digit, and 1 as its fifth digit. If
5 the number of public school academies in a county grows to exceed
6 100, the third digit in this 5-digit number shall then be 7 for the
7 public school academies in excess of 100.

8 (3) For each school of excellence that is a cyber school and
9 is authorized under part 6e of the revised school code, MCL 380.551
10 to 380.561, by a school district, intermediate school district,
11 community college other than a federal tribally controlled
12 community college, or other authorizing body that is not empowered
13 to authorize a school of excellence to operate statewide and is
14 eligible to receive funding under this article, ~~the~~ **ALL OF THE**
15 **FOLLOWING APPLY:**

16 (A) **THE** department shall assign a district code that includes
17 as the first 2 digits the county code in which the authorizing body
18 is located.

19 (B) **IF THE CYBER SCHOOL DOES NOT PROVIDE INSTRUCTION AT A**
20 **SPECIFIC LOCATION, THE INTERMEDIATE DISTRICT THAT WOULD NORMALLY**
21 **PROVIDE PROGRAMS AND SERVICES TO THE SCHOOL DISTRICT IN WHICH THE**
22 **ADMINISTRATIVE OFFICE OF CYBER SCHOOL IS LOCATED SHALL PROVIDE**
23 **PROGRAMS AND SERVICES TO THE CYBER SCHOOL. THE INTERMEDIATE SCHOOL**
24 **DISTRICT REQUIRED TO PROVIDE PROGRAMS AND SERVICES TO A CYBER**
25 **SCHOOL UNDER THIS SUBDIVISION REMAINS THE SAME FOR AS LONG AS THAT**
26 **CYBER SCHOOL IS IN OPERATION.**

27 Sec. 11. (1) ~~For the fiscal year ending September 30, 2016,~~

Senate Bill No. 149 as amended May 3, 2017

1 ~~there is appropriated for the public schools of this state and~~
2 ~~certain other state purposes relating to education the sum of~~
3 ~~\$11,905,439,300.00 from the state school aid fund and the sum of~~
4 ~~\$55,100,000.00 from the general fund. For the fiscal year ending~~
5 ~~September 30, 2017, there is appropriated for the public schools of~~
6 ~~this state and certain other state purposes relating to education~~
7 ~~the sum of \$12,052,309,300.00~~ **\$12,036,869,300.00** from the state
8 school aid fund, the sum of \$218,900,000.00 from the general fund,
9 an amount not to exceed \$72,000,000.00 from the community district
10 education trust fund created under section 12 of the Michigan trust
11 fund act, 2000 PA 489, MCL 12.262, and an amount not to exceed
12 \$100.00 from the water emergency reserve fund. **FOR THE FISCAL YEAR**
13 **ENDING SEPTEMBER 30, 2018, THERE IS APPROPRIATED FOR THE PUBLIC**
14 **SCHOOLS OF THIS STATE AND CERTAIN OTHER STATE PURPOSES RELATING TO**
15 **EDUCATION THE SUM OF <<\$12,293,761,900.00>> FROM THE STATE SCHOOL AID**
16 **FUND, THE SUM OF \$195,000,000.00 FROM THE GENERAL FUND, AN AMOUNT**
17 **NOT TO EXCEED \$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION**
18 **TRUST FUND CREATED UNDER SECTION 12 OF THE MICHIGAN TRUST FUND ACT,**
19 **2000 PA 489, MCL 12.262, AND AN AMOUNT NOT TO EXCEED \$100.00 FROM**
20 **THE WATER EMERGENCY RESERVE FUND.** In addition, all ~~other~~ available
21 federal funds are appropriated each fiscal year for the fiscal
22 years ending ~~September 30, 2016 and September 30, 2017~~ **AND**
23 **SEPTEMBER 30, 2018.**

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

1 this section from the state school aid fund.

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

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

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

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

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

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

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

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

27 (5) Money in the school aid stabilization fund at the close of

1 a fiscal year shall remain in the school aid stabilization fund and
2 shall not lapse to the unreserved school aid fund balance or the
3 general fund.

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

17 (7) For 2016-2017 **AND FOR 2017-2018**, in addition to the
18 appropriations in section 11, there is appropriated from the school
19 aid stabilization fund to the state school aid fund the amount
20 necessary to fully fund the allocations under this article.

21 Sec. 11j. From the appropriation in section 11, ~~there is~~
22 ~~allocated an amount not to exceed \$10,500,000.00 for 2015-2016 and~~
23 ~~there is allocated an amount not to exceed \$126,500,000.00~~
24 **\$125,500,000.00 for 2016-2017-2017-2018** for payments to the school
25 loan bond redemption fund in the department of treasury on behalf
26 of districts and intermediate districts. Notwithstanding section
27 296 or any other provision of this act, funds allocated under this

1 section are not subject to proration and shall be paid in full.

2 Sec. 11k. For ~~2016-2017,~~ **2017-2018**, there is appropriated from
3 the general fund to the school loan revolving fund an amount equal
4 to the amount of school bond loans assigned to the Michigan finance
5 authority, not to exceed the total amount of school bond loans held
6 in reserve as long-term assets. As used in this section, "school
7 loan revolving fund" means that fund created in section 16c of the
8 shared credit rating act, 1985 PA 227, MCL 141.1066c.

9 Sec. 11m. From the appropriation in section 11, ~~there is~~
10 ~~allocated for 2015-2016 an amount not to exceed \$1,000,000.00 and~~
11 there is allocated for 2016-2017 an amount not to exceed
12 ~~\$3,000,000.00~~ **\$5,500,000.00 AND THERE IS ALLOCATED FOR 2017-2018 AN**
13 **AMOUNT NOT TO EXCEED \$6,500,000.00** for fiscal year cash-flow
14 borrowing costs solely related to the state school aid fund
15 established by section 11 of article IX of the state constitution
16 of 1963.

17 Sec. 11r. (1) From the appropriation in section 11, there is
18 allocated for 2014-2015 an amount not to exceed \$4,000,000.00 to be
19 deposited into the distressed districts emergency grant fund
20 created under this section for the purpose of funding grants under
21 this section.

22 (2) The distressed districts emergency grant fund is created
23 as a separate account within the state school aid fund. The state
24 treasurer may receive money or other assets from any source for
25 deposit into the distressed districts emergency grant fund. The
26 state treasurer shall direct the investment of the distressed
27 districts emergency grant fund and shall credit to the distressed

1 districts emergency grant fund interest and earnings from the fund.

2 (3) Subject to subsection (4), a district is eligible to
3 receive a grant from the distressed districts emergency grant fund
4 if either of the following applies:

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

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

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

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

1 20g.

2 (6) Before disbursing funds under this section, the state
3 treasurer shall notify the house and senate appropriations
4 subcommittees on school aid and the house and senate fiscal
5 agencies. The notification shall include, but not be limited to,
6 the district receiving funds under this section, the amount of the
7 funds awarded under this section, an explanation of the district
8 conditions that necessitate funding under this section, and the
9 intended use of funds disbursed under this section.

10 (7) Except as otherwise provided in subsection (8), money in
11 the distressed districts emergency grant fund at the close of a
12 fiscal year shall remain in the distressed districts emergency
13 grant fund and shall not lapse to the state school aid fund or to
14 the general fund.

15 (8) For ~~2015-2016-2016-2017~~ only, ~~an amount not to exceed~~
16 ~~\$2,800,000.00~~ **THE REMAINING BALANCE IN THE WORK PROJECT THAT WAS**
17 **ESTABLISHED UNDER THIS SECTION FOR 2014-2015, ESTIMATED AT**
18 **\$1,000,000.00**, shall be lapsed from the distressed districts
19 emergency grant fund to the state school aid fund.

20 Sec. 11s. (1) From the general fund appropriation in section
21 11, there is allocated \$10,142,500.00 for 2016-2017 **AND THERE IS**
22 **ALLOCATED \$8,730,000.00 FOR 2017-2018** for the purpose of providing
23 services and programs to children who reside within the boundaries
24 of a district with the majority of its territory located within the
25 boundaries of a city for which an executive proclamation of
26 emergency is issued in the current or immediately preceding ~~fiscal~~
27 ~~year-2~~ **FISCAL YEARS** under the emergency management act, 1976 PA

1 390, MCL 30.401 to 30.421. From the funding appropriated in section
2 11, there is allocated **FOR EACH FISCAL YEAR FOR 2016-2017 AND FOR**
3 **2017-2018** \$100.00 from the water emergency reserve fund for the
4 purposes of this section.

5 (2) From the allocation in subsection (1), there is allocated
6 to a district with the majority of its territory located within the
7 boundaries of a city in which an executive proclamation of
8 emergency is issued in the current or immediately preceding ~~fiscal~~
9 ~~year~~ **2 FISCAL YEARS** and that has at least ~~5,000~~ **4,500** pupils in
10 membership for the ~~current~~ **2016-2017** fiscal year **OR HAS AT LEAST**
11 **4,000 PUPILS IN MEMBERSHIP FOR A FISCAL YEAR AFTER 2016-2017**, an
12 amount not to exceed \$1,292,500.00 **FOR 2016-2017 AND AN AMOUNT NOT**
13 **TO EXCEED \$2,625,000.00 FOR 2017-2018** for the purpose of employing
14 school nurses and school social workers. The district shall provide
15 a report to the department in a form, manner, and frequency
16 ~~approved~~ **PRESCRIBED** by the department. The department shall provide
17 a copy of that report to the governor, the house and senate school
18 aid subcommittees, the house and senate fiscal agencies, and the
19 state budget director within 5 days after receipt. The report shall
20 provide at least the following information:

21 (a) How many personnel were hired using the funds allocated
22 under this subsection.

23 (b) A description of the services provided to pupils by those
24 personnel.

25 (c) How many pupils received each type of service identified
26 in subdivision (b).

27 (d) Any other information the department considers necessary

1 to ensure that the children described in subsection (1) received
2 appropriate levels and types of services.

3 (3) From the allocation in subsection (1), there is allocated
4 to an intermediate district that has a constituent district
5 described in subsection (2) an amount not to exceed \$1,195,000.00
6 **FOR 2016-2017 AND AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR 2017-**
7 **2018** to augment staff for the purpose of providing additional early
8 childhood services and for nutritional services to children
9 described in subsection (1), regardless of location of school of
10 attendance. ~~The~~ **FOR 2016-2017, THE** early childhood services to be
11 provided under this subsection are state early intervention
12 services as described in subsection (4) and early literacy
13 services. **BEGINNING WITH 2017-2018, THE EARLY CHILDHOOD SERVICES TO**
14 **BE PROVIDED UNDER THIS SUBSECTION ARE STATE EARLY INTERVENTION**
15 **SERVICES THAT ARE SIMILAR TO THE SERVICES DESCRIBED IN THE EARLY ON**
16 **MICHIGAN STATE PLAN, INCLUDING ENSURING THAT ALL CHILDREN DESCRIBED**
17 **IN SUBSECTION (1) WHO ARE LESS THAN 4 YEARS OF AGE AS OF SEPTEMBER**
18 **1, 2016 ARE ASSESSED AND EVALUATED AT LEAST TWICE ANNUALLY.** In
19 addition, funds allocated under this subsection may also be
20 expended to provide informational resources to parents, educators,
21 and the community, and to coordinate services with other local
22 agencies. The intermediate district shall provide a report to the
23 department in a form, manner, and frequency approved by the
24 department. The department shall provide a copy of that report to
25 the governor, the house and senate school aid subcommittees, the
26 house and senate fiscal agencies, and the state budget director
27 within 5 days after receipt. The report shall provide at least the

1 following information:

2 (a) How many personnel were hired using the funds appropriated
3 in this subsection.

4 (b) A description of the services provided to children by
5 those personnel.

6 (c) What types of additional nutritional services were
7 provided.

8 (d) How many children received each type of service identified
9 in subdivisions (b) and (c).

10 (e) What types of informational resources and coordination
11 efforts were provided.

12 (f) Any other information the department considers necessary
13 to ensure that the children described in subsection (1) received
14 appropriate levels and types of services.

15 (4) ~~From~~ **FOR 2016-2017 ONLY, FROM** the allocation in subsection
16 (1), there is allocated an amount not to exceed \$6,155,000.00 to
17 intermediate districts described in subsection (3) to provide state
18 early intervention services for children described in subsection
19 (1) who are less than 4 years of age as of September 1, 2016. The
20 intermediate district shall use these funds to provide state early
21 intervention services that are similar to the services described in
22 the early on Michigan state plan, including ensuring that all
23 children described in subsection (1) who are less than 4 years of
24 age as of September 1, 2016 are assessed and evaluated at least
25 twice annually.

26 (5) From the allocation in subsection (1), there is allocated
27 an amount not to exceed \$1,500,000.00 **FOR 2016-2017 AND AN AMOUNT**

1 **NOT TO EXCEED \$3,000,000.00 FOR 2017-2018** to intermediate districts
2 described in subsection (3) to enroll children described in
3 subsection (1) in school-day great start readiness programs,
4 regardless of household income eligibility requirements contained
5 in section 39. The department shall administer this funding
6 consistent with all other provisions of the great start readiness
7 programs contained in section 32d and section 39.

8 **(6) FOR 2017-2018, FROM THE ALLOCATION IN SUBSECTION (1),**
9 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$605,000.00 FOR**
10 **NUTRITIONAL SERVICES TO CHILDREN DESCRIBED IN SUBSECTION (1).**

11 **(7) ~~(6)~~**—In addition to other funding allocated and
12 appropriated in this section, there is appropriated an amount not
13 to exceed \$15,000,000.00 **EACH FISCAL YEAR** for 2016-2017 **AND 2017-**
14 **2018** for state restricted contingency funds. These contingency
15 funds are not available for expenditure until they have been
16 transferred to a section within this article under section 393(2)
17 of the management and budget act, 1984 PA 431, MCL 18.1393.

18 **(8) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION**
19 **SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

20 Sec. 15. (1) If a district or intermediate district fails to
21 receive its proper apportionment, the department, upon satisfactory
22 proof that the district or intermediate district was entitled
23 justly, shall apportion the deficiency in the next apportionment.
24 Subject to subsections (2) and (3), if a district or intermediate
25 district has received more than its proper apportionment, the
26 department, upon satisfactory proof, shall deduct the excess in the
27 next apportionment. Notwithstanding any other provision in this

1 article, state aid overpayments to a district, other than
2 overpayments in payments for special education or special education
3 transportation, may be recovered from any payment made under this
4 article other than a special education or special education
5 transportation payment, from the proceeds of a loan to the district
6 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
7 141.942, or from the proceeds of millage levied or pledged under
8 section 1211 of the revised school code, MCL 380.1211. State aid
9 overpayments made in special education or special education
10 transportation payments may be recovered from subsequent special
11 education or special education transportation payments, from the
12 proceeds of a loan to the district under the emergency municipal
13 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
14 of millage levied or pledged under section 1211 of the revised
15 school code, MCL 380.1211.

16 (2) If the result of an audit conducted by or for the
17 department affects the current fiscal year membership, affected
18 payments shall be adjusted in the current fiscal year. A deduction
19 due to an adjustment made as a result of an audit conducted by or
20 for the department, or as a result of information obtained by the
21 department from the district, an intermediate district, the
22 department of treasury, or the office of auditor general, shall be
23 deducted from the district's apportionments when the adjustment is
24 finalized. At the request of the district and upon the district
25 presenting evidence satisfactory to the department of the hardship,
26 the department may grant up to an additional 4 years for the
27 adjustment and may advance payments to the district otherwise

1 authorized under this article if the district would otherwise
2 experience a significant hardship in satisfying its financial
3 obligations.

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

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

27 (5) Expenditures made by the department under this article

1 that are caused by the write-off of prior year accruals may be
2 funded by revenue from the write-off of prior year accruals.

3 (6) THE DEPARTMENT SHALL NOT DEDUCT ANY FUNDS FROM A DISTRICT
4 DUE TO A PUPIL BEING COUNTED IN MEMBERSHIP BEFORE THE EFFECTIVE
5 DATE OF THE AMENDATORY ACT THAT ADDED SECTION 6(4)(JJ), OR
6 OTHERWISE REDUCE AN ALLOCATION UNDER THIS ARTICLE TO A DISTRICT
7 RELATIVE TO THE COUNTING OF A PUPIL IN MEMBERSHIP AS PROVIDED UNDER
8 SECTION 6(4)(JJ), IF THE DISTRICT SUBSTANTIALLY COMPLIED WITH THE
9 REQUIREMENTS UNDER SECTION 6(4)(JJ) IN A PREVIOUS FISCAL YEAR AS IF
10 SECTION 6(4)(JJ) HAD BEEN IN EFFECT IN THE PREVIOUS FISCAL YEAR.

11 (7) ~~(6)~~—In addition to funds appropriated in section 11 for all
12 programs and services, there is appropriated for ~~2016–2017–2017–~~
13 ~~2018~~ for obligations in excess of applicable appropriations an
14 amount equal to the collection of overpayments, but not to exceed
15 amounts available from overpayments.

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

1 this section. The department shall determine the reasonableness of
2 expenditures and may withhold from a recipient of funds under this
3 article the apportionment otherwise due upon a violation by the
4 recipient.

5 (2) A district or intermediate district shall adopt an annual
6 budget in a manner that complies with the uniform budgeting and
7 accounting act, 1968 PA 2, MCL 141.421 to 141.440a. Within 15 days
8 after a district board adopts its annual operating budget for the
9 following school fiscal year, or after a district board adopts a
10 subsequent revision to that budget, the district shall make all of
11 the following available through a link on its website homepage, or
12 may make the information available through a link on its
13 intermediate district's website homepage, in a form and manner
14 prescribed by the department:

15 (a) The annual operating budget and subsequent budget
16 revisions.

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

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

23 (A) Salaries and wages.

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

27 (C) Retirement benefit costs.

1 (D) All other personnel costs.

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

4 (A) Instruction.

5 (B) Support services.

6 (C) Business and administration.

7 (D) Operations and maintenance.

8 (c) Links to all of the following:

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

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

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

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

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

22 (vi) The district's written policy establishing specific
23 categories of reimbursable expenses, as described in section
24 1254(2) of the revised school code, MCL 380.1254.

25 (vii) Either the district's accounts payable check register
26 for the most recent school fiscal year or a statement of the total
27 amount of expenses incurred by board members or employees of the

1 district that were reimbursed by the district for the most recent
2 school fiscal year.

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

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

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

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

14 (h) Identification of all credit cards maintained by the
15 district as district credit cards, the identity of all individuals
16 authorized to use each of those credit cards, the credit limit on
17 each credit card, and the dollar limit, if any, for each
18 individual's authorized use of the credit card.

19 (i) Costs incurred for each instance of out-of-state travel by
20 the school administrator of the district that is fully or partially
21 paid for by the district and the details of each of those instances
22 of out-of-state travel, including at least identification of each
23 individual on the trip, destination, and purpose.

24 (3) For the information required under subsection (2)(a),
25 (2)(b)(i), and (2)(c), an intermediate district shall provide the
26 same information in the same manner as required for a district
27 under subsection (2).

1 (4) For the purposes of determining the reasonableness of
2 expenditures, whether a district or intermediate district has
3 received the proper amount of funds under this article, and whether
4 a violation of this article has occurred, all of the following
5 apply:

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

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

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

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

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

11 (e) All of the following shall be done not later than November
12 1 each year for reporting the prior fiscal year data:

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

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

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

21 (f) The annual financial audit reports and pupil accounting
22 procedures reports shall be available to the public in compliance
23 with the freedom of information act, 1976 PA 442, MCL 15.231 to
24 15.246.

25 (g) Not later than January 31 of each year, the department
26 shall notify the state budget director and the legislative
27 appropriations subcommittees responsible for review of the school

1 aid budget of districts and intermediate districts that have not
2 filed an annual financial audit and pupil accounting procedures
3 report required under this section for the school year ending in
4 the immediately preceding fiscal year.

5 (5) By November 1 each fiscal year, each district and
6 intermediate district shall submit to the center, in a manner
7 prescribed by the center, annual comprehensive financial data
8 consistent with the district's or intermediate district's audited
9 financial statements and consistent with accounting manuals and
10 charts of accounts approved and published by the department. For an
11 intermediate district, the report shall also contain the website
12 address where the department can access the report required under
13 section 620 of the revised school code, MCL 380.620. The department
14 shall ensure that the prescribed Michigan public school accounting
15 manual chart of accounts includes standard conventions to
16 distinguish expenditures by allowable fund function and object. The
17 functions shall include at minimum categories for instruction,
18 pupil support, instructional staff support, general administration,
19 school administration, business administration, transportation,
20 facilities operation and maintenance, facilities acquisition, and
21 debt service; and shall include object classifications of salary,
22 benefits, including categories for active employee health
23 expenditures, purchased services, supplies, capital outlay, and
24 other. Districts shall report the required level of detail
25 consistent with the manual as part of the comprehensive annual
26 financial report.

27 (6) By September 30 of each year, each district and

1 intermediate district shall file with the department the special
2 education actual cost report, known as "SE-4096", on a form and in
3 the manner prescribed by the department.

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

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

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

15 (10) If a district or intermediate district does not comply
16 with subsections (4), (5), (6), and (7), or if the department
17 determines that the financial data required under subsection (5)
18 are not consistent with audited financial statements, the
19 department shall withhold all state school aid due to the district
20 or intermediate district under this article, beginning with the
21 next payment due to the district or intermediate district, until
22 the district or intermediate district complies with subsections
23 (4), (5), (6), and (7). If the district or intermediate district
24 does not comply with subsections (4), (5), (6), and (7) by the end
25 of the fiscal year, the district or intermediate district forfeits
26 the amount withheld.

27 (11) If a district or intermediate district does not comply

1 with subsection (2), the department may withhold up to 10% of the
2 total state school aid due to the district or intermediate district
3 under this article, beginning with the next payment due to the
4 district or intermediate district, until the district or
5 intermediate district complies with subsection (2). If the district
6 or intermediate district does not comply with subsection (2) by the
7 end of the fiscal year, the district or intermediate district
8 forfeits the amount withheld.

9 (12) ~~Not later than~~ **BY** November 1 ~~, 2016,~~ **OF EACH YEAR,** if a
10 district or intermediate district offers virtual learning under
11 section 21f, the district or intermediate district shall submit to
12 the department a report that details the per-pupil costs of
13 operating the virtual learning by vendor type. The report shall
14 include at least all of the following information concerning the
15 operation of virtual learning for the **IMMEDIATELY PRECEDING** school
16 fiscal year: ~~ending June 30, 2016:~~

17 (a) The name of the district operating the virtual learning
18 and of each district that enrolled students in the virtual
19 learning.

20 (b) The total number of students enrolled in the virtual
21 learning and the total number of membership pupils enrolled in the
22 virtual learning.

23 (c) For each pupil who is enrolled in a district other than
24 the district offering virtual learning, the name of that district.

25 (d) The district in which the pupil was enrolled before
26 enrolling in the district offering virtual learning.

27 (e) The number of participating students who had previously

1 dropped out of school.

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

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

11 (h) The name of each virtual education provider contracted by
12 the district and the state in which each virtual education provider
13 is headquartered.

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

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

22 (a) Virtual courses provided by the Michigan Virtual
23 University.

24 (b) Virtual courses provided by a school of excellence that is
25 a cyber school, as defined in section 551 of the revised school
26 code, MCL 380.551.

27 (c) Virtual courses provided by third party vendors not

1 affiliated with a Michigan public school.

2 (d) Virtual courses created and offered by a district or
3 intermediate district.

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

7 (16) BEGINNING OCTOBER 1, 2017, AND NOT LESS THAN ONCE EVERY 3
8 MONTHS AFTER THAT DATE, THE DEPARTMENT SHALL SUBMIT TO THE SENATE
9 AND HOUSE SUBCOMMITTEES ON SCHOOL AID AND TO THE SENATE AND HOUSE
10 STANDING COMMITTEES ON EDUCATION AN ITEMIZED LIST OF ALLOCATIONS
11 UNDER THIS ARTICLE TO ANY ASSOCIATION OR CONSORTIUM CONSISTING OF
12 ASSOCIATIONS. THE REPORT SHALL DETAIL THE RECIPIENT OR RECIPIENTS,
13 THE AMOUNT ALLOCATED, AND THE PURPOSE FOR WHICH THE FUNDS WERE
14 DISTRIBUTED.

15 Sec. 18c. Any contract, mortgage, loan, or other instrument of
16 indebtedness entered into by a public school academy ~~, the~~
17 ~~achievement authority, or an achievement school~~ receiving funds
18 under this ~~act~~ **ARTICLE** and a third party does not constitute an
19 obligation, either general, special, or moral, of this state or of
20 an authorizing body. The full faith and credit or the taxing power
21 of this state or any agency of this state, or the full faith and
22 credit of an authorizing body, shall not be pledged for the payment
23 of any contract, mortgage, loan, or other instrument of
24 indebtedness entered into by a public school academy ~~, the~~
25 ~~achievement authority, or an achievement school~~.

26 Sec. 20. (1) For ~~2016-2017,~~ **2017-2018**, both of the following
27 apply:

1 (a) The ~~basic-TARGET~~ foundation allowance, **FORMERLY KNOWN AS**
2 **THE BASIC FOUNDATION ALLOWANCE**, is ~~\$8,229.00~~ **\$8,317.00**.

3 (b) The minimum foundation allowance is ~~\$7,511.00~~ **\$7,687.00**.

4 (2) The amount of each district's foundation allowance shall
5 be calculated as provided in this section, using a ~~basic-TARGET~~
6 foundation allowance in the amount specified in subsection (1).

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

11 (a) Except as otherwise provided in this subdivision, for a
12 district that had a foundation allowance for the immediately
13 preceding state fiscal year that was at least equal to the minimum
14 foundation allowance for the immediately preceding state fiscal
15 year, but less than the ~~basic-TARGET~~ foundation allowance for the
16 immediately preceding state fiscal year, the district shall receive
17 a foundation allowance in an amount equal to the sum of the
18 district's foundation allowance for the immediately preceding state
19 fiscal year plus the difference between twice the dollar amount of
20 the adjustment from the immediately preceding state fiscal year to
21 the current state fiscal year made in the ~~basic-TARGET~~ foundation
22 allowance and [(the difference between the ~~basic-TARGET~~ foundation
23 allowance for the current state fiscal year and ~~basic-TARGET~~
24 foundation allowance for the immediately preceding state fiscal
25 year minus ~~\$20.00~~ **\$29.00**) times (the difference between the
26 district's foundation allowance for the immediately preceding state
27 fiscal year and the minimum foundation allowance for the

1 immediately preceding state fiscal year) divided by the difference
2 between the ~~basic~~-**TARGET** foundation allowance for the current state
3 fiscal year and the minimum foundation allowance for the
4 immediately preceding state fiscal year.] However, the foundation
5 allowance for a district that had less than the ~~basic~~-**TARGET**
6 foundation allowance for the immediately preceding state fiscal
7 year shall not exceed the ~~basic~~-**TARGET** foundation allowance for the
8 current state fiscal year.

9 (b) Except as otherwise provided in this subsection, for a
10 district that in the immediately preceding state fiscal year had a
11 foundation allowance in an amount equal to the amount of the ~~basic~~
12 **TARGET** foundation allowance for the immediately preceding state
13 fiscal year, the district shall receive a foundation allowance for
14 ~~2016-2017-2017-2018~~ in an amount equal to the ~~basic~~-**TARGET**
15 foundation allowance for ~~2016-2017-2017-2018~~.

16 (c) For a district that had a foundation allowance for the
17 immediately preceding state fiscal year that was greater than the
18 ~~basic~~-**TARGET** foundation allowance for the immediately preceding
19 state fiscal year, the district's foundation allowance is an amount
20 equal to the sum of the district's foundation allowance for the
21 immediately preceding state fiscal year plus the lesser of the
22 increase in the ~~basic~~-**TARGET** foundation allowance for the current
23 state fiscal year, as compared to the immediately preceding state
24 fiscal year, or the product of the district's foundation allowance
25 for the immediately preceding state fiscal year times the
26 percentage increase in the United States consumer price index in
27 the calendar year ending in the immediately preceding fiscal year

1 as reported by the May revenue estimating conference conducted
2 under section 367b of the management and budget act, 1984 PA 431,
3 MCL 18.1367b.

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

7 **(E) FOR A DISTRICT THAT RECEIVED A FOUNDATION ALLOWANCE**
8 **SUPPLEMENTAL PAYMENT CALCULATED UNDER SECTION 20M AND PAID UNDER**
9 **SECTION 22B FOR 2016-2017, THE DISTRICT'S 2016-2017 FOUNDATION**
10 **ALLOWANCE IS CONSIDERED TO HAVE BEEN AN AMOUNT EQUAL TO THE SUM OF**
11 **THE DISTRICT'S ACTUAL 2016-2017 FOUNDATION ALLOWANCE AS OTHERWISE**
12 **CALCULATED UNDER THIS SECTION PLUS THE LESSER OF THE PER PUPIL**
13 **AMOUNT OF THE DISTRICT'S SUPPLEMENTAL PAYMENT FOR 2016-2017 AS**
14 **CALCULATED UNDER SECTION 20M OR THE PRODUCT OF THE DISTRICT'S**
15 **FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL**
16 **YEAR TIMES THE PERCENTAGE INCREASE IN THE UNITED STATES CONSUMER**
17 **PRICE INDEX IN THE CALENDAR YEAR ENDING IN THE IMMEDIATELY**
18 **PRECEDING FISCAL YEAR AS REPORTED BY THE MAY REVENUE ESTIMATING**
19 **CONFERENCE CONDUCTED UNDER SECTION 367B OF THE MANAGEMENT AND**
20 **BUDGET ACT, 1984 PA 431, MCL 18.1367B.**

21 (4) Except as otherwise provided in this subsection, beginning
22 in 2014-2015, the state portion of a district's foundation
23 allowance is an amount equal to the district's foundation allowance
24 or the ~~basic~~**TARGET** foundation allowance for the current state
25 fiscal year, whichever is less, minus the local portion of the
26 district's foundation allowance. For a district described in
27 subsection (3)(c), beginning in 2014-2015, the state portion of the

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

24 (5) The allocation calculated under this section for a pupil
25 shall be based on the foundation allowance of the pupil's district
26 of residence. For a pupil enrolled pursuant to section 105 or 105c
27 in a district other than the pupil's district of residence, the

1 allocation calculated under this section shall be based on the
2 lesser of the foundation allowance of the pupil's district of
3 residence or the foundation allowance of the educating district.
4 For a pupil in membership in a K-5, K-6, or K-8 district who is
5 enrolled in another district in a grade not offered by the pupil's
6 district of residence, the allocation calculated under this section
7 shall be based on the foundation allowance of the educating
8 district if the educating district's foundation allowance is
9 greater than the foundation allowance of the pupil's district of
10 residence. The calculation under this subsection shall take into
11 account a district's per-pupil allocation under section 20m.

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

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

17 ~~—— (7) Except as otherwise provided in this subsection, for~~
18 ~~pupils attending an achievement school and in membership in the~~
19 ~~education achievement system, other than special education pupils,~~
20 ~~the allocation calculated under this section is an amount per~~
21 ~~membership pupil other than special education pupils equal to the~~
22 ~~foundation allowance of the district in which the achievement~~
23 ~~school is located, not to exceed the basic foundation allowance.~~
24 ~~Notwithstanding section 101, for an achievement school that begins~~
25 ~~operation after the pupil membership count day, the amount per~~
26 ~~membership pupil calculated under this subsection shall be adjusted~~
27 ~~by multiplying that amount per membership pupil by the number of~~

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

16 (7) ~~(8)~~—Except as otherwise provided in this subsection, for
17 pupils in membership, other than special education pupils, in a
18 community district, the allocation calculated under this section is
19 an amount per membership pupil other than special education pupils
20 in the community district equal to the foundation allowance of the
21 qualifying school district, as described in section 12b of the
22 revised school code, MCL 380.12b, that is located within the same
23 geographic area as the community district.

24 (8) ~~(9)~~—Subject to subsection (4), for a district that is
25 formed or reconfigured after June 1, 2002 by consolidation of 2 or
26 more districts or by annexation, the resulting district's
27 foundation allowance under this section beginning after the

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

13 (9) ~~(10)~~—Each fraction used in making calculations under this
14 section shall be rounded to the fourth decimal place and the dollar
15 amount of an increase in the basic foundation allowance shall be
16 rounded to the nearest whole dollar.

17 (10) ~~(11)~~—State payments related to payment of the foundation
18 allowance for a special education pupil are not calculated under
19 this section but are instead calculated under section 51a.

20 (11) ~~(12)~~—To assist the legislature in determining the ~~basic~~
21 **MINIMUM** foundation allowance for the subsequent state fiscal year,
22 each revenue estimating conference conducted under section 367b of
23 the management and budget act, 1984 PA 431, MCL 18.1367b, shall
24 calculate a pupil membership factor, a revenue adjustment factor,
25 and an index as follows:

26 (a) The pupil membership factor shall be computed by dividing
27 the estimated membership in the school year ending in the current

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

9 (b) The revenue adjustment factor shall be computed by
10 dividing the sum of the estimated total state school aid fund
11 revenue for the subsequent state fiscal year plus the estimated
12 total state school aid fund revenue for the current state fiscal
13 year, adjusted for any change in the rate or base of a tax the
14 proceeds of which are deposited in that fund and excluding money
15 transferred into that fund from the countercyclical budget and
16 economic stabilization fund under the management and budget act,
17 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
18 total school aid fund revenue for the current state fiscal year
19 plus the estimated total state school aid fund revenue for the
20 immediately preceding state fiscal year, adjusted for any change in
21 the rate or base of a tax the proceeds of which are deposited in
22 that fund. If a consensus revenue factor is not determined at the
23 revenue estimating conference, the principals of the revenue
24 estimating conference shall report their estimates to the house and
25 senate subcommittees responsible for school aid appropriations not
26 later than 7 days after the conclusion of the revenue conference.

27 (c) The index shall be calculated by multiplying the pupil

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

7 (12) ~~(13)~~ Payments to districts ~~, AND~~ public school academies
8 ~~, or the education achievement system~~ shall not be made under this
9 section. Rather, the calculations under this section shall be used
10 to determine the amount of state payments under section 22b.

11 (13) ~~(14)~~ If an amendment to section 2 of article VIII of the
12 state constitution of 1963 allowing state aid to some or all
13 nonpublic schools is approved by the voters of this state, each
14 foundation allowance or per-pupil payment calculation under this
15 section may be reduced.

16 (14) ~~(15)~~ As used in this section:

17 (a) "Certified mills" means the lesser of 18 mills or the
18 number of mills of school operating taxes levied by the district in
19 1993-94.

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

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

27 (d) "Current state fiscal year" means the state fiscal year

1 for which a particular calculation is made.

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

6 (f) "Immediately preceding state fiscal year" means the state
7 fiscal year immediately preceding the current state fiscal year.

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

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

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

4 (j) "Maximum public school academy allocation", except as
5 otherwise provided in this subdivision, means the maximum per-pupil
6 allocation as calculated by adding the highest per-pupil allocation
7 among all public school academies for the immediately preceding
8 state fiscal year plus the difference between twice the amount of
9 the difference between the ~~basic~~-**TARGET** foundation allowance for
10 the current state fiscal year and the ~~basic~~-**TARGET** foundation
11 allowance for the immediately preceding state fiscal year and [(the
12 amount of the difference between the ~~basic~~-**TARGET** foundation
13 allowance for the current state fiscal year and the ~~basic~~-**TARGET**
14 foundation allowance for the immediately preceding state fiscal
15 year minus ~~\$20.00~~-\$**29.00**) times (the difference between the
16 highest per-pupil allocation among all public school academies for
17 the immediately preceding state fiscal year and the minimum
18 foundation allowance for the immediately preceding state fiscal
19 year) divided by the difference between the ~~basic~~-**TARGET** foundation
20 allowance for the current state fiscal year and the minimum
21 foundation allowance for the immediately preceding state fiscal
22 year.] For the purposes of this subdivision, for ~~2016-2017~~,**2017-**
23 **2018**, the maximum public school academy allocation is
24 ~~\$7,511.00~~-\$**7,687.00**.

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

1 (l) "Nonexempt property" means property that is not a
2 principal residence, qualified agricultural property, qualified
3 forest property, supportive housing property, industrial personal
4 property, commercial personal property, or property occupied by a
5 public school academy.

6 (m) "Principal residence", "qualified agricultural property",
7 "qualified forest property", "supportive housing property",
8 "industrial personal property", and "commercial personal property"
9 mean those terms as defined in section 1211 of the revised school
10 code, MCL 380.1211.

11 (n) "Receiving district" means a district to which all or part
12 of the territory of a dissolved district is attached under section
13 12 of the revised school code, MCL 380.12.

14 (o) "School operating purposes" means the purposes included in
15 the operation costs of the district as prescribed in sections 7 and
16 18 and purposes authorized under section 1211 of the revised school
17 code, MCL 380.1211.

18 (p) "School operating taxes" means local ad valorem property
19 taxes levied under section 1211 of the revised school code, MCL
20 380.1211, and retained for school operating purposes.

21 **(Q) "TARGET FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING**
22 **STATE FISCAL YEAR" MEANS, FOR 2017-2018 ONLY, THE BASIC FOUNDATION**
23 **ALLOWANCE IN EFFECT FOR THE 2016-2017 FISCAL YEAR.**

24 **(R) ~~(q)~~**"Tax increment financing acts" means 1975 PA 197, MCL
25 125.1651 to 125.1681, the tax increment finance authority act, 1980
26 PA 450, MCL 125.1801 to 125.1830, the local development financing
27 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield

1 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
2 or the corridor improvement authority act, 2005 PA 280, MCL
3 125.2871 to 125.2899.

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

10 (15) FOR THE PURPOSES OF SECTION 1211 OF THE REVISED SCHOOL
11 CODE, MCL 380.1211, THE BASIC FOUNDATION ALLOWANCE UNDER THIS
12 SECTION IS CONSIDERED TO BE THE TARGET FOUNDATION ALLOWANCE UNDER
13 THIS SECTION.

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

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

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

9 (b) If a district had an adjustment made to its 1993-94 total
10 state school aid that excluded payments made under former section
11 146 and under section 147 on behalf of the district's employees who
12 provided direct services for intermediate district center programs
13 operated by the district under ~~article 5,~~ **SECTIONS 51 TO 56**, if
14 nonresident pupils attending the center programs were included in
15 the district's membership for purposes of calculating the combined
16 state and local revenue per membership pupil for 1993-94, and if
17 there is a signed agreement by all constituent districts of the
18 intermediate district that an adjustment under this subdivision
19 shall be made, the foundation allowances for 1995-96 and 1996-97 of
20 all districts that had pupils attending the intermediate district
21 center program operated by the district that had the adjustment
22 shall be calculated as if their combined state and local revenue
23 per membership pupil for 1993-94 included resident pupils attending
24 the center program and excluded nonresident pupils attending the
25 center program.

26 Sec. 20f. (1) From the funds appropriated in section 11, there
27 is allocated an amount not to exceed ~~<<\$18,000,000.00~~ **<<\$19,400,000.00>>**
for ~~2016-2017~~

1 2017-2018 for payments to eligible districts under this section.

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

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

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

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

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

21 (4) The funding under this subsection is from the allocation
22 under subsection (1). A district is eligible for funding under this
23 subsection ~~for 2016-2017~~ if the sum of the following is less than
24 \$25.00:

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

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

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

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

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

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

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

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

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

**<<(6) THE FUNDING UNDER THIS SUBSECTION IS FROM THE ALLOCATION
UNDER SUBSECTION (1). A DISTRICT IS ELIGIBLE FOR FUNDING UNDER THIS
SUBSECTION FOR 2017-2018 IF THE SUM OF THE FOLLOWING IS LESS THAN \$0.00:**

**(A) THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR PER-
PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2016-2017 TO 2017-2018.**

**(B) THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION 31A FOR
2017-2018 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR 2017-2018 MINUS
THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION 31A FOR 2016-2017
DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR 2016-2017.**

(C) THE PRODUCT OF THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION 147A FOR 2016-2017 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR 2016-2017, MULTIPLIED BY NEGATIVE ONE.

(7) THE AMOUNT ALLOCATED TO EACH ELIGIBLE DISTRICT UNDER SUBSECTION (6) IS AN AMOUNT PER MEMBERSHIP PUPIL EQUAL TO \$0.00 MINUS THE SUM OF THE FOLLOWING:

(A) THE INCREASE IN THE DISTRICT'S FOUNDATION ALLOWANCE OR PER-PUPIL PAYMENT AS CALCULATED UNDER SECTION 20 FROM 2016-2017 TO 2017-2018.

(B) THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION 31A FOR 2017-2018 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR 2017-2018 MINUS THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION 31A FOR 2016-2017 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR 2016-2017.

(C) THE PRODUCT OF THE QUOTIENT OF THE DISTRICT'S ALLOCATION UNDER SECTION 147A FOR 2016-2017 DIVIDED BY THE DISTRICT'S MEMBERSHIP PUPILS FOR 2016-2017, MULTIPLIED BY NEGATIVE ONE.>>

25 <<(7)-(6)>> If the allocation under subsection (1) is insufficient
to
26 fully fund payments under subsections <<(3) and (5)>(3), (5), AND
(7)>> as otherwise
27 calculated under this section, the department shall prorate

1 payments under this section on an equal per-pupil basis.

2 Sec. 20m. (1) Foundation allowance supplemental payments for
3 ~~2016-2017-2017-2018~~ to districts that in the 2015-2016 fiscal year
4 had a foundation allowance greater than \$8,169.00 shall be
5 calculated under this section.

6 (2) The per-pupil allocation to each district under this
7 section shall be the difference between the dollar amount of the
8 adjustment from the ~~immediately preceding-2015-2016~~ state fiscal
9 year to the current state fiscal year in the ~~base~~-**TARGET**
10 foundation allowance minus the dollar amount of the adjustment from
11 the ~~immediately preceding-2015-2016~~ fiscal year to the current
12 state fiscal year in a qualifying district's foundation allowance.

13 (3) If a district's local revenue per pupil does not exceed
14 the sum of its foundation allowance under section 20 plus the per-
15 pupil allocation under subsection (2), the total payment to the
16 district calculated under this section shall be the product of the
17 per-pupil allocation under subsection (2) multiplied by the
18 district's membership excluding special education pupils. If a
19 district's local revenue per pupil exceeds the foundation allowance
20 under section 20 but does not exceed the sum of the foundation
21 allowance under section 20 plus the per-pupil allocation under
22 subsection (2), the total payment to the district calculated under
23 this section shall be the product of the difference between the sum
24 of the foundation allowance under section 20 plus the per-pupil
25 allocation under subsection (2) minus the local revenue per pupil
26 multiplied by the district's membership excluding special education
27 pupils. If a district's local revenue per pupil exceeds the sum of

1 the foundation allowance under section 20 plus the per-pupil
2 allocation under subsection (2), there is no payment calculated
3 under this section for the district.

4 (4) Payments to districts shall not be made under this
5 section. Rather, the calculations under this section shall be made
6 and used to determine the amount of state payments under section
7 22b.

8 Sec. 21. (1) From the appropriation in section 11, there is
9 allocated an amount not to exceed \$5,000,000.00 for 2016-2017 **AND**
10 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR 2017-2018** to
11 make supplemental payments to eligible districts that are
12 identified under section 1280c of the revised school code, MCL
13 380.1280c, as being among the lowest achieving 5% of all public
14 schools in this state.

15 (2) A district is eligible to receive the supplemental
16 payments calculated under this section for 3 consecutive fiscal
17 years if all of the following conditions are met:

18 (a) The state school reform/redesign officer has appointed a
19 chief executive officer to take control of 1 or more public schools
20 in the district, as provided for in section 1280c(7) of the revised
21 school code, MCL 380.1280c, and there is at least 1 high school
22 operated by the district.

23 (b) As determined by the school reform office, an intervention
24 agreement meeting at least the following criteria has been executed
25 by the state school reform/redesign officer and the district. The
26 intervention agreement shall include, but is not limited to:

27 (i) The rights and responsibilities of the chief executive

1 officer. However, the intervention agreement shall not mitigate the
2 authority of the chief executive officer prescribed in applicable
3 statute including financial and employment authority.

4 (ii) The allocation of supplemental payments under this
5 section.

6 (iii) The compensation for the chief executive officer.

7 (iv) The role of the district's board and officers during the
8 intervention term.

9 (v) Termination and renewal rights of the school reform
10 office.

11 (vi) Liability provisions for the chief executive officer.

12 (vii) A dispute resolution process.

13 (viii) The length of the term of the agreement.

14 (ix) Other provisions as determined by the school reform
15 office for successful implementation of the chief executive officer
16 intervention.

17 (c) The district has not entered into and is not currently
18 operating under a local government option under the local financial
19 stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, or
20 a successor act.

21 (3) The state school reform/redesign officer, at least
22 annually, shall appear in person before the house and senate
23 appropriations subcommittees responsible for school aid to provide
24 an update on the yearly progress of schools under the control of a
25 chief executive officer. In addition, the state school
26 reform/redesign officer shall provide a quarterly report concerning
27 the chief executive officer's use of funds to increase pupil

1 achievement.

2 (4) The supplemental payment provided to a district under this
3 section shall be calculated by multiplying the district's
4 foundation allowance by 20% of the high school's membership for the
5 prior fiscal year. The same dollar amount shall continue to be
6 available to the district for a maximum of 3 years, subject to the
7 conditions specified in subsection (2).

8 (5) From the allocation in subsection (1), in addition to the
9 supplemental payments calculated under subsection (4), there is
10 allocated an amount sufficient to pay for the appointment of chief
11 executive officers by the state school reform/redesign officer, as
12 provided for in section 1280c(7) of the revised school code, MCL
13 380.1280c.

14 (6) For the purposes of this section, a high school is a
15 school that operates exclusively all of grades 9 to 12.

16 (7) **THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2016-2017 ARE A**
17 **WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2016-2017**
18 **ARE CARRIED FORWARD INTO 2017-2018. THE PURPOSE OF THE WORK PROJECT**
19 **IS TO MAKE THE SECOND AND THIRD YEAR SUPPLEMENTAL PAYMENTS TO**
20 **DISTRICTS AS CALCULATED UNDER SUBSECTION (4). THE ESTIMATED**
21 **COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2019.**

22 **SEC. 21H. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS**
23 **ALLOCATED \$100.00 FOR 2017-2018 FOR ASSISTING DISTRICTS ASSIGNED BY**
24 **THE SUPERINTENDENT TO PARTICIPATE IN A PARTNERSHIP TO IMPROVE**
25 **STUDENT ACHIEVEMENT. THE PURPOSE OF THE PARTNERSHIP IS TO IDENTIFY**
26 **DISTRICT NEEDS, DEVELOP INTERVENTION PLANS, AND PARTNER WITH**
27 **PUBLIC, PRIVATE, AND NONPROFIT ORGANIZATIONS TO COORDINATE**

1 RESOURCES AND IMPROVE STUDENT ACHIEVEMENT. ASSIGNMENT OF A DISTRICT
2 TO A PARTNERSHIP IS AT THE SOLE DISCRETION OF THE SUPERINTENDENT.

3 (2) A DISTRICT ASSIGNED TO A PARTNERSHIP BY THE SUPERINTENDENT
4 IS ELIGIBLE FOR FUNDING UNDER THIS SECTION IF THE DISTRICT INCLUDES
5 AT LEAST 1 SCHOOL THAT HAS BEEN RATED WITH A GRADE OF "F", OR
6 COMPARABLE PERFORMANCE RATING, IN THE MOST RECENT STATE
7 ACCOUNTABILITY SYSTEM RATING, THAT IS NOT UNDER THE SUPERVISION OF
8 THE STATE SCHOOL REFORM/REDESIGN OFFICE, AND THAT DOES ALL OF THE
9 FOLLOWING:

10 (A) COMPLETES A COMPREHENSIVE NEEDS EVALUATION IN
11 COLLABORATION WITH AN INTERMEDIATE SCHOOL DISTRICT, COMMUNITY
12 MEMBERS, EDUCATION ORGANIZATIONS, AND POSTSECONDARY INSTITUTIONS,
13 AS APPLICABLE AND APPROVED BY THE SUPERINTENDENT, WITHIN 90 DAYS OF
14 ASSIGNMENT TO THE PARTNERSHIP DESCRIBED IN THIS SECTION. THE
15 COMPREHENSIVE NEEDS EVALUATION SHALL INCLUDE AT LEAST ALL OF THE
16 FOLLOWING:

17 (i) A REVIEW OF THE DISTRICT'S IMPLEMENTATION AND UTILIZATION
18 OF A MULTI-TIERED SYSTEM OF SUPPORTS TO ENSURE THAT IT IS USED TO
19 APPROPRIATELY INFORM INSTRUCTION.

20 (ii) A REVIEW OF THE DISTRICT AND SCHOOL BUILDING LEADERSHIP
21 AND EDUCATOR CAPACITY TO SUBSTANTIALLY IMPROVE STUDENT OUTCOMES.

22 (iii) A REVIEW OF CLASSROOM, INSTRUCTIONAL, AND OPERATIONAL
23 PRACTICES AND CURRICULUM TO ENSURE ALIGNMENT WITH RESEARCH-BASED
24 INSTRUCTIONAL PRACTICES AND STATE CURRICULUM STANDARDS.

25 (B) DEVELOPS AN INTERVENTION PLAN THAT HAS BEEN APPROVED BY
26 THE SUPERINTENDENT AND THAT ADDRESSES THE NEEDS IDENTIFIED IN THE
27 COMPREHENSIVE NEEDS EVALUATION COMPLETED UNDER SUBDIVISION (A). THE

1 INTERVENTION PLAN SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

2 (i) SPECIFIC ACTIONS THAT WILL BE TAKEN BY THE DISTRICT AND
3 EACH OF ITS PARTNERS TO IMPROVE STUDENT ACHIEVEMENT.

4 (ii) SPECIFIC MEASURABLE BENCHMARKS THAT WILL BE MET WITHIN 18
5 MONTHS TO IMPROVE STUDENT ACHIEVEMENT AND IDENTIFICATION OF
6 EXPECTED STUDENT ACHIEVEMENT OUTCOMES TO BE ATTAINED WITHIN 3 YEARS
7 AFTER ASSIGNMENT TO THE PARTNERSHIP.

8 (3) UPON APPROVAL OF THE INTERVENTION PLAN DEVELOPED UNDER
9 SUBSECTION (2), THE DEPARTMENT SHALL ASSIGN A TEAM OF INDIVIDUALS
10 WITH EXPERTISE IN COMPREHENSIVE SCHOOL AND DISTRICT REFORM TO
11 PARTNER WITH THE DISTRICT, THE INTERMEDIATE DISTRICT, COMMUNITY
12 ORGANIZATIONS, EDUCATION ORGANIZATIONS, AND POSTSECONDARY
13 INSTITUTIONS IDENTIFIED IN THE INTERVENTION PLAN TO REVIEW THE
14 DISTRICT'S USE OF EXISTING FINANCIAL RESOURCES TO ENSURE THAT THOSE
15 RESOURCES ARE BEING USED AS EFFICIENTLY AND EFFECTIVELY AS POSSIBLE
16 TO IMPROVE STUDENT ACADEMIC ACHIEVEMENT.

17 (4) FUNDS ALLOCATED UNDER THIS SECTION MAY BE USED TO PAY FOR
18 DISTRICT EXPENDITURES APPROVED BY THE SUPERINTENDENT TO IMPROVE
19 STUDENT ACHIEVEMENT. FUNDS MAY BE USED FOR PROFESSIONAL DEVELOPMENT
20 FOR TEACHERS OR DISTRICT OR SCHOOL LEADERSHIP, INCREASED
21 INSTRUCTIONAL TIME, TEACHER MENTORS, OR OTHER EXPENDITURES THAT
22 DIRECTLY IMPACT STUDENT ACHIEVEMENT AND CANNOT BE PAID FROM
23 EXISTING DISTRICT FINANCIAL RESOURCES. AN ELIGIBLE DISTRICT SHALL
24 NOT RECEIVE FUNDS UNDER THIS SECTION FOR MORE THAN 3 YEARS.
25 NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE DISTRICTS UNDER
26 THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE
27 DEPARTMENT.

1 (5) THE DEPARTMENT SHALL ANNUALLY REPORT TO THE LEGISLATURE ON
2 THE ACTIVITIES FUNDED UNDER THIS SECTION AND HOW THOSE ACTIVITIES
3 IMPACTED STUDENT ACHIEVEMENT IN ELIGIBLE DISTRICTS THAT RECEIVED
4 FUNDS UNDER THIS SECTION.

5 SEC. 21J. FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS
6 ALLOCATED AN AMOUNT NOT TO EXCEED \$8,000,000.00 FOR 2017-2018 FOR
7 ACADEMIC EARLY WARNING, INTERVENTION, AND SUPPLEMENTAL FUNDING TO
8 DISTRICTS UNDER SECTIONS 21 AND 21H. MONEY ALLOCATED UNDER THIS
9 SECTION IS ONLY AVAILABLE FOR TRANSFER TO SECTION 21 OR 21H UNDER
10 SECTION 393(2) OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL
11 18.1393.

12 Sec. 22a. (1) From the appropriation in section 11, there is
13 allocated ~~an amount not to exceed \$5,260,000,000.00 for 2015-2016~~
14 ~~and an amount not to exceed \$5,205,000,000.00~~ **\$5,199,000,000.00** for
15 2016-2017 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
16 **\$5,176,000,000.00 FOR 2017-2018** for payments to districts and
17 qualifying public school academies to guarantee each district and
18 qualifying public school academy an amount equal to its 1994-95
19 total state and local per pupil revenue for school operating
20 purposes under section 11 of article IX of the state constitution
21 of 1963. Pursuant to section 11 of article IX of the state
22 constitution of 1963, this guarantee does not apply to a district
23 in a year in which the district levies a millage rate for school
24 district operating purposes less than it levied in 1994. However,
25 subsection (2) applies to calculating the payments under this
26 section. Funds allocated under this section that are not expended
27 in the state fiscal year for which they were allocated, as

1 determined by the department, may be used to supplement the
2 allocations under sections 22b and 51c in order to fully fund those
3 calculated allocations for the same fiscal year.

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

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

1 under section 12 of the revised school code, MCL 380.12, taxable
2 value per membership pupil of all property in the receiving
3 district that is nonexempt property and taxable value per
4 membership pupil of property in the receiving district that is
5 commercial personal property do not include property within the
6 geographic area of the dissolved district; ad valorem property tax
7 revenue of the receiving district captured under tax increment
8 financing acts does not include ad valorem property tax revenue
9 captured within the geographic boundaries of the dissolved district
10 under tax increment financing acts; and certified mills do not
11 include the certified mills of the dissolved district. **FOR A**
12 **COMMUNITY DISTRICT, THE ALLOCATION AS OTHERWISE CALCULATED UNDER**
13 **THIS SECTION SHALL BE REDUCED BY AN AMOUNT EQUAL TO THE AMOUNT OF**
14 **LOCAL SCHOOL OPERATING TAX REVENUE THAT WOULD OTHERWISE BE DUE TO**
15 **THE COMMUNITY DISTRICT IF NOT FOR THE OPERATION OF SECTION 386 OF**
16 **THE REVISED SCHOOL CODE, MCL 380.386, AND THE AMOUNT OF THIS**
17 **REDUCTION SHALL BE OFFSET BY THE INCREASE IN FUNDING UNDER SECTION**
18 **22B(2).**

19 (b) For a district that had a 1994-95 foundation allowance
20 greater than \$6,500.00, the state payment under this subsection
21 shall be the sum of the amount calculated under subdivision (a)
22 plus the amount calculated under this subdivision. The amount
23 calculated under this subdivision shall be equal to the difference
24 between the district's 1994-95 foundation allowance minus \$6,500.00
25 and the current year hold harmless school operating taxes per
26 pupil. If the result of the calculation under subdivision (a) is
27 negative, the negative amount shall be an offset against any state

1 payment calculated under this subdivision. If the result of a
2 calculation under this subdivision is negative, there shall not be
3 a state payment or a deduction under this subdivision. The taxable
4 values per membership pupil used in the calculations under this
5 subdivision are as adjusted by ad valorem property tax revenue
6 captured under tax increment financing acts divided by the
7 district's membership. For a receiving district, if school
8 operating taxes are to be levied on behalf of a dissolved district
9 that has been attached in whole or in part to the receiving
10 district to satisfy debt obligations of the dissolved district
11 under section 12 of the revised school code, MCL 380.12, ad valorem
12 property tax revenue captured under tax increment financing acts do
13 not include ad valorem property tax revenue captured within the
14 geographic boundaries of the dissolved district under tax increment
15 financing acts.

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

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

26 (5) Except as otherwise provided in this subsection, for a
27 district that is formed or reconfigured after June 1, 2000 by

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

17 (6) Payments under this section are subject to section
18 ~~25f.~~ **25G.**

19 (7) As used in this section:

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

24 (b) "Certified mills" means the lesser of 18 mills or the
25 number of mills of school operating taxes levied by the district in
26 1993-94.

27 (c) "Current state fiscal year" means the state fiscal year

1 for which a particular calculation is made.

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

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

17 (f) "Hold harmless millage" means, for a district with a 1994-
18 95 foundation allowance greater than \$6,500.00, the number of mills
19 by which the exemption from the levy of school operating taxes on a
20 homestead, qualified agricultural property, qualified forest
21 property, supportive housing property, industrial personal
22 property, commercial personal property, and property occupied by a
23 public school academy could be reduced as provided in section 1211
24 of the revised school code, MCL 380.1211, and the number of mills
25 of school operating taxes that could be levied on all property as
26 provided in section 1211(2) of the revised school code, MCL
27 380.1211, as certified by the department of treasury for the 1994

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

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

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

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

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

24 (k) "Receiving district" means a district to which all or part
25 of the territory of a dissolved district is attached under section
26 12 of the revised school code, MCL 380.12.

27 (l) "School operating taxes" means local ad valorem property

1 taxes levied under section 1211 of the revised school code, MCL
2 380.1211, and retained for school operating purposes as defined in
3 section 20.

4 (m) "Tax increment financing acts" means 1975 PA 197, MCL
5 125.1651 to 125.1681, the tax increment finance authority act, 1980
6 PA 450, MCL 125.1801 to 125.1830, the local development financing
7 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
8 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
9 or the corridor improvement authority act, 2005 PA 280, MCL
10 125.2871 to 125.2899.

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

13 (i) For the number of mills by which the exemption from the
14 levy of school operating taxes on a homestead, qualified
15 agricultural property, qualified forest property, supportive
16 housing property, industrial personal property, commercial personal
17 property, and property occupied by a public school academy may be
18 reduced as provided in section 1211 of the revised school code, MCL
19 380.1211, the taxable value of homestead, qualified agricultural
20 property, qualified forest property, supportive housing property,
21 industrial personal property, commercial personal property, and
22 property occupied by a public school academy for the calendar year
23 ending in the current state fiscal year. For a receiving district,
24 if school operating taxes are to be levied on behalf of a dissolved
25 district that has been attached in whole or in part to the
26 receiving district to satisfy debt obligations of the dissolved
27 district under section 12 of the revised school code, MCL 380.12,

1 mills do not include mills within the geographic area of the
2 dissolved district.

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

14 Sec. 22b. (1) For discretionary nonmandated payments to
15 districts under this section, ~~there is allocated from the~~
16 ~~appropriation in section 11 an amount not to exceed~~
17 ~~\$3,692,000,000.00 for 2015-2016, and there is allocated for 2016-~~
18 ~~2017 an amount not to exceed \$3,828,000,000.00~~ **\$3,844,000,000.00**
19 from the state school aid fund and general fund appropriations in
20 section 11 and an amount not to exceed \$72,000,000.00 from the
21 community district education trust fund appropriation in section
22 **11, AND THERE IS ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED**
23 **\$4,038,000,000.00 FROM THE STATE SCHOOL AID FUND AND GENERAL FUND**
24 **APPROPRIATIONS IN SECTION 11 AND AN AMOUNT NOT TO EXCEED**
25 **\$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND**
26 **APPROPRIATION IN SECTION 11.** Except for money allocated from the
27 community district trust fund, money allocated under this section

1 that is not expended in the state fiscal year for which it was
2 allocated, as determined by the department, may be used to
3 supplement the allocations under sections 22a and 51c in order to
4 fully fund those calculated allocations for the same fiscal year.

5 (2) Subject to subsection (3) and section 296, the allocation
6 to a district under this section shall be an amount equal to the
7 sum of the amounts calculated under sections 20, 20m, 51a(2),
8 51a(3), and 51a(11), minus the sum of the allocations to the
9 district under sections 22a and 51c. **FOR A COMMUNITY DISTRICT, THE**
10 **ALLOCATION AS OTHERWISE CALCULATED UNDER THIS SECTION SHALL BE**
11 **INCREASED BY AN AMOUNT EQUAL TO THE AMOUNT OF LOCAL SCHOOL**
12 **OPERATING TAX REVENUE THAT WOULD OTHERWISE BE DUE TO THE COMMUNITY**
13 **DISTRICT IF NOT FOR THE OPERATION OF SECTION 386 OF THE REVISED**
14 **SCHOOL CODE, MCL 380.386, AND THIS INCREASE SHALL BE PAID FROM THE**
15 **COMMUNITY DISTRICT EDUCATION TRUST FUND ALLOCATION IN SUBSECTION**
16 **(1) IN ORDER TO OFFSET THE ABSENCE OF LOCAL SCHOOL OPERATING**
17 **REVENUE IN A COMMUNITY DISTRICT IN THE FUNDING OF THE STATE PORTION**
18 **OF THE FOUNDATION ALLOWANCE UNDER SECTION 20(4).**

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

21 (a) Comply with section 1280b of the revised school code, MCL
22 380.1280b.

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

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

1 (d) Comply with section 1230g of the revised school code, MCL
2 380.1230g.

3 (e) Comply with section 21f.

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

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

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

22 (7) It is the intent of the legislature that all
23 constitutional obligations of this state have been fully funded
24 under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by
25 an entity receiving funds under this article that challenges the
26 legislative determination of the adequacy of this funding or
27 alleges that there exists an unfunded constitutional requirement,

1 the state budget director may escrow or allocate from the
2 discretionary funds for nonmandated payments under this section the
3 amount as may be necessary to satisfy the claim before making any
4 payments to districts under subsection (2). If funds are escrowed,
5 the escrowed funds are a work project appropriation and the funds
6 are carried forward into the following fiscal year. The purpose of
7 the work project is to provide for any payments that may be awarded
8 to districts as a result of litigation. The work project shall be
9 completed upon resolution of the litigation.

10 (8) If the local claims review board or a court of competent
11 jurisdiction makes a final determination that this state is in
12 violation of section 29 of article IX of the state constitution of
13 1963 regarding state payments to districts, the state budget
14 director shall use work project funds under subsection (7) or
15 allocate from the discretionary funds for nonmandated payments
16 under this section the amount as may be necessary to satisfy the
17 amount owed to districts before making any payments to districts
18 under subsection (2).

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

27 (10) If payments resulting from a final determination by the

1 local claims review board or a court of competent jurisdiction that
2 there has been a violation of section 29 of article IX of the state
3 constitution of 1963 exceed the amount allocated for discretionary
4 nonmandated payments under this section, the legislature shall
5 provide for adequate funding for this state's constitutional
6 obligations at its next legislative session.

7 (11) If a lawsuit challenging payments made to districts
8 related to costs reimbursed by federal title XIX Medicaid funds is
9 filed against this state, then, for the purpose of addressing
10 potential liability under such a lawsuit, the state budget director
11 may place funds allocated under this section in escrow or allocate
12 money from the funds otherwise allocated under this section, up to
13 a maximum of 50% of the amount allocated in subsection (1). If
14 funds are placed in escrow under this subsection, those funds are a
15 work project appropriation and the funds are carried forward into
16 the following fiscal year. The purpose of the work project is to
17 provide for any payments that may be awarded to districts as a
18 result of the litigation. The work project shall be completed upon
19 resolution of the litigation. In addition, this state reserves the
20 right to terminate future federal title XIX Medicaid reimbursement
21 payments to districts if the amount or allocation of reimbursed
22 funds is challenged in the lawsuit. As used in this subsection,
23 "title XIX" means title XIX of the social security act, 42 USC 1396
24 to 1396v.

25 Sec. 22d. (1) From the appropriation in section 11, an amount
26 not to exceed \$5,000,000.00 is allocated for ~~2016-2017~~**2017-2018**
27 for supplemental payments to rural districts under this section.

1 (2) From the allocation under subsection (1), there is
2 allocated for ~~2016-2017~~**2017-2018** an amount not to exceed
3 \$957,300.00 for payments under this subsection to districts that
4 meet all of the following:

5 (a) Operates grades K to 12.

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

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

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

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

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

1 districts in the same manner as payments under section 22b.

2 (4) Subject to subsection (6), from the allocation in
3 subsection (1), there is allocated for ~~2016-2017~~ **2017-2018** an
4 amount not to exceed \$4,042,700.00 for payments under this
5 subsection to districts that have 7.3 or fewer pupils per square
6 mile as determined by the department.

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

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

11 Sec. 22g. (1) From the funds appropriated in section 11, there
12 is allocated for 2016-2017 only an amount not to exceed \$500,000.00
13 for competitive assistance grants to districts and intermediate
14 districts.

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

22 (3) In addition to the amount allocated under subsection (1),
23 from the funds appropriated in section 11, there is allocated for
24 2016-2017 an amount not to exceed \$2,500,000.00 for grants to
25 districts or intermediate districts that received a grant under
26 this section as it was in effect for 2015-2016 for reimbursement of
27 remaining transition costs associated with a dissolution,

1 consolidation, or annexation that was approved during 2015-2016 by
2 the school electors of the applicable district or intermediate
3 district.

4 (4) NOTWITHSTANDING SECTION 17B, GRANT PAYMENTS UNDER THIS
5 SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

6 SEC. 22M. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS
7 ALLOCATED FOR 2017-2018 AN AMOUNT NOT TO EXCEED \$1,100,000.00 FOR
8 SUPPORTING THE INTEGRATION OF LOCAL DATA SYSTEMS INTO THE MICHIGAN
9 DATA HUB NETWORK BASED ON COMMON STANDARDS AND APPLICATIONS THAT
10 ARE IN COMPLIANCE WITH SECTION 19(7).

11 (2) AN ENTITY THAT IS THE FISCAL AGENT FOR NO MORE THAN 5
12 CONSORTIA OF INTERMEDIATE DISTRICTS THAT PREVIOUSLY RECEIVED
13 FUNDING FROM THE TECHNOLOGY READINESS INFRASTRUCTURE GRANT UNDER
14 FORMER SECTION 22I FOR THE PURPOSE OF ESTABLISHING REGIONAL DATA
15 HUBS THAT ARE PART OF THE MICHIGAN DATA HUB NETWORK IS ELIGIBLE FOR
16 FUNDING UNDER THIS SECTION.

17 (3) THE CENTER SHALL WORK WITH AN ADVISORY COMMITTEE COMPOSED
18 OF REPRESENTATIVES FROM INTERMEDIATE DISTRICTS WITHIN EACH OF THE
19 DATA HUB REGIONS TO COORDINATE THE ACTIVITIES OF THE MICHIGAN DATA
20 HUB NETWORK.

21 (4) THE CENTER, IN COLLABORATION WITH THE MICHIGAN DATA HUB
22 NETWORK, SHALL DETERMINE THE AMOUNT OF FUNDS DISTRIBUTED UNDER THIS
23 SECTION TO EACH PARTICIPATING REGIONAL DATA HUB WITHIN THE NETWORK,
24 BASED UPON A COMPETITIVE GRANT PROCESS. ENTITIES RECEIVING FUNDING
25 UNDER THIS SECTION SHALL REPRESENT GEOGRAPHICALLY DIVERSE AREAS IN
26 THIS STATE.

27 (5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION

1 SHALL BE MADE ON A SCHEDULE DETERMINED BY THE CENTER.

2 (6) TO RECEIVE FUNDING UNDER THIS SECTION, A REGIONAL DATA HUB
3 MUST HAVE A GOVERNANCE MODEL THAT ENSURES LOCAL CONTROL OF DATA,
4 DATA SECURITY, AND STUDENT PRIVACY ISSUES. THE INTEGRATION OF DATA
5 WITHIN EACH OF THE REGIONAL DATA HUBS SHALL PROVIDE FOR THE
6 ACTIONABLE USE OF DATA BY DISTRICTS AND INTERMEDIATE DISTRICTS
7 THROUGH COMMON REPORTS AND DASHBOARDS AND FOR EFFICIENTLY PROVIDING
8 INFORMATION TO MEET STATE AND FEDERAL REPORTING PURPOSES.

9 (7) PARTICIPATION BY A DATA HUB REGION OR AN INTERMEDIATE
10 DISTRICT IN THE MICHIGAN DATA HUB NETWORK UNDER THIS SECTION IS
11 VOLUNTARY AND IS NOT REQUIRED.

12 (8) ENTITIES RECEIVING FUNDING UNDER THIS SECTION SHALL USE
13 THE FUNDS FOR ALL OF THE FOLLOWING:

14 (A) CREATING AN INFRASTRUCTURE THAT EFFECTIVELY MANAGES THE
15 MOVEMENT OF DATA BETWEEN DATA SYSTEMS USED BY INTERMEDIATE
16 DISTRICTS, DISTRICTS, AND OTHER EDUCATIONAL ORGANIZATIONS IN
17 MICHIGAN BASED ON COMMON DATA STANDARDS TO IMPROVE STUDENT
18 ACHIEVEMENT.

19 (B) UTILIZING THE INFRASTRUCTURE TO PUT IN PLACE COMMONLY
20 NEEDED INTEGRATIONS, REDUCING COST AND EFFORT TO DO THAT WORK WHILE
21 INCREASING DATA ACCURACY AND USABILITY.

22 (C) PROMOTING THE USE OF A MORE COMMON SET OF APPLICATIONS BY
23 PROMOTING SYSTEMS THAT INTEGRATE WITH THE MICHIGAN DATA HUB
24 NETWORK.

25 (D) PROMOTING 100% DISTRICT ADOPTION OF THE MICHIGAN DATA HUB
26 NETWORK BY SEPTEMBER 30, 2018.

27 (E) ENSURING LOCAL CONTROL OF DATA, DATA SECURITY, AND STUDENT

1 DATA PRIVACY.

2 (F) UTILIZING THE INFRASTRUCTURE TO PROMOTE THE ACTIONABLE USE
3 OF DATA THROUGH COMMON REPORTS AND DASHBOARDS THAT ARE CONSISTENT
4 STATEWIDE.

5 (G) CREATING A GOVERNANCE MODEL TO FACILITATE SUSTAINABLE
6 OPERATIONS OF THE INFRASTRUCTURE IN THE FUTURE, INCLUDING
7 ADMINISTRATION, LEGAL AGREEMENTS, DOCUMENTATION, STAFFING, HOSTING,
8 AND FUNDING.

9 (H) EVALUATING FUTURE DATA INITIATIVES AT ALL LEVELS TO
10 DETERMINE WHETHER THE INITIATIVES CAN BE ENHANCED BY USING THE
11 STANDARDIZED ENVIRONMENT IN THE MICHIGAN DATA HUB NETWORK.

12 (9) NOT LATER THAN JANUARY 1, 2018, THE DEPARTMENT SHALL
13 PREPARE A SUMMARY REPORT OF INFORMATION PROVIDED BY EACH ENTITY
14 THAT RECEIVED FUNDS UNDER THIS SECTION THAT INCLUDES MEASURABLE
15 OUTCOMES BASED ON THE OBJECTIVES DESCRIBED UNDER THIS SECTION. THE
16 REPORT SHALL INCLUDE A SUMMARY OF COMPILED DATA FROM EACH ENTITY TO
17 PROVIDE A MEANS TO EVALUATE THE EFFECTIVENESS OF THE PROJECT. THE
18 DEPARTMENT SHALL SUBMIT THE REPORT TO THE HOUSE AND SENATE
19 APPROPRIATIONS SUBCOMMITTEES ON STATE SCHOOL AID AND ON THE
20 DEPARTMENT BUDGET AND TO THE HOUSE AND SENATE FISCAL AGENCIES.

21 (10) THE CENTER AND THE ADVISORY COMMITTEE ESTABLISHED UNDER
22 SUBSECTION (3) SHALL WORK TO ACHIEVE 100% DISTRICT ADOPTION OF THE
23 MICHIGAN DATA HUB NETWORK BY SEPTEMBER 30, 2018.

24 Sec. 24. (1) From the appropriation in section 11, there is
25 allocated for ~~2016-2017-2017-2018~~ an amount not to exceed
26 \$8,000,000.00 for payments to the educating district or
27 intermediate district for educating pupils assigned by a court or

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

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

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

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

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

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

18 Sec. 24a. From the appropriation in section 11, ~~there is~~
19 ~~allocated an amount not to exceed \$1,301,000.00 for 2015-2016 and~~
20 ~~there is allocated an amount not to exceed \$1,328,100.00 for 2016-~~
21 ~~2017-~~**\$1,339,000.00 FOR 2017-2018** for payments to intermediate
22 districts for pupils who are placed in juvenile justice service
23 facilities operated by the department of health and human services.
24 Each intermediate district shall receive an amount equal to the
25 state share of those costs that are clearly and directly
26 attributable to the educational programs for pupils placed in
27 facilities described in this section that are located within the

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

13 Sec. 24c. From the appropriation in section 11, there is
14 allocated an amount not to exceed ~~\$1,632,400.00 for 2016-2017~~
15 **\$1,528,400.00 FOR 2017-2018** for payments to districts for pupils
16 who are enrolled in a nationally administered community-based
17 education and youth mentoring program, known as the youth challenge
18 program, that is administered by the department of military and
19 veterans affairs. Both of the following apply to a district
20 receiving payments under this section:

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

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

1 Sec. 25f. (1) From the state school aid fund money
2 appropriated in section 11, there is allocated an amount not to
3 exceed \$750,000.00 for ~~2016-2017~~**2017-2018** for payments to strict
4 discipline academies established under sections 1311b to 1311m of
5 the revised school code, MCL 380.1311b to 380.1311m, as provided
6 under this section.

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

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

22 (a) "Added cost" means 100% of the added cost each fiscal year
23 for educating all pupils enrolled and in regular daily attendance
24 at a strict discipline academy. Added cost shall be computed by
25 deducting all other revenue received under this article for pupils
26 described in this subsection from total costs, as approved by the
27 department, in whole or in part, for educating those pupils in a

1 strict discipline academy. The department shall include all costs
2 including, but not limited to, educational costs, insurance,
3 management fees, technology costs, legal fees, auditing fees,
4 interest, pupil accounting costs, and any other administrative
5 costs necessary to operate the program or to comply with statutory
6 requirements. Costs reimbursed by federal funds are not included.

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

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

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

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

20 Sec. 25g. (1) From the state school aid fund money
21 appropriated in section 11, there is allocated an amount not to
22 exceed \$750,000.00 for ~~2016-2017~~ **2017-2018** for the purposes of this
23 section. If the operation of the special membership counting
24 provisions under section 6(4)(dd) and the other membership counting
25 provisions under section 6(4) result in a pupil being counted as
26 more than 1.0 FTE in a fiscal year, then the payment made for the
27 pupil under sections 22a and 22b shall not be based on more than

1 1.0 FTE for that pupil, and that portion of the FTE that exceeds
2 1.0 shall be paid under this section in an amount equal to that
3 portion multiplied by the educating district's foundation allowance
4 or per-pupil payment calculated under section 20.

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

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

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

12 Sec. 26a. From the funds appropriated in section 11, ~~there is~~
13 ~~allocated an amount not to exceed \$20,000,000.00 for 2015-2016 and~~
14 ~~there is allocated an amount not to exceed \$20,000,000.00~~
15 **\$18,000,000.00 EACH FISCAL YEAR for 2016-2017 AND FOR 2017-2018** to
16 reimburse districts and intermediate districts pursuant to section
17 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692,
18 for taxes levied in ~~2015 and 2016 as applicable.~~ **2016 AND 2017 AS**
19 **APPLICABLE.** The allocations shall be made not later than 60 days
20 after the department of treasury certifies to the department and to
21 the state budget director that the department of treasury has
22 received all necessary information to properly determine the
23 amounts due to each eligible recipient.

24 Sec. 26b. (1) From the appropriation in section 11, there is
25 allocated for ~~2016-2017-2017-2018~~ an amount not to exceed
26 \$4,405,100.00 for payments to districts, intermediate districts,
27 and community college districts for the portion of the payment in

1 lieu of taxes obligation that is attributable to districts,
2 intermediate districts, and community college districts pursuant to
3 section 2154 of the natural resources and environmental protection
4 act, 1994 PA 451, MCL 324.2154.

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

9 Sec. 26c. (1) From the appropriation in section 11, ~~there is~~
10 ~~allocated an amount not to exceed \$278,000.00 for 2015-2016 and~~
11 ~~there is allocated an amount not to exceed \$1,000,000.00 for 2016-~~
12 ~~2017-~~**\$1,500,000.00 FOR 2017-2018** to the promise zone fund created
13 in subsection (3). **THE FUNDS ALLOCATED UNDER THIS SECTION REFLECT**
14 **THE AMOUNT OF REVENUE FROM THE COLLECTION OF THE STATE EDUCATION**
15 **TAX CAPTURED UNDER SECTION 17(2) OF THE MICHIGAN PROMISE ZONE**
16 **AUTHORITY ACT, 2008 PA 549, MCL 390.1677.**

17 (2) Funds allocated to the promise zone fund under this
18 section shall be used solely for payments to eligible districts and
19 intermediate districts, **IN ACCORDANCE WITH SECTION 17(3) OF THE**
20 **MICHIGAN PROMISE ZONE AUTHORITY ACT, 2008 PA 549, MCL 390.1677,**
21 that have a promise zone development plan approved by the
22 department of treasury under section 7 of the Michigan promise zone
23 authority act, 2008 PA 549, MCL 390.1667. **ELIGIBLE DISTRICTS AND**
24 **INTERMEDIATE DISTRICTS SHALL USE PAYMENTS MADE UNDER THIS SECTION**
25 **FOR REIMBURSEMENT FOR QUALIFIED EDUCATIONAL EXPENSES AS DEFINED IN**
26 **SECTION 3 OF THE MICHIGAN PROMISE ZONE AUTHORITY ACT, 2008 PA 549,**
27 **MCL 390.1663.**

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

6 (a) The state treasurer shall direct the investment of the
7 promise zone fund. The state treasurer shall credit to the promise
8 zone fund interest and earnings from fund investments.

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

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

18 **(5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION**
19 **SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

20 Sec. 31a. (1) From the state school aid fund money
21 appropriated in section 11, there is allocated for ~~2016-2017-2017-~~
22 ~~2018~~ an amount not to exceed ~~\$389,695,500.00~~ **\$490,195,500.00** for
23 payments to eligible districts ~~, AND~~ eligible public school
24 academies ~~, and the education achievement system~~ for the purposes
25 of ensuring that pupils are proficient in ~~reading~~ **ENGLISH LANGUAGE**
26 **ARTS** by the end of grade 3, ~~and THAT PUPILS ARE PROFICIENT IN~~
27 **MATHEMATICS BY THE END OF GRADE 8, THAT PUPILS ARE ATTENDING SCHOOL**

1 **REGULARLY**, that high school graduates are career and college ready,
 2 and for the purposes under subsections ~~(7) and (8)~~. **(11) AND (12)**.

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

12 (3) For a district or public school academy ~~that operates~~
 13 ~~grades K to 3, or the education achievement system,~~ to be eligible
 14 to receive funding under this section, other than funding under
 15 subsection ~~(7) or (8),~~ **(11) OR (12)**, the district or public school
 16 academy, ~~or the education achievement system,~~ ~~must implement,~~ **FOR**
 17 **GRADES K TO 3, MUST COMPLY WITH THE REQUIREMENTS UNDER SECTION**
 18 **1280F OF THE REVISED SCHOOL CODE, MCL 380.1280F, AND USE RESOURCES**
 19 **TO ADDRESS EARLY LITERACY, AND** for at least grades ~~K to 3,~~ **4 TO 8**
 20 **OR, IF THE DISTRICT OR PUBLIC SCHOOL ACADEMY DOES NOT OPERATE ALL**
 21 **OF GRADES 4 TO 8, FOR ALL OF THOSE GRADES IT OPERATES, MUST**
 22 **IMPLEMENT** a multi-tiered system of supports that is an evidence-
 23 based model that uses data-driven problem solving to integrate
 24 academic and behavioral instruction and that uses intervention
 25 delivered to all pupils in varying intensities based on pupil
 26 needs. This multi-tiered system of supports must provide at least
 27 all of the following essential elements:

1 (a) Implements effective instruction for all learners.

2 (b) Intervenes early.

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

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

7 (ii) Targeted group interventions.

8 (iii) Intense individual interventions.

9 (d) Monitors pupil progress to inform instruction.

10 (e) Uses data to make instructional decisions.

11 (f) Uses assessments including universal screening,
12 diagnostics, and progress monitoring.

13 (g) Engages families and the community.

14 (h) Implements evidence-based, scientifically validated,
15 instruction and intervention.

16 (i) Implements instruction and intervention practices with
17 fidelity.

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

19 (4) **FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED**
20 **AN AMOUNT NOT TO EXCEED \$432,988,200.00 FOR 2017-2018 FOR THE**
21 **PURPOSES OF THIS SUBSECTION.** Except as otherwise provided in this
22 subsection, an eligible district or eligible public school academy
23 ~~or the education achievement system~~ shall receive under this
24 section for each membership pupil in the district or public school
25 academy ~~or the education achievement system who met the income~~
26 ~~eligibility criteria for free breakfast, lunch, or milk, as~~
27 ~~determined under the Richard B. Russell national school lunch act,~~

1 ~~42 USC 1751 to 1769, and~~ **WHO IS DETERMINED TO BE ECONOMICALLY**
2 **DISADVANTAGED**, as reported to the ~~department~~**CENTER** in the form and
3 manner prescribed by the ~~department~~**CENTER** not later than the fifth
4 Wednesday after the pupil membership count day of the immediately
5 preceding fiscal year, ~~and adjusted not later than December 31 of~~
6 ~~the immediately preceding fiscal year,~~ an amount per pupil equal to
7 ~~11.5% of the sum of the district's foundation allowance or the~~
8 ~~public school academy's or the education achievement system's per~~
9 ~~pupil amount calculated under section 20 plus the amount of the~~
10 ~~district's per pupil allocation under section 20m, not to exceed~~
11 ~~the basic foundation allowance under section 20 for the current~~
12 ~~state fiscal year, or of the public school academy's or the~~
13 ~~education achievement system's per membership pupil amount~~
14 ~~calculated under section 20 for the current state fiscal year.~~ **AN**
15 **AMOUNT DETERMINED BY DIVIDING THE AMOUNT RECEIVED BY THE DISTRICT**
16 **OR PUBLIC SCHOOL ACADEMY IN 2016-2017 UNDER THIS SECTION BY THE**
17 **DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S 2015-2016 HEAD COUNT OF**
18 **STUDENTS WHO MET THE INCOME ELIGIBILITY CRITERIA FOR FREE**
19 **BREAKFAST, LUNCH, OR MILK IN 2015-2016. THOSE INCOME ELIGIBILITY**
20 **CRITERIA ARE AS DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL**
21 **SCHOOL LUNCH ACT, 42 USC 1751 TO 1769J.** However, a public school
22 academy that began operations as a public school academy, ~~an~~
23 ~~achievement school that began operations as an achievement school,~~
24 ~~or a community district that first enrolls pupils,~~ after the pupil
25 membership count day of the immediately preceding school year shall
26 receive under this ~~section~~**SUBSECTION** for each membership pupil in
27 the public school academy, ~~in the education achievement system, or~~

1 ~~in the community district who met the income eligibility criteria~~
2 ~~for free breakfast, lunch, or milk, as determined under the Richard~~
3 ~~B. Russell national school lunch act and~~ **WHO IS DETERMINED TO BE**
4 **ECONOMICALLY DISADVANTAGED**, as reported to the ~~department~~ **CENTER IN**
5 **THE FORM AND MANNER PRESCRIBED BY THE CENTER** not later than the
6 fifth Wednesday after the pupil membership count day of the current
7 fiscal year, ~~and adjusted not later than December 31 of the current~~
8 ~~fiscal year,~~ an amount per pupil equal to ~~11.5%~~ **9%** of the public
9 school academy's ~~, the education achievement system's,~~ or the
10 community district's per membership pupil amount calculated under
11 section 20 for the current state fiscal year.

12 **(5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED**
13 **AN AMOUNT NOT TO EXCEED \$41,000,000.00 FOR 2017-2018 FOR THE**
14 **PURPOSES OF THIS SUBSECTION. EXCEPT AS OTHERWISE PROVIDED IN THIS**
15 **SUBSECTION, AN ELIGIBLE DISTRICT OR ELIGIBLE PUBLIC SCHOOL ACADEMY**
16 **SHALL RECEIVE UNDER THIS SUBSECTION FOR EACH MEMBERSHIP PUPIL IN**
17 **THE DISTRICT OR PUBLIC SCHOOL ACADEMY WHO IS DETERMINED TO BE**
18 **ECONOMICALLY DISADVANTAGED, AS REPORTED TO THE CENTER IN THE FORM**
19 **AND MANNER PRESCRIBED BY THE CENTER NOT LATER THAN THE FIFTH**
20 **WEDNESDAY AFTER THE PUPIL MEMBERSHIP COUNT DAY OF THE IMMEDIATELY**
21 **PRECEDING FISCAL YEAR, AN AMOUNT PER PUPIL EQUAL TO THE AMOUNT**
22 **DETERMINED BY DIVIDING THE ALLOCATION UNDER THIS SUBSECTION BY THE**
23 **TOTAL STATEWIDE NUMBER OF PUPILS DETERMINED TO BE ECONOMICALLY**
24 **DISADVANTAGED.**

25 **(6) FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY TO BE ELIGIBLE TO**
26 **RECEIVE FUNDING UNDER THIS SUBSECTION, THE DISTRICT OR PUBLIC**
27 **SCHOOL ACADEMY MUST ADMINISTER TO ENGLISH LANGUAGE LEARNERS THE**

1 ENGLISH LANGUAGE PROFICIENCY ASSESSMENT KNOWN AS THE "WIDA ACCESS
2 FOR ENGLISH LANGUAGE LEARNERS" OR THE "WIDA ALTERNATE ACCESS". FROM
3 THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT
4 TO EXCEED \$5,000,000.00 FOR 2017-2018 FOR PAYMENTS TO ELIGIBLE
5 DISTRICTS AND ELIGIBLE PUBLIC SCHOOL ACADEMIES FOR SERVICES FOR
6 ENGLISH LANGUAGE LEARNERS WHO HAVE BEEN ADMINISTERED THE WIDA
7 ACCESS FOR ENGLISH LANGUAGE LEARNERS. ALL OF THE FOLLOWING APPLY TO
8 THIS FUNDING:

9 (A) FUNDING ALLOCATED UNDER THIS SUBSECTION SHALL BE
10 DISTRIBUTED TO ELIGIBLE DISTRICTS AND ELIGIBLE PUBLIC SCHOOL
11 ACADEMIES BASED ON THE NUMBER OF FULL-TIME EQUIVALENT ENGLISH
12 LANGUAGE LEARNERS AS FOLLOWS:

13 (i) \$620.00 PER FULL-TIME EQUIVALENT ENGLISH LANGUAGE LEARNER
14 WHO HAS BEEN ASSESSED UNDER THE WIDA ACCESS FOR ENGLISH LANGUAGE
15 LEARNERS OR THE WIDA ALTERNATE ACCESS WITH A WIDA ACCESS OR WIDA
16 ALTERNATE ACCESS COMPOSITE SCORE BETWEEN 1.0 AND 1.9, OR LESS, AS
17 APPLICABLE TO EACH ASSESSMENT.

18 (ii) \$410.00 PER FULL-TIME EQUIVALENT ENGLISH LANGUAGE LEARNER
19 WHO HAS BEEN ASSESSED UNDER THE WIDA ACCESS FOR ENGLISH LANGUAGE
20 LEARNERS OR THE WIDA ALTERNATE ACCESS WITH A WIDA ACCESS OR WIDA
21 ALTERNATE ACCESS COMPOSITE SCORE BETWEEN 2.0 AND 2.9, OR LESS, AS
22 APPLICABLE TO EACH ASSESSMENT.

23 (B) IF FUNDS ALLOCATED UNDER THIS SUBSECTION ARE INSUFFICIENT
24 TO FULLY FUND THE PAYMENTS AS PRESCRIBED UNDER SUBDIVISION (A),
25 PAYMENTS SHALL BE PRORATED ON AN EQUAL PERCENTAGE BASIS, WITH THE
26 SAME PERCENTAGE PRORATION APPLIED TO BOTH FUNDING CATEGORIES.

27 (C) EACH DISTRICT OR PUBLIC SCHOOL ACADEMY RECEIVING FUNDS

1 UNDER THIS SUBSECTION SHALL SUBMIT TO THE DEPARTMENT BY JULY 15 OF
2 EACH FISCAL YEAR A REPORT, NOT TO EXCEED 10 PAGES, ON THE USAGE BY
3 THE DISTRICT OR PUBLIC SCHOOL ACADEMY OF FUNDS UNDER THIS SECTION,
4 IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, WHICH SHALL
5 INCLUDE A BRIEF DESCRIPTION OF EACH PROGRAM CONDUCTED OR SERVICES
6 PERFORMED BY THE DISTRICT OR PUBLIC SCHOOL ACADEMY USING FUNDS
7 UNDER THIS SECTION AND THE AMOUNT OF FUNDS UNDER THIS SECTION
8 ALLOCATED TO EACH OF THOSE PROGRAMS OR SERVICES. IF A DISTRICT OR
9 PUBLIC SCHOOL ACADEMY DOES NOT COMPLY WITH THIS SUBSECTION, THE
10 DEPARTMENT SHALL WITHHOLD AN AMOUNT EQUAL TO THE AUGUST PAYMENT DUE
11 UNDER THIS SUBSECTION UNTIL THE DISTRICT OR PUBLIC SCHOOL ACADEMY
12 COMPLIES WITH THIS SUBSECTION. IF THE DISTRICT OR PUBLIC SCHOOL
13 ACADEMY DOES NOT COMPLY WITH THIS SUBSECTION BY THE END OF THE
14 STATE FISCAL YEAR, THE WITHHELD FUNDS SHALL BE FORFEITED TO THE
15 SCHOOL AID FUND.

16 (D) IN ORDER TO RECEIVE FUNDS UNDER THIS SUBSECTION, A
17 DISTRICT OR PUBLIC SCHOOL ACADEMY SHALL ALLOW ACCESS FOR THE
18 DEPARTMENT OR THE DEPARTMENT'S DESIGNEE TO AUDIT ALL RECORDS
19 RELATED TO THE PROGRAM FOR WHICH IT RECEIVES THOSE FUNDS. THE
20 DISTRICT OR PUBLIC SCHOOL ACADEMY SHALL REIMBURSE THIS STATE FOR
21 ALL DISALLOWANCES FOUND IN THE AUDIT.

22 (E) BEGINNING JULY 1, 2020, AND EVERY 3 YEARS THEREAFTER, THE
23 DEPARTMENT SHALL REVIEW THE PER-PUPIL DISTRIBUTION UNDER
24 SUBDIVISION (A) TO ENSURE THAT FUNDING LEVELS ARE APPROPRIATE AND
25 MAKE RECOMMENDATIONS FOR ADJUSTMENTS TO THE MEMBERS OF THE SENATE
26 AND HOUSE SUBCOMMITTEES ON K-12 SCHOOL AID APPROPRIATIONS.

27 (7) A DISTRICT OR PUBLIC SCHOOL ACADEMY RECEIVING FUNDS UNDER

1 SUBSECTION (4), (5), OR (6) SHALL USE THOSE FUNDS FOR PROGRAMS AND
2 ACTIVITIES DESIGNED TO ACHIEVE ALL OF THE FOLLOWING:

3 (A) THE CHRONIC ABSENTEEISM RATE FOR ECONOMICALLY
4 DISADVANTAGED PUPILS AND ENGLISH LANGUAGE LEARNERS ENROLLED IN THE
5 DISTRICT OR PUBLIC SCHOOL ACADEMY IS NOT MORE THAN THE CHRONIC
6 ABSENTEEISM RATE FOR PUPILS ENROLLED IN THE DISTRICT OR PUBLIC
7 SCHOOL ACADEMY WHO ARE NOT IN EITHER OF THESE CATEGORIES, AS
8 DEFINED AND CALCULATED BY THE CENTER.

9 (B) THE PROPORTION OF ECONOMICALLY DISADVANTAGED PUPILS AND
10 ENGLISH LANGUAGE LEARNERS WHO ARE IN THE BOTTOM 30% IN PERFORMANCE
11 ON THE GRADE 3 ENGLISH LANGUAGE ARTS STATE ASSESSMENT AMONG PUPILS
12 ENROLLED IN THE DISTRICT OR PUBLIC SCHOOL ACADEMY DOES NOT EXCEED
13 THE PROPORTION OF PUPILS WHO ARE NOT IN EITHER OF THESE CATEGORIES
14 WHO ARE IN THE BOTTOM 30% IN PERFORMANCE ON THE GRADE 3 ENGLISH
15 LANGUAGE ARTS STATE ASSESSMENT AMONG PUPILS ENROLLED IN THE
16 DISTRICT OR PUBLIC SCHOOL ACADEMY, AS CALCULATED AND REPORTED BY
17 THE DEPARTMENT IN THE TOP 30-BOTTOM 30 ANALYSIS REPORT UNDER
18 SUBSECTION (13).

19 (C) THE PROPORTION OF ECONOMICALLY DISADVANTAGED PUPILS AND
20 ENGLISH LANGUAGE LEARNERS WHO ARE IN THE BOTTOM 30% IN PERFORMANCE
21 ON THE GRADE 8 MATHEMATICS STATE ASSESSMENT AMONG PUPILS ENROLLED
22 IN THE DISTRICT OR PUBLIC SCHOOL ACADEMY DOES NOT EXCEED THE
23 PROPORTION OF PUPILS WHO ARE NOT IN EITHER OF THESE CATEGORIES WHO
24 ARE IN THE BOTTOM 30% IN PERFORMANCE ON THE GRADE 8 ENGLISH
25 LANGUAGE ARTS STATE ASSESSMENT AMONG PUPILS ENROLLED IN THE
26 DISTRICT OR PUBLIC SCHOOL ACADEMY, AS CALCULATED AND REPORTED BY
27 THE DEPARTMENT IN THE TOP 30-BOTTOM 30 ANALYSIS REPORT UNDER

1 SUBSECTION (13).

2 (D) AT LEAST 65% OF PUPILS IN GRADES 9 TO 12 HAVE ENROLLED IN
3 CAREER AND TECHNICAL EDUCATION PROGRAMMING, ADVANCED PLACEMENT OR
4 INTERNATIONAL BACCALAUREATE COURSES, OR DUAL ENROLLMENT OR
5 CONCURRENT ENROLLMENT COURSES DESCRIBED IN SECTION 64B AND AT LEAST
6 80% OF THOSE PUPILS HAVE SUCCESSFULLY COMPLETED THE COURSES.

7 (8) ~~(5)~~ Except as otherwise provided in this section, a
8 district or public school academy ~~, or the education achievement~~
9 ~~system,~~ receiving funding under this section shall use that money
10 **IN A WAY THAT IS CONSISTENT WITH SUBSECTION (7) AND** only to provide
11 instructional programs and direct noninstructional services,
12 including, but not limited to, medical, mental health, or
13 counseling services, for at-risk pupils; for school health clinics;
14 and for the purposes of ~~subsection (6), (7), (8), or (11).~~

15 **SUBSECTIONS (10), (11), AND (12).** In addition, a district that is a
16 school district of the first class or a district or public school
17 academy in which at least 50% of the pupils in membership ~~met the~~
18 ~~income eligibility criteria for free breakfast, lunch, or milk WERE~~
19 **DETERMINED TO BE ECONOMICALLY DISADVANTAGED** in the immediately
20 preceding state fiscal year, as determined and reported as
21 described in subsection (4) ~~, or the education achievement system~~
22 ~~if it meets this requirement,~~ **AND (22),** may use not more than 20%
23 of the funds it receives under this section for school security. A
24 district ~~, the OR~~ public school academy ~~, or the education~~
25 ~~achievement system~~ shall not use any of that money for
26 administrative costs. The instruction or direct noninstructional
27 services provided under this section may be conducted before or

1 after regular school hours or by adding extra school days to the
2 school year.

3 (9) A DISTRICT OR PUBLIC SCHOOL ACADEMY THAT RECEIVES FUNDS
4 UNDER THIS SECTION MAY USE UP TO 5% OF THOSE FUNDS TO PROVIDE
5 RESEARCH-BASED PROFESSIONAL DEVELOPMENT TO DISTRICT AND SCHOOL
6 LEADERSHIP AND TEACHERS THAT IS ALIGNED TO PROFESSIONAL LEARNING
7 STANDARDS; IS INTEGRATED INTO DISTRICT, SCHOOL BUILDING, AND
8 CLASSROOM PRACTICES; IS CONSISTENT WITH SUBSECTION (7); AND IS
9 SOLELY RELATED TO THE FOLLOWING:

10 (A) IMPLEMENTING THE MULTI-TIERED SYSTEM OF SUPPORTS REQUIRED
11 IN SUBSECTION (3) WITH FIDELITY AND UTILIZING THE DATA FROM THAT
12 SYSTEM TO INFORM CURRICULUM AND INSTRUCTION.

13 (B) IMPLEMENTING SECTION 1280F OF THE REVISED SCHOOL CODE, MCL
14 380.1280F, AS REQUIRED UNDER SUBSECTION (3), WITH FIDELITY.

15 (C) IMPROVING THE DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S
16 PERFORMANCE ON THE METRICS DESCRIBED IN SUBSECTION (7).

17 (10) ~~(6)~~—A district or public school academy that receives
18 funds under this section and that operates a school breakfast
19 program under section 1272a of the revised school code, MCL
20 380.1272a, ~~or the education achievement system if it operates a~~
21 ~~school breakfast program,~~ shall use from the funds received under
22 this section an amount, not to exceed \$10.00 per pupil for whom the
23 district or public school academy ~~or the education achievement~~
24 ~~system~~ receives funds under this section, necessary to pay for
25 costs associated with the operation of the school breakfast
26 program.

27 (11) ~~(7)~~—From the funds allocated under subsection (1), there

1 is allocated for ~~2016-2017~~**2017-2018** an amount not to exceed
2 ~~\$5,557,300.00~~**\$6,057,300.00** to support ~~child and adolescent health~~
3 ~~centers. These grants shall be awarded for 5 consecutive years~~
4 ~~beginning with 2003-2004~~**PRIMARY HEALTH CARE SERVICES PROVIDED TO**
5 **CHILDREN AND ADOLESCENTS UP TO AGE 21. THESE FUNDS SHALL BE**
6 **EXPENDED** in a form and manner ~~approved~~**DETERMINED** jointly by the
7 department and the department of health and human services. ~~Each~~
8 ~~grant recipient shall remain in compliance with the terms of the~~
9 ~~grant award or shall forfeit the grant award for the duration of~~
10 ~~the 5 year period after the noncompliance. To continue to receive~~
11 ~~funding for a child and adolescent health center under this section~~
12 ~~a grant recipient shall ensure that the child and adolescent health~~
13 ~~center has an advisory committee and that at least one third of the~~
14 ~~members of the advisory committee are parents or legal guardians of~~
15 ~~school aged children. A child and adolescent health center program~~
16 ~~shall recognize the role of a child's parents or legal guardian in~~
17 ~~the physical and emotional well being of the child. Funding under~~
18 ~~this subsection shall be used to support child and adolescent~~
19 ~~health center services provided to children up to age 21. If any~~
20 funds allocated under this subsection are not used for the purposes
21 of this subsection for the fiscal year in which they are allocated,
22 those unused funds shall be used that fiscal year to avoid or
23 minimize any proration that would otherwise be required under
24 subsection ~~(12)~~**(16)** for that fiscal year.

25 **(12)** ~~(8)~~ From the funds allocated under subsection (1), there
26 is allocated for ~~2016-2017~~**2017-2018** an amount not to exceed
27 \$5,150,000.00 for the state portion of the hearing and vision

1 screenings as described in section 9301 of the public health code,
2 1978 PA 368, MCL 333.9301. A local public health department shall
3 pay at least 50% of the total cost of the screenings. The frequency
4 of the screenings shall be as required under R 325.13091 to R
5 325.13096 and R 325.3271 to R 325.3276 of the Michigan
6 ~~administrative code.~~ **ADMINISTRATIVE CODE.** Funds shall be awarded in
7 a form and manner approved jointly by the department and the
8 department of health and human services. Notwithstanding section
9 17b, payments to eligible entities under this subsection shall be
10 paid on a schedule determined by the department.

11 (13) **THE DEPARTMENT SHALL CALCULATE AND PUBLISH A TOP 30-**
12 **BOTTOM 30 ANALYSIS REPORT ANNUALLY IN ORDER TO DETERMINE EACH**
13 **DISTRICT'S PERFORMANCE IN THE METRICS DESCRIBED IN SUBSECTION**
14 **(7) (B) AND (C). IN ADDITION, THE DEPARTMENT SHALL PUBLISH EACH**
15 **DISTRICT'S PERFORMANCE FOR EACH OF THE METRICS DESCRIBED IN**
16 **SUBSECTION (7) NO LATER THAN DECEMBER 30 OF EACH YEAR OR 1 MONTH**
17 **AFTER FULLY AUDITED STATE ASSESSMENT DATA IS RECEIVED BY THE**
18 **DEPARTMENT, WHICHEVER IS LATER.**

19 (14) ~~(9)~~ Each district or public school academy receiving
20 funds under this section ~~and the education achievement system shall~~
21 submit to the department by July 15 of each fiscal year a report,
22 ~~not to exceed 10 pages, on the usage by the district or public~~
23 ~~school academy or the education achievement system of funds under~~
24 ~~this section, which report shall include~~ **IN THE FORM AND MANNER**
25 **PRESCRIBED BY THE DEPARTMENT, THAT INCLUDES** a brief description of
26 each program conducted or services performed by the district or
27 public school academy ~~or the education achievement system using~~

1 funds under this section, the amount of funds under this section
2 allocated to each of those programs or services, the total number
3 of at-risk pupils served by each of those programs or services, and
4 the data necessary for the department and the department of health
5 and human services to verify matching funds for the temporary
6 assistance for needy families program. **IN PRESCRIBING THE FORM AND**
7 **MANNER OF THE REPORT, THE DEPARTMENT SHALL ENSURE THAT DISTRICTS**
8 **ARE ALLOWED TO MAKE ANY EXPENDITURE THAT IS PERMISSIBLE UNDER THIS**
9 **SECTION. FROM THESE REPORTS, THE DEPARTMENT SHALL PUBLISH A SUMMARY**
10 **OF PROGRAMS CONDUCTED OR SERVICES PERFORMED IN DISTRICTS AND PUBLIC**
11 **SCHOOL ACADEMIES THAT DEMONSTRATE SIGNIFICANT IMPROVEMENTS ON THE**
12 **METRICS DESCRIBED IN SUBSECTION (7), AS DETERMINED BY THE**
13 **DEPARTMENT.** If a district or public school academy ~~or the education~~
14 ~~achievement system~~ does not comply with this subsection, the
15 department shall withhold an amount equal to the August payment due
16 under this section until the district or public school academy ~~or~~
17 ~~the education achievement system~~ complies with this subsection. If
18 the district or public school academy ~~or the education achievement~~
19 ~~system~~ does not comply with this subsection by the end of the state
20 fiscal year, the withheld funds shall be forfeited to the school
21 aid fund.

22 (15) ~~(10)~~ In order to receive funds under this section, a
23 district or public school academy ~~or the education achievement~~
24 ~~system~~ shall allow access for the department or the department's
25 designee to audit all records related to the program for which it
26 receives those funds. The district or public school academy ~~or the~~
27 ~~education achievement system~~ shall reimburse the state for all

1 disallowances found in the audit.

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

8 (16) ~~(12)~~ If necessary, and before any proration required
9 under section 296, the department shall prorate payments under this
10 section by reducing the amount of the per pupil payment under this
11 section by a dollar amount calculated by determining the amount by
12 which the amount necessary to fully fund the requirements of this
13 section exceeds the maximum amount allocated under this section and
14 then dividing that amount by the total statewide number of pupils
15 who met the income eligibility criteria for free breakfast, lunch,
16 or milk **WERE DETERMINED TO BE ECONOMICALLY DISADVANTAGED** in the
17 immediately preceding fiscal year. ~~, as described in subsection~~
18 ~~(4).~~

19 (17) ~~(13)~~ If a district is formed by consolidation after June
20 1, 1995, and if 1 or more of the original districts were not
21 eligible before the consolidation for an additional allowance under
22 this section, the amount of the additional allowance under this
23 section for the consolidated district shall be based on the number
24 of pupils described in subsection (1) enrolled in the consolidated
25 district who reside in the territory of an original district that
26 was eligible before the consolidation for an additional allowance
27 under this section. In addition, ~~if~~ **IF** a district is dissolved

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

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

14 ~~—— (a) Is a victim of child abuse or neglect.~~

15 ~~—— (b) Is a pregnant teenager or teenage parent.~~

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

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

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

25 ~~—— (f) The pupil is enrolled in a priority or priority successor~~
26 ~~school, as defined in the elementary and secondary education act of~~
27 ~~2001 flexibility waiver approved by the United States Department of~~

1 ~~Education.~~

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

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

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

9 ~~—— (iii) The pupil is homeless.~~

10 ~~—— (iv) The pupil is a migrant.~~

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

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

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

17 ~~—— (15) Beginning in 2018-2019, if a district, public school~~
18 ~~academy, or the education achievement system does not demonstrate~~
19 ~~to the satisfaction of the department that at least 50% of at risk~~
20 ~~pupils are proficient in English language arts by the end of grade~~
21 ~~3 as measured by the state assessment for the immediately preceding~~
22 ~~school year and demonstrate to the satisfaction of the department~~
23 ~~improvement over each of the 3 immediately preceding school years~~
24 ~~in the percentage of at risk pupils that are career and college-~~
25 ~~ready as determined by proficiency on the English language arts,~~
26 ~~mathematics, and science content area assessments on the grade 11~~
27 ~~summative assessment under section 1279g(2)(a) of the revised~~

1 ~~school code, MCL 380.1279g, the district, public school academy, or~~
2 ~~education achievement system shall ensure all of the following:~~

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

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

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

1 ~~the English language arts, mathematics, and science content area~~
2 ~~assessments on the grade 11 summative assessment under section~~
3 ~~1279g(2)(a) of the revised school code, MCL 380.1279g.~~

4 (18) BEGINNING IN 2020-2021, IF A DISTRICT OR PUBLIC SCHOOL
5 ACADEMY HAS NOT ACHIEVED ALL OF THE METRICS IN SUBSECTION (7) OR
6 MADE SATISFACTORY PROGRESS AS DETERMINED BY THE SUPERINTENDENT, THE
7 SUPERINTENDENT SHALL ASSIGN A TEAM OF PERSONS WITH EXPERTISE IN
8 COMPREHENSIVE SCHOOL AND DISTRICT REFORM TO PARTNER WITH THE
9 DISTRICT OR PUBLIC SCHOOL ACADEMY, THE INTERMEDIATE DISTRICT IN
10 WHICH IT IS LOCATED, COMMUNITY ORGANIZATIONS, LOCAL EMPLOYERS,
11 EDUCATION ORGANIZATIONS, AND POSTSECONDARY INSTITUTIONS AS
12 DETERMINED BY THE SUPERINTENDENT TO CONDUCT AN EVALUATION THAT
13 INCLUDES AT LEAST ALL OF THE FOLLOWING:

14 (A) REVIEWING THE DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S
15 IMPLEMENTATION AND UTILIZATION OF ITS MULTI-TIERED SYSTEM OF
16 SUPPORTS AND ENSURING THAT THE SYSTEM IS BEING USED TO
17 APPROPRIATELY INFORM INSTRUCTION OF AT-RISK PUPILS AND MAKE
18 RECOMMENDATIONS FOR CHANGES.

19 (B) CONDUCTING AN ACADEMIC PERFORMANCE AUDIT THAT INCLUDES
20 RECOMMENDATIONS FOR CHANGES IF NECESSARY FOR AT LEAST ALL OF THE
21 FOLLOWING:

22 (i) DISTRICT AND SCHOOL BUILDING LEADERSHIP AND EDUCATOR
23 CAPACITY TO SUBSTANTIALLY IMPROVE STUDENT OUTCOMES.

24 (ii) CLASSROOM, INSTRUCTIONAL, AND OPERATIONAL PRACTICES AND
25 CURRICULUM AND ALIGNMENT WITH RESEARCH-BASED INSTRUCTIONAL
26 PRACTICES AND STATE CURRICULUM STANDARDS.

27 (C) REVIEWING THE DISTRICT'S USE OF FINANCIAL RESOURCES WITH

1 RECOMMENDATIONS TO MORE EFFECTIVELY USE THOSE RESOURCES TO IMPROVE
2 ACADEMIC ACHIEVEMENT FOR AT-RISK PUPILS.

3 (D) ASSURANCE THAT EVALUATION COSTS WILL BE PAID FROM THE
4 FUNDS RECEIVED UNDER THIS SECTION ONLY AFTER AN AGREEMENT
5 SPECIFYING THE ROLES AND RESPONSIBILITIES OF THE PARTNERS AND
6 ESTABLISHING 18-MONTH BENCHMARKS HAS BEEN SIGNED BY THE PARTNERS
7 AND APPROVED BY THE STATE SUPERINTENDENT.

8 (19) ~~(17)~~ A district or public school academy that receives
9 funds under this section ~~or the education achievement system~~ may
10 use funds received under this section to provide an anti-bullying
11 or crisis intervention program.

12 (20) ~~(18)~~ The department shall collaborate with the department
13 of health and human services to prioritize assigning Pathways to
14 Potential Success coaches to elementary schools that have a high
15 percentage of pupils in grades K to 3 who are not ~~reading at grade~~
16 ~~level~~. PROFICIENT IN ENGLISH LANGUAGE ARTS, BASED UPON STATE
17 ASSESSMENTS FOR PUPILS IN THOSE GRADES.

18 (21) FOR THE PURPOSE OF DETERMINING THE NUMBER OF ECONOMICALLY
19 DISADVANTAGED PUPILS ENROLLED IN A COMMUNITY DISTRICT FOR 2017-
20 2018, DISADVANTAGED PUPILS WHO WERE ENROLLED IN THE EDUCATION
21 ACHIEVEMENT SYSTEM FOR 2016-2017 SHALL BE CONSIDERED TO HAVE BEEN
22 ENROLLED IN THE COMMUNITY DISTRICT FOR 2016-2017.

23 (22) AS USED IN THIS SECTION:

24 (A) "AT-RISK PUPIL" MEANS A PUPIL WHO IS ECONOMICALLY
25 DISADVANTAGED OR AN ENGLISH LANGUAGE LEARNER FOR WHOM THE DISTRICT
26 HAS DOCUMENTATION THAT THE PUPIL MEETS ANY OF THE FOLLOWING
27 CRITERIA:

1 (i) THE PUPIL DID NOT ACHIEVE PROFICIENCY ON THE ENGLISH
2 LANGUAGE ARTS STATE ASSESSMENT FOR GRADE 3 OR IS AT RISK OF NOT
3 ACHIEVING PROFICIENCY, AS DETERMINED BY THE DISTRICT OR PUBLIC
4 SCHOOL ACADEMY USING DATA PROVIDED AS PART OF THE MULTI-TIERED
5 SYSTEM OF SUPPORTS DESCRIBED IN SUBSECTION (3).

6 (ii) THE PUPIL DID NOT ACHIEVE PROFICIENCY ON THE MATHEMATICS
7 STATE ASSESSMENT FOR GRADE 8 OR IS AT RISK OF NOT ACHIEVING
8 PROFICIENCY, AS DETERMINED BY THE DISTRICT OR PUBLIC SCHOOL ACADEMY
9 USING DATA PROVIDED AS PART OF THE MULTI-TIERED SYSTEM OF SUPPORTS
10 DESCRIBED IN SUBSECTION (3).

11 (iii) THE PUPIL IS CHRONICALLY ABSENT AS DEFINED BY AND
12 REPORTED TO THE CENTER.

13 (B) "ECONOMICALLY DISADVANTAGED" MEANS A PUPIL WHO HAS BEEN
14 DETERMINED TO MEET THE INCOME ELIGIBILITY CRITERIA FOR FREE OR
15 REDUCED-PRICE BREAKFAST, LUNCH, OR MILK, AS DETERMINED UNDER THE
16 RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, 42 USC 1751 TO 1769J;
17 WHO IS IN A HOUSEHOLD RECEIVING SUPPLEMENTAL NUTRITION ASSISTANCE
18 PROGRAM OR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES ASSISTANCE; OR
19 WHO IS HOMELESS, MIGRANT, OR IN FOSTER CARE, AS REPORTED TO THE
20 CENTER.

21 (C) "ENGLISH LANGUAGE LEARNER" MEANS A LIMITED ENGLISH
22 PROFICIENT PUPIL WHO SPEAKS A LANGUAGE OTHER THAN ENGLISH AS HIS OR
23 HER PRIMARY LANGUAGE AND HAS A DIFFICULTY SPEAKING, READING,
24 WRITING, OR UNDERSTANDING ENGLISH, AS REPORTED TO THE CENTER.

25 Sec. 31b. (1) From the appropriations in section 11, there is
26 allocated an amount not to exceed \$1,500,000.00 ~~for 2016-2017~~ FOR
27 2017-2018 for grants to at-risk districts for implementing a ~~year~~

1 ~~round~~ **BALANCED CALENDAR** instructional program for at least 1 of its
2 schools.

3 (2) The department shall select districts for grants under
4 this section from among applicant districts that meet both of the
5 following:

6 (a) The district meets 1 or both of the following:

7 (i) Is eligible in ~~2016-2017~~ **2017-2018** for the community
8 eligibility option for free and reduced price lunch under 42 USC
9 1759a.

10 (ii) At least 50% of the pupils in membership in the district
11 met the income eligibility criteria for free breakfast, lunch, or
12 milk in the immediately preceding state fiscal year, as determined
13 under the Richard B. Russell national school lunch act, 42 USC 1751
14 to ~~1769i~~ **1769J**.

15 (b) The board of the district has adopted a resolution stating
16 that the district will implement for the first time a ~~year-round~~
17 **BALANCED CALENDAR** instructional ~~calendar~~ **PROGRAM** that will begin in
18 ~~2017-2018~~ **2018-2019** for at least 1 school operated by the district
19 and committing to providing the ~~year-round~~ **BALANCED CALENDAR**
20 instructional ~~calendar~~ **PROGRAM** in each of those schools for at
21 least 3 school years.

22 (3) A district seeking a grant under this section shall apply
23 to the department in the form and manner prescribed by the
24 department not later than December 1, ~~2016~~ **2017**. The department
25 shall select districts for grants and make notification not later
26 than February 1, ~~2017~~ **2018**.

27 (4) The department shall award grants under this section on a

1 competitive basis, but shall give priority based solely on
2 consideration of the following criteria:

3 (a) Giving priority to districts that, ~~as of June 30, 2016,~~ **IN**
4 **THE IMMEDIATELY PRECEDING FISCAL YEAR**, had lower general fund
5 balances as a percentage of revenues.

6 (b) Giving priority to districts that operate at least 1
7 school that has been identified by the department as either a
8 priority school or a focus school.

9 (c) Ensuring that grant funding includes both rural and urban
10 districts.

11 (5) The amount of a grant under this section to any 1 district
12 shall not exceed \$750,000.00.

13 (6) A grant payment under this section to a district shall be
14 used for necessary modifications to instructional facilities and
15 other nonrecurring costs of preparing for the operation of a ~~year-~~
16 ~~round-~~ **BALANCED CALENDAR** instructional program as approved by the
17 department.

18 (7) A district receiving a grant under this section is not
19 required to provide more than the minimum number of days and hours
20 of pupil instruction prescribed under section 101, but shall spread
21 at least those minimum amounts of pupil instruction over the entire
22 year in each of its schools in which a ~~year-round-~~ **BALANCED CALENDAR**
23 instructional calendar is implemented. The district shall commit to
24 providing the ~~year-round-~~ **BALANCED CALENDAR** instructional calendar
25 in each of those schools for at least 3 school years.

26 (8) For a district receiving a grant under this section,
27 excessive heat is considered to be a condition not within the

1 control of school authorities for the purpose of days or hours
2 being counted as days or hours of pupil instruction under section
3 101(4).

4 (9) Notwithstanding section 17b, grant payments to districts
5 under this section shall be paid on a schedule determined by the
6 department.

7 Sec. 31d. (1) From the appropriations in section 11, there is
8 allocated an amount not to exceed \$22,495,100.00 for ~~2016-2017~~
9 **2017-2018** for the purpose of making payments to districts and other
10 eligible entities under this section.

11 (2) The amounts allocated from state sources under this
12 section shall be used to pay the amount necessary to reimburse
13 districts for 6.0127% of the necessary costs of the state mandated
14 portion of the school lunch programs provided by those districts.
15 The amount due to each district under this section shall be
16 computed by the department using the methods of calculation adopted
17 by the Michigan supreme court in the consolidated cases known as
18 Durant v State of Michigan, ~~Michigan supreme court docket no.~~
19 ~~104458-104492-456~~ **MICH 175 (1997)**.

20 (3) The payments made under this section include all state
21 payments made to districts so that each district receives at least
22 6.0127% of the necessary costs of operating the state mandated
23 portion of the school lunch program in a fiscal year.

24 (4) The payments made under this section to districts and
25 other eligible entities that are not required under section 1272a
26 of the revised school code, MCL 380.1272a, to provide a school
27 lunch program shall be in an amount not to exceed \$10.00 per

1 eligible pupil plus 5 cents for each free lunch and 2 cents for
2 each reduced price lunch provided, as determined by the department.

3 (5) From the federal funds appropriated in section 11, there
4 is allocated for ~~2016-2017~~ **2017-2018** all available federal funding,
5 estimated at ~~\$510,000,000.00~~ **\$520,000,000.00** for the national
6 school lunch program and all available federal funding, estimated
7 at \$3,200,000.00 for the emergency food assistance program.

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

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

15 Sec. 31f. (1) From the appropriations in section 11, ~~there is~~
16 ~~allocated an amount not to exceed \$2,500,000.00 for 2015-2016 and~~
17 ~~there is allocated an amount not to exceed \$2,500,000.00 for 2016-~~
18 ~~2017~~ **\$4,500,000.00 EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018**
19 for the purpose of making payments to districts to reimburse for
20 the cost of providing breakfast.

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

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

27 (b) Each breakfast eligible for payment meets the federal

1 standards described in subdivision (a).

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

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

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

16 Sec. 31j. (1) From the general fund money appropriated in
17 section 11, there is allocated an amount not to exceed \$250,000.00
18 for ~~2016-2017-2017-2018~~ for a pilot project to support districts in
19 the purchase of locally grown fruits and vegetables as described in
20 this section.

21 (2) The department shall provide funding to prosperity regions
22 2 and 4 for the pilot project described under this section. From
23 the funding identified in subsection (1), funding retained by the
24 prosperity regions for administration of the project shall not
25 exceed 10%, and funding retained by the department for
26 administration shall not exceed 6%.

27 (3) The department shall develop and implement a competitive

1 grant program for districts within the identified prosperity
2 regions to assist in paying for the costs incurred by the district
3 to purchase or increase purchases of whole or minimally processed
4 fruits, vegetables, and legumes grown in this state. The maximum
5 amount that may be drawn down on a grant to a district shall be
6 based on the number of meals served by the school district during
7 the previous school year under the Richard B. Russell national
8 school lunch act, 42 USC 1751 to ~~1769~~—**1769J**. The department shall
9 collaborate with the Michigan department of agriculture and rural
10 development to provide training to newly participating schools and
11 electronic information on Michigan agriculture.

12 (4) The goals of the pilot project include improving daily
13 nutrition and eating habits for children through the school
14 settings while investing in Michigan's agricultural and related
15 food business economy.

16 (5) A district that receives a grant under this section shall
17 use those funds for the costs incurred by the school district to
18 purchase whole or minimally processed fruits, vegetables, and
19 legumes that meet all of the following:

20 (a) Are purchased on or after the date the district received
21 notification from the department of the amount to be distributed to
22 the district under this subsection, including purchases made to
23 launch meals in September ~~2016-2017~~ for the ~~2016-2017-2017-2018~~
24 school year.

25 (b) Are grown in this state and, if minimally processed, are
26 also processed in this state.

27 (c) Are used for meals that are served as part of the United

1 States Department of Agriculture's child nutrition programs.

2 (6) For Michigan-grown fruits, vegetables, and legumes that
3 satisfy the requirements of subsection (5), matching reimbursements
4 shall be made in an amount not to exceed 10 cents for every school
5 meal that is served as part of the United States Department of
6 Agriculture's child nutrition programs and that uses Michigan-grown
7 fruits, vegetables, and legumes.

8 (7) A district that receives a grant for reimbursement under
9 this section shall use the grant to purchase whole or minimally
10 processed fruits, vegetables, and legumes that are grown in this
11 state and, if minimally processed, are also processed in this
12 state.

13 (8) In awarding grants under this section, the department
14 shall work in conjunction with prosperity region offices, in
15 consultation with Michigan-based farm to school resource
16 organizations, to develop scoring criteria that assess an
17 applicant's ability to procure Michigan-grown products, prepare and
18 menu Michigan-grown products, promote and market Michigan-grown
19 products, and submit letters of intent from districts on plans for
20 educational activities that promote the goals of the program.

21 (9) The department shall give preference to districts that
22 propose educational activities that meet 1 or more of the
23 following: promote healthy food activities; have clear educational
24 objectives; involve parents or the community; and connect to a
25 school's farm-to-school procurement activities.

26 (10) In awarding grants, the department shall also consider
27 all of the following: the percentage of children who qualify for

1 free or reduced price school meals under the Richard B. Russell
2 national school lunch act, 42 USC 1751 to ~~1769~~, **1769J**; the variety
3 of school sizes and geographic locations within the identified
4 prosperity regions; and existing or future collaboration
5 opportunities between more than 1 district in a prosperity region.

6 (11) As a condition of receiving a grant under this section, a
7 district shall provide or direct its vendors to provide to
8 prosperity region offices copies of monthly receipts that show the
9 quantity of different Michigan-grown fruits, vegetables, and
10 legumes purchased, the amount of money spent on each of these
11 products, and the name and Michigan location of the farm that grew
12 the products. The district shall also provide to the prosperity
13 region monthly lunch numbers and lunch participation rates, and
14 calendars or monthly menus noting when and how Michigan-grown
15 products were used in meals. The district and school food service
16 director or directors also shall agree to respond to brief online
17 surveys and to provide a report that shows the percentage
18 relationship of Michigan spending compared to total food spending.
19 Not later than March 1, ~~2017~~, **2018**, each prosperity region office
20 shall submit a report to the department on expected outcomes and
21 related measurements for economic development and children's
22 nutrition and readiness to learn based on progress so far. The
23 report shall include at least all of the following:

24 (a) The extent to which farmers and related businesses,
25 including distributors and processors, see an increase in market
26 opportunities and income generation through sales of Michigan or
27 local products to districts. All of the following apply for

1 purposes of this subdivision:

2 (i) The data used to determine the amount of this increase
3 shall be the total dollar amount of Michigan or local fruits,
4 vegetables, and legumes purchased by schools, along with the number
5 of different types of products purchased; school food purchasing
6 trends identified along with products that are of new and growing
7 interest among food service directors; the number of businesses
8 impacted; and the percentage of total food budget spent on
9 Michigan-grown fruits, vegetables, and legumes.

10 (ii) The prosperity region office shall use purchasing data
11 collected for the project and surveys of school food service
12 directors on the impact and success of the project as the source
13 for the data described in subparagraph (i).

14 (b) The ability to which pupils can access a variety of
15 healthy Michigan-grown foods through schools and increase their
16 consumption of those foods. All of the following apply for purposes
17 of this subdivision:

18 (i) The data used to determine whether this subparagraph is
19 met shall be the number of pupils exposed to Michigan-grown fruits,
20 vegetables, and legumes at schools; the variety of products served;
21 new items taste-tested or placed on menus; and the increase in
22 pupil willingness to try new local, healthy foods.

23 (ii) The prosperity region office shall use purchasing data
24 collected for the project, meal count and enrollment numbers,
25 school menu calendars, and surveys of school food service directors
26 as the source for the data described in subparagraph (i).

27 (12) The department shall compile the reports provided by

1 prosperity region offices under subsection (11) into 1 legislative
2 report. The department shall provide this report not later than
3 April 1, ~~2017-2018~~ to the house and senate subcommittees
4 responsible for school aid, the house and senate fiscal agencies,
5 and the state budget director.

6 Sec. 32d. (1) From the funds appropriated in section 11, there
7 is allocated to eligible intermediate districts and consortia of
8 intermediate districts for great start readiness programs an amount
9 not to exceed \$243,600,000.00 for ~~2016-2017.~~ **2017-2018**. Funds
10 allocated under this section for great start readiness programs
11 shall be used to provide part-day, school-day, or ~~GSRP/head start~~
12 **GSRP/HEAD START** blended comprehensive free compensatory classroom
13 programs designed to improve the readiness and subsequent
14 achievement of educationally disadvantaged children who meet the
15 participant eligibility and prioritization guidelines as defined by
16 the department. For a child to be eligible to participate in a
17 program under this section, the child shall be at least 4, but less
18 than 5, years of age as of September 1 of the school year in which
19 the program is offered and shall meet those eligibility and
20 prioritization guidelines.

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

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

4 (3) In addition to the allocation under subsection (1), from
5 the general fund money appropriated under section 11, there is
6 allocated an amount not to exceed \$300,000.00 for ~~2016-2017~~**2017-**
7 **2018** for a competitive grant to continue a longitudinal evaluation
8 of children who have participated in great start readiness
9 programs.

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

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

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

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

24 (d) Physical and dental health and developmental screening
25 services for all program participants.

26 (e) Referral services for families of program participants to
27 community social service agencies, including mental health

1 services, as appropriate.

2 (f) Active and continuous involvement of the parents or
3 guardians of the program participants.

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

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

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

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

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

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

26 (b) Except as otherwise provided in this subdivision, ensure
27 that at least 90% of the children participating in an eligible

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

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

23 (i) Teachers possessing proper training. A lead teacher must
24 have a valid teaching certificate with an early childhood (ZA or
25 ZS) endorsement or a bachelor's or higher degree in child
26 development or early childhood education with specialization in
27 preschool teaching. However, if an applicant demonstrates to the

1 department that it is unable to fully comply with this subparagraph
2 after making reasonable efforts to comply, teachers who have
3 significant but incomplete training in early childhood education or
4 child development may be used if the applicant provides to the
5 department, and the department approves, a plan for each teacher to
6 come into compliance with the standards in this subparagraph. A
7 teacher's compliance plan must be completed within 2 years of the
8 date of employment. Progress toward completion of the compliance
9 plan shall consist of at least 2 courses per calendar year.

10 (ii) Paraprofessionals possessing proper training in early
11 childhood education, including an associate's degree in early
12 childhood education or child development or the equivalent, or a
13 child development associate (CDA) credential. However, if an
14 applicant demonstrates to the department that it is unable to fully
15 comply with this subparagraph after making reasonable efforts to
16 comply, the applicant may use paraprofessionals who have completed
17 at least 1 course that earns college credit in early childhood
18 education or child development if the applicant provides to the
19 department, and the department approves, a plan for each
20 paraprofessional to come into compliance with the standards in this
21 subparagraph. A paraprofessional's compliance plan must be
22 completed within 2 years of the date of employment. Progress toward
23 completion of the compliance plan shall consist of at least 2
24 courses or 60 clock hours of training per calendar year.

25 (d) Include a program budget that contains only those costs
26 that are not reimbursed or reimbursable by federal funding, that
27 are clearly and directly attributable to the great start readiness

1 program, and that would not be incurred if the program were not
2 being offered. Eligible costs include transportation costs. The
3 program budget shall indicate the extent to which these funds will
4 supplement other federal, state, local, or private funds. Funds
5 received under this section shall not be used to supplant any
6 federal funds received by the applicant to serve children eligible
7 for a federally funded preschool program that has the capacity to
8 serve those children.

9 (6) For a grant recipient that enrolls pupils in a school-day
10 program funded under this section, each child enrolled in the
11 school-day program shall be counted as described in section 39 for
12 purposes of determining the amount of the grant award.

13 (7) For a grant recipient that enrolls pupils in a ~~GSRP/head~~
14 ~~start~~**GSRP/HEAD START** blended program, the grant recipient shall
15 ensure that all ~~head-start~~**HEAD START** and GSRP policies and
16 regulations are applied to the blended slots, with adherence to the
17 highest standard from either program, to the extent allowable under
18 federal law.

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

25 (9) An intermediate district or consortium of intermediate
26 districts may retain for administrative services provided by the
27 intermediate district or consortium of intermediate districts an

1 amount not to exceed 4% of the grant amount. Expenses incurred by
2 subrecipients engaged by the intermediate district or consortium of
3 intermediate districts for directly running portions of the program
4 shall be considered program costs or a contracted program fee for
5 service.

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

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

1 are experiencing homelessness or who have individualized education
2 plans recommending placement in an inclusive preschool setting
3 shall be considered to live with families with household income
4 equal to or less than 250% of the federal poverty level regardless
5 of actual family income and shall be prioritized for enrollment
6 within the lowest quintile.

7 (12) An intermediate district or consortium of intermediate
8 districts receiving a grant under this section shall allow parents
9 of eligible children who are residents of the intermediate district
10 or within the consortium to choose a program operated by or
11 contracted with another intermediate district or consortium of
12 intermediate districts and shall enter into a written agreement
13 regarding payment, in a manner prescribed by the department.

14 (13) An intermediate district or consortium of intermediate
15 districts receiving a grant under this section shall conduct a
16 local process to contract with interested and eligible public and
17 private for-profit and nonprofit community-based providers that
18 meet all requirements of subsection (4) for at least 30% of its
19 total ~~slot~~ allocation. For the purposes of this 30% allocation, an
20 intermediate district or consortium of intermediate districts may
21 count children served by a ~~head start~~ **HEAD START** grantee or
22 delegate in a blended ~~head start~~ **HEAD START** and great start
23 readiness school-day program. Children served in a program funded
24 only through ~~head start~~ **HEAD START** shall not be counted toward this
25 30% allocation. The intermediate district or consortium shall
26 report to the department, in a manner prescribed by the department,
27 a detailed list of community-based providers by provider type,

1 including private for-profit, private nonprofit, community college
2 or university, ~~head start~~ **HEAD START** grantee or delegate, and
3 district or intermediate district, and the number and proportion of
4 its total ~~slot~~-allocation allocated to each provider as
5 subrecipient. If the intermediate district or consortium is not
6 able to contract for at least 30% of its total ~~slot~~-allocation, the
7 grant recipient shall notify the department and, if the department
8 verifies that the intermediate district or consortium attempted to
9 contract for at least 30% of its total ~~slot~~-allocation and was not
10 able to do so, then the intermediate district or consortium may
11 retain and use all of its ~~allocated slots~~ **ALLOCATION** as provided
12 under this section. To be able to use this exemption, the
13 intermediate district or consortium shall demonstrate to the
14 department that the intermediate district or consortium increased
15 the percentage of its total ~~slot~~-allocation for which it contracts
16 with a community-based provider and the intermediate district or
17 consortium shall submit evidence satisfactory to the department,
18 and the department must be able to verify this evidence,
19 demonstrating that the intermediate district or consortium took
20 measures to contract for at least 30% of its total ~~slot~~-allocation
21 as required under this subsection, including, but not limited to,
22 at least all of the following measures:

23 (a) The intermediate district or consortium notified each
24 nonparticipating licensed child care center located in the service
25 area of the intermediate district or consortium regarding the
26 center's eligibility to participate, in a manner prescribed by the
27 department.

1 (b) The intermediate district or consortium provided to each
2 nonparticipating licensed child care center located in the service
3 area of the intermediate district or consortium information
4 regarding great start readiness program requirements and a
5 description of the application and selection process for community-
6 based providers.

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

11 (14) If an intermediate district or consortium of intermediate
12 districts receiving a grant under this section fails to submit
13 satisfactory evidence to demonstrate its effort to contract for at
14 least 30% of its total ~~slot~~-allocation, as required under
15 subsection (1), the department shall reduce the ~~slots~~-allocated
16 **ALLOCATION** to the intermediate district or consortium by a
17 percentage equal to the difference between the percentage of an
18 intermediate district's or consortium's total ~~slot~~-allocation
19 awarded to community-based providers and 30% of its total ~~slot~~
20 allocation.

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

25 (a) Ensure that a great start resource center or the
26 department provides each intermediate district or consortium
27 receiving a grant under this section with the contact information

1 for each licensed child care center located in the service area of
2 the intermediate district or consortium by March 1 of each year.

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

7 (c) Ensure that all intermediate district, district, community
8 college or university, ~~head-start~~ **HEAD START** grantee or delegate,
9 private for-profit, and private nonprofit providers are subject to
10 a single great start to quality rating system. The rating system
11 shall ensure that regulators process all prospective providers at
12 the same pace on a first-come, first-served basis and shall not
13 allow 1 type of provider to receive a great start to quality rating
14 ahead of any other type of provider.

15 (d) Not later than December 1 of each year, compile the
16 results of the information reported by each intermediate district
17 or consortium under subsection (10) and report to the legislature a
18 list by intermediate district or consortium with the number and
19 percentage of each intermediate district's or consortium's total
20 ~~slot~~ allocation allocated to community-based providers by provider
21 type, including private for-profit, private nonprofit, community
22 college or university, ~~head-start~~ **HEAD START** grantee or delegate,
23 and district or intermediate district.

24 (16) A recipient of funds under this section shall report to
25 the department in a form and manner prescribed by the department
26 the number of children participating in the program who meet the
27 income eligibility criteria under subsection (5) (b) and the total

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

10 (17) As used in this section:

11 (a) ~~"GSRP/head start"~~ **"GSRP/HEAD START** blended program" means a
12 part-day program funded under this section and a head start
13 program, which are combined for a school-day program.

14 (b) "Part-day program" means a program that operates at least
15 4 days per week, 30 weeks per year, for at least 3 hours of
16 teacher-child contact time per day but for fewer hours of teacher-
17 child contact time per day than a school-day program.

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

23 (18) An intermediate district or consortium of intermediate
24 districts receiving funds under this section shall establish **AND**
25 **CHARGE TUITION ACCORDING TO** a sliding scale of tuition rates based
26 upon household income for children participating in an eligible
27 great start readiness program who live with families with a

1 household income that is more than 250% of the federal poverty
2 level to be used by all of its providers, as approved by the
3 department. ~~A grant recipient shall charge tuition according to~~
4 ~~that sliding scale of tuition rates on a uniform basis for any~~
5 ~~child who does not meet the income eligibility requirements under~~
6 ~~this section.~~

7 (19) From the amount appropriated in subsection (1), there is
8 allocated an amount not to exceed \$10,000,000.00 for reimbursement
9 of transportation costs for children attending great start
10 readiness programs funded under this section. To receive
11 reimbursement under this subsection, not later than November 1,
12 ~~2016,~~ **2017**, a program funded under this section that provides
13 transportation shall submit to the intermediate district that is
14 the fiscal agent for the program a projected transportation budget.
15 The amount of the reimbursement for transportation under this
16 subsection shall be no more than the projected transportation
17 budget or ~~\$150.00~~ **\$300.00** multiplied by the number of ~~slots~~
18 **CHILDREN** funded for the program under this section. If the amount
19 allocated under this subsection is insufficient to fully reimburse
20 the transportation costs for all programs that provide
21 transportation and submit the required information, the
22 reimbursement shall be prorated in an equal amount per ~~slot~~ **CHILD**
23 funded. Payments shall be made to the intermediate district that is
24 the fiscal agent for each program, and the intermediate district
25 shall then reimburse the program provider for transportation costs
26 as prescribed under this subsection.

27 Sec. 32p. (1) From the ~~school aid fund~~ appropriation in

1 section 11, there is allocated an amount not to exceed
2 \$13,400,000.00 to intermediate districts for ~~2016-2017~~ **2017-2018**
3 for the purpose of providing early childhood funding to
4 intermediate school districts to support the activities under
5 subsection (2) and subsection (4), and to provide early childhood
6 programs for children from birth through age 8. The funding
7 provided to each intermediate district under this section shall be
8 determined by the distribution formula established by the
9 department's office of great start to provide equitable funding
10 statewide. In order to receive funding under this section, each
11 intermediate district shall provide an application to the office of
12 great start not later than September 15 of the immediately
13 preceding fiscal year indicating the activities planned to be
14 provided.

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

22 (a) Children born healthy.

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

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

27 (d) Children prepared to succeed in fourth grade and beyond by

1 reading proficiently by the end of third grade.

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

7 (a) Physical health.

8 (b) Social-emotional health.

9 (c) Family supports and basic needs.

10 (d) Parent education.

11 (e) Early education, including the child's ~~vocabulary~~
12 development **OF SKILLS LINKED TO SUCCESS IN FOUNDATIONAL LITERACY,**
13 and care.

14 (4) From the funds allocated in subsection (1), at least
15 \$2,500,000.00 shall be used for the purpose of providing home
16 visits to at-risk children and their families. The home visits
17 shall be conducted as part of a locally coordinated, family-
18 centered, evidence-based, data-driven home visit strategic plan
19 that is approved by the department. The goals of the home visits
20 funded under this subsection shall be to improve school readiness
21 using evidence-based methods, including ~~vocabulary development,~~ **A**
22 **FOCUS ON DEVELOPMENTALLY APPROPRIATE OUTCOMES FOR EARLY LITERACY,**
23 to reduce the number of pupils retained in grade level, and to
24 reduce the number of pupils requiring special education services.
25 The department shall coordinate the goals of the home visit
26 strategic plans approved under this subsection with other state
27 agency home visit programs in a way that strengthens Michigan's

1 home visiting infrastructure and maximizes federal funds available
2 for the purposes of at-risk family home visits. The coordination
3 among departments and agencies is intended to avoid duplication of
4 state services and spending, and should emphasize efficient service
5 delivery of home visiting programs.

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

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

1 Sec. 32q. From the state school aid fund allocation under
2 section 11, there is allocated to an eligible intermediate district
3 an amount equal to \$175,000.00 in ~~2016-2017~~**2017-2018** for the
4 purpose of this section. An intermediate district receiving a grant
5 under this section shall partner with an early childhood
6 collaborative to conduct a pilot program as provided under this
7 section. It is the intent of the legislature that this is the ~~first~~
8 **SECOND** of 3 years of funding, and that funding shall continue in
9 ~~2017-2018 and~~ 2018-2019. Funding allocated to an intermediate
10 district shall be used in partnership with a collaborative to
11 conduct a pilot program to evaluate the relative impact on
12 vulnerable children of 1 versus 2 years of preschool education. All
13 of the following apply to the pilot program funded under this
14 section:

15 (a) An eligible intermediate district is an intermediate
16 district that is located in a county with a population as of the
17 most recent federal decennial census that was greater than 500,000
18 but fewer than 800,000 and that has an early learning collaborative
19 located within its boundaries.

20 (b) The funds shall be used for research, family coaching
21 support, administration, information systems, and evaluation.

22 (c) In order to be eligible to receive the allocated funds,
23 the early learning collaborative, in partnership with the
24 intermediate district, shall provide the funding for all eligible
25 children included in the pilot program.

26 (d) The early learning collaborative, in partnership with the
27 intermediate district, shall develop a 3-year pilot program under

1 the supervision of the office of great start in the department.

2 (e) For a child to be eligible for participation in the pilot
3 program under this section, the child shall be 3 years of age as of
4 the date specified for determining a child's eligibility to attend
5 school under section 1147 of the revised school code, MCL 380.1147.

6 (f) A child participating in the pilot program shall meet the
7 participant eligibility and prioritization guidelines as defined by
8 the department.

9 (g) Notwithstanding section 17b, the department shall
10 distribute funds under this section not later than November 15 of
11 the fiscal year.

12 (h) The early learning collaborative, in partnership with the
13 intermediate district, shall provide annual progress evaluations to
14 the office of great start.

15 (i) By December 1, 2019, the early learning collaborative, in
16 partnership with the intermediate district, shall provide a pilot
17 program report and evaluation to the office of great start. The
18 office of great start shall review the pilot program report and
19 evaluation and, by February 15, 2020, provide a report to the
20 senate and house appropriations subcommittees on state school aid
21 and to the senate and house fiscal agencies of its evaluation of
22 the pilot program.

23 Sec. 35. (1) The funds allocated under section 35a shall be
24 used for programs to ensure children are reading at grade level by
25 the end of grade 3. The superintendent shall designate staff or
26 contracted employees funded under section 35a as critical shortage.
27 Programs funded under section 35a are intended to ensure that this

1 state will be in the top 10 most improved states in grade 4 reading
2 proficiency by the 2019 National Assessment of Educational Progress
3 (NAEP) and will be in the top 10 states overall in grade 4 reading
4 proficiency by 2025.

5 (2) From the general fund appropriation in section 11, there
6 is allocated to the department an amount not to exceed
7 \$1,000,000.00 for ~~2016-2017~~**2017-2018** for implementation costs
8 associated with programs funded under section 35a.

9 Sec. 35a. (1) ~~From the appropriations in section 11, there is~~
10 ~~allocated for 2015-2016 for the purposes of this section an amount~~
11 ~~not to exceed \$19,000,000.00 from the state school aid fund~~
12 ~~appropriation and an amount not to exceed \$1,500,000.00 from the~~
13 ~~general fund appropriation.~~ From the appropriations in section 11,
14 there is allocated for ~~2016-2017~~**2017-2018** for the purposes of this
15 section an amount not to exceed ~~\$22,900,000.00~~**\$25,900,000.00** from
16 the state school aid fund and an amount not to exceed ~~\$1,000,000.00~~
17 **\$2,500,000.00** from the general fund.

18 (2) From the allocations under subsection (1), there is
19 allocated an amount not to exceed \$950,000.00 ~~each fiscal year for~~
20 ~~2015-2016 and for 2016-2017~~**FOR 2017-2018** for professional
21 development purposes under this subsection. ~~The 2016-2017~~
22 ~~allocation represents the second of 2 years of funding for the~~
23 ~~purposes of this subsection.~~ All of the following apply to funding
24 under this subsection:

25 (a) The department shall award grants to districts to support
26 professional development for educators in a department-approved
27 research-based training program related to current state literacy

1 standards for pupils in grades K to 3. The professional development
2 shall also include training in the use of screening and diagnostic
3 tools, progress monitoring, and intervention methods used to
4 address barriers to learning and delays in learning that are
5 diagnosed through the use of these tools. The department shall
6 determine the amount of the grant awards.

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

11 ~~—— (c) The funds allocated under this subsection for 2015-2016~~
12 ~~are a work project appropriation, and any unexpended funds for~~
13 ~~2015-2016 are carried forward into 2016-2017. The purpose of the~~
14 ~~work project is to continue to implement the professional~~
15 ~~development training described in this subsection. The estimated~~
16 ~~completion date of the work project is September 30, 2017.~~

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

23 (3) From the allocations under subsection (1), there is
24 allocated an amount not to exceed \$1,450,000.00 ~~each fiscal year~~
25 ~~for 2015-2016 and for 2016-2017~~ **FOR 2017-2018** for grants under this
26 subsection. ~~The 2016-2017 allocation represents the second of 2~~
27 ~~years of funding.~~ All of the following apply to grants under this

1 subsection:

2 (a) The department shall award grants to districts to
3 administer department-approved screening and diagnostic tools to
4 monitor the development of early literacy and early reading skills
5 of pupils in grades K to 3 and to support research-based
6 professional development for educators in administering screening
7 and diagnostic tools and in data interpretation of the results
8 obtained through the use of those tools for the purpose of
9 implementing a multi-tiered system of support to improve reading
10 proficiency among pupils in grades K to 3. The department shall
11 award grants to eligible districts in an amount determined by the
12 department.

13 (b) A department-approved screening and diagnostic tool
14 administered by a district using funding under this section must
15 include all of the following components: phonemic awareness,
16 phonics, fluency, and comprehension. Further, all of the following
17 sub-skills must be assessed within each of these components:

18 (i) Phonemic awareness - segmentation, blending, and sound
19 manipulation (deletion and substitution).

20 (ii) Phonics - decoding (reading) and encoding (spelling).

21 (iii) Fluency - reading rate, accuracy, and expression.

22 (iv) Comprehension - making meaning of text.

23 (c) In addition to other methods of professional development
24 delivery, the ~~department~~ **MICHIGAN VIRTUAL UNIVERSITY** shall
25 collaborate with the ~~Michigan Virtual University~~ **DEPARTMENT** to
26 provide this training online to all educators of pupils in grades K
27 to 3.

1 ~~—— (d) The funds allocated under this subsection for 2015-2016~~
2 ~~are a work project appropriation, and any unexpended funds for~~
3 ~~2015-2016 are carried forward into 2016-2017. The purpose of the~~
4 ~~work project is to continue to implement the professional~~
5 ~~development training described in this subsection. The estimated~~
6 ~~completion date of the work project is September 30, 2017.~~

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

13 (4) From the allocations under subsection (1), there is
14 allocated an amount not to exceed ~~\$3,000,000.00 each fiscal year~~
15 ~~for 2015-2016 and for 2016-2017~~ **\$6,000,000.00 FOR 2017-2018** for the
16 purpose of providing early literacy coaches at intermediate
17 districts to assist teachers in developing and implementing
18 instructional strategies for pupils in grades K to 3 so that pupils
19 are reading at grade level by the end of grade 3. All of the
20 following apply to funding under this subsection:

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

25 (i) Current state literacy standards for pupils in grades K to
26 3.

27 (ii) Implementing an instructional delivery model based on

1 frequent use of formative, screening, and diagnostic tools, known
2 as a multi-tiered system of support, to determine individual
3 progress for pupils in grades K to 3 so that pupils are reading at
4 grade level by the end of grade 3.

5 (iii) The use of data from diagnostic tools to determine the
6 necessary additional supports and interventions needed by
7 individual pupils in grades K to 3 in order to be reading at grade
8 level.

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

14 (i) Each intermediate district shall be awarded grant funding
15 to support the cost of 1 early literacy coach in an equal amount
16 per early literacy coach, not to exceed ~~\$37,500.00~~ **\$75,000.00**.

17 (ii) After distribution of the grant funding under
18 subparagraph (i), the department shall distribute the remainder of
19 grant funding for additional early literacy coaches in an amount
20 not to exceed ~~\$37,500.00~~ **\$75,000.00** per early literacy coach. The
21 number of funded early literacy coaches for each intermediate
22 district shall be based on the percentage of the total statewide
23 number of pupils in grades K to 3 who meet the income eligibility
24 standards for the federal free and reduced-price lunch programs who
25 are enrolled in districts in the intermediate district. For each
26 additional early literacy coach funded under this subparagraph, the
27 department shall not make an award to an intermediate district

1 under this subparagraph in an amount that is less than the amount
2 necessary to pay 1/2 of the total cost of that additional early
3 literacy coach.

4 ~~—— (c) The funds allocated under this subsection for 2015-2016~~
5 ~~are a work project appropriation, and any unexpended funds for~~
6 ~~2015-2016 are carried forward into 2016-2017. The purpose of the~~
7 ~~work project is to continue to provide early literacy coaches as~~
8 ~~described in this subsection. The estimated completion date of the~~
9 ~~work project is September 30, 2017.~~

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

16 (5) From the allocations under subsection (1), there is
17 allocated an amount not to exceed ~~\$13,600,000.00 for 2015-2016 and~~
18 ~~an amount not to exceed \$17,500,000.00 for 2016-2017-2017-2018~~ to
19 districts that provide additional instructional time to those
20 pupils in grades K to 3 who have been identified by using
21 department-approved screening and diagnostic tools as needing
22 additional supports and interventions in order to be reading at
23 grade level by the end of grade 3. Additional instructional time
24 may be provided before, during, and after regular school hours or
25 as part of a year-round balanced school calendar. All of the
26 following apply to funding under this subsection:

27 (a) In order to be eligible to receive funding, a district

1 shall demonstrate to the satisfaction of the department that the
2 district has done all of the following:

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

10 (A) Implements effective instruction for all learners.

11 (B) Intervenes early.

12 (C) Provides a multi-tiered model of instruction and
13 intervention that provides the following: a core curriculum and
14 classroom interventions available to all pupils that meet the needs
15 of most pupils; targeted group interventions; and intense
16 individual interventions.

17 (D) Monitors pupil progress to inform instruction.

18 (E) Uses data to make instructional decisions.

19 (F) Uses assessments including universal screening,
20 diagnostics, and progress monitoring.

21 (G) Engages families and the community.

22 (H) Implements evidence-based, scientifically validated,
23 instruction and intervention.

24 (I) Implements instruction and intervention practices with
25 fidelity.

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

27 (ii) Used department-approved research-based diagnostic tools

1 to identify individual pupils in need of additional instructional
2 time.

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

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

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

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

17 (6) From the general fund money allocated in subsection (1),
18 the department shall allocate the amount of ~~\$1,000,000.00 each~~
19 ~~fiscal year for 2015-2016 and for 2016-2017~~ **\$2,500,000.00 FOR 2017-**
20 **2018** to the Michigan Education Corps. All of the following apply to
21 funding under this subsection:

22 (a) By August 1 of the ~~applicable~~ **CURRENT** fiscal year, the
23 Michigan Education Corps shall provide a report concerning its use
24 of the funding to the senate and house appropriations subcommittees
25 on state school aid, the senate and house fiscal agencies, and the
26 senate and house caucus policy offices on outcomes and performance
27 measures of the Michigan Education Corps, including, but not

1 limited to, the degree to which the Michigan Education Corps's
2 replication of the Michigan Reading Corps program is demonstrating
3 sufficient efficacy and impact. The report must include data
4 pertaining to at least all of the following:

5 (i) The current impact of the Michigan Reading Corps on this
6 state in terms of numbers of children and programs receiving
7 support. This portion of the report shall specify the number of
8 children tutored, including dosage and completion, and the
9 demographics of those children.

10 (ii) Whether the assessments and interventions are implemented
11 with fidelity. This portion of the report shall include details on
12 the total number of assessments and interventions completed and the
13 range, median, mean, and standard deviation for all assessments.

14 (iii) Whether the literacy improvement of children
15 participating in the Michigan Reading Corps is consistent with
16 expectations. This portion of the report shall detail at least all
17 of the following:

18 (A) Growth rate by grade level, in comparison to targeted
19 growth rate.

20 (B) Average linear growth rates.

21 (C) Exit rates.

22 (D) Percentage of children who exit who also meet or exceed
23 spring benchmarks.

24 (iv) The impact of the Michigan Reading Corps on organizations
25 and stakeholders, including, but not limited to, school
26 administrators, internal coaches, and AmeriCorps members.

27 (b) If the department determines that the Michigan Education

1 Corps has misused the funds allocated under this subsection, the
2 Michigan Education Corps shall reimburse this state for the amount
3 of state funding misused.

4 (C) THE DEPARTMENT MAY NOT RESERVE ANY PORTION OF THE
5 ALLOCATION PROVIDED UNDER THIS SUBSECTION FOR AN EVALUATION OF THE
6 MICHIGAN EDUCATION CORPS, THE MICHIGAN EDUCATION CORPS' FUNDING, OR
7 THE MICHIGAN EDUCATION CORPS' PROGRAMMING. THE DEPARTMENT SHALL
8 AWARD THE ENTIRE \$2,500,000.00 ALLOCATED UNDER THIS SUBSECTION TO
9 THE MICHIGAN EDUCATION CORPS AND SHALL NOT CONDITION THE AWARDED
10 OF THIS FUNDING ON THE IMPLEMENTATION OF AN INDEPENDENT EVALUATION.-

11 ~~(7) From the general fund money allocated under subsection (1),~~
12 ~~there is allocated to the department an amount not to exceed~~
13 ~~\$500,000.00 for 2015-2016 for the adoption of a certification test~~
14 ~~to ensure that all newly certificated elementary teachers have the~~
15 ~~skills to deliver evidence-based literacy instruction.~~

16 Sec. 39. (1) An eligible applicant receiving funds under
17 section 32d shall submit an application, in a form and manner
18 prescribed by the department, by a date specified by the department
19 in the immediately preceding state fiscal year. The application
20 shall include ~~a comprehensive needs assessment using aggregated~~
21 ~~data from the applicant's entire service area and a community~~
22 ~~collaboration plan that is endorsed by the local great start~~
23 ~~collaborative and is part of the community's great start strategic~~
24 ~~plan that includes, but is not limited to, great start readiness~~
25 ~~program and head start providers, and shall identify all of the~~
26 following:

27 (a) ~~The~~ **FOR 2017-2018 CALCULATIONS, THE** estimated total number

1 of children in the community who meet the criteria of section 32d,
2 ~~and how that calculation was made.~~ **AS PROVIDED TO THE APPLICANT BY**
3 **THE DEPARTMENT UTILIZING THE MOST RECENT POPULATION DATA AVAILABLE**
4 **FROM THE AMERICAN COMMUNITY SURVEY CONDUCTED BY THE UNITED STATES**
5 **CENSUS BUREAU. BEGINNING IN 2018-2019, THE DEPARTMENT SHALL ENSURE**
6 **THAT IT PROVIDES UPDATED AMERICAN COMMUNITY SURVEY POPULATION DATA**
7 **AT LEAST ONCE EVERY 3 YEARS.**

8 (b) The estimated number of children in the community who meet
9 the criteria of section 32d and are being served ~~by other early~~
10 ~~childhood development programs operating in the community, and how~~
11 ~~that calculation was made.~~ **EXCLUSIVELY BY HEAD START PROGRAMS**
12 **OPERATING IN THE COMMUNITY.**

13 (c) The number of ~~slots~~ **CHILDREN WHOM** the applicant ~~will be~~
14 ~~able to fill with children~~ **HAS THE CAPACITY TO SERVE** who meet the
15 criteria of section 32d including a verification of physical
16 facility and staff resources capacity.

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

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

1 established by the department pursuant to section 32d.

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

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

1 ~~school day program by blending head start funds with a part day~~
2 ~~great start readiness program allocation. All head start and great~~
3 ~~start readiness program policies and regulations apply to the~~
4 ~~blended program.~~ THE LESSER OF THE FOLLOWING:

5 (A) THE SUM OF THE NUMBER OF CHILDREN SERVED IN A SCHOOL-DAY
6 PROGRAM IN THE PRECEDING SCHOOL YEAR MULTIPLIED BY \$7,250.00 AND
7 THE NUMBER OF CHILDREN SERVED IN A GSRP/HEAD START BLENDED PROGRAM
8 OR A PART-DAY PROGRAM IN THE PRECEDING SCHOOL YEAR MULTIPLIED BY
9 \$3,625.00.

10 (B) THE SUM OF THE NUMBER OF CHILDREN THE APPLICANT HAS THE
11 CAPACITY TO SERVE IN 2017-2018 IN A SCHOOL-DAY PROGRAM MULTIPLIED
12 BY \$7,250.00 AND THE NUMBER OF CHILDREN SERVED IN A GSRP/HEAD START
13 BLENDED PROGRAM OR A PART-DAY PROGRAM THE APPLICANT HAS THE
14 CAPACITY TO SERVE IN 2017-2018 MULTIPLIED BY \$3,625.00.

15 ~~—— (5) If funds allocated for eligible applicants under section~~
16 ~~32d remain after the initial allocation under subsection (4), the~~
17 ~~allocation under this subsection shall be distributed to each~~
18 ~~eligible applicant under section 32d in decreasing order of~~
19 ~~concentration of eligible children as determined by the formula~~
20 ~~under subsection (3). The allocation shall be determined by~~
21 ~~multiplying the number of slots in each district within the~~
22 ~~applicant's service area filled in the immediately preceding fiscal~~
23 ~~year or the number of slots the applicant indicates it will be able~~
24 ~~to fill under subsection (1)(c), whichever is less, minus the~~
25 ~~number of slots for which the applicant received funding in~~
26 ~~subsection (4) by \$3,625.00.~~

27 (4) ~~(6) If funds allocated for eligible applicants under~~

1 ~~section 32d remain after the allocations under subsections (4) and~~
2 ~~(5), remaining funds shall be distributed to each eligible~~
3 ~~applicant under section 32d in decreasing order of concentration of~~
4 ~~eligible children as determined by the formula under subsection~~
5 ~~(3). If the number of slots the applicant indicates it will be able~~
6 ~~to fill under subsection (1)(c) exceeds the number of slots for~~
7 ~~which funds have been received under subsections (4) and (5), the~~
8 ~~allocation under this subsection shall be determined by multiplying~~
9 ~~the number of slots the applicant indicates it will be able to fill~~
10 ~~under subsection (1)(c) less the number of slots for which funds~~
11 ~~have been received under subsections (4) and (5) by \$3,625.00 until~~
12 ~~the funds allocated for eligible applicants in section 32d are~~
13 ~~distributed.~~ **SUBSECTION (3), THE DEPARTMENT SHALL DISTRIBUTE THE**
14 **REMAINING FUNDS TO EACH INTERMEDIATE DISTRICT OR CONSORTIUM OF**
15 **INTERMEDIATE DISTRICTS THAT SERVES LESS THAN THE STATE PERCENTAGE**
16 **BENCHMARK DETERMINED UNDER SUBSECTION (5). THESE REMAINING FUNDS**
17 **SHALL BE DISTRIBUTED TO EACH ELIGIBLE APPLICANT BASED UPON EACH**
18 **APPLICANT'S PROPORTIONATE SHARE OF THE REMAINING UNSERVED CHILDREN**
19 **NECESSARY TO MEET THE STATEWIDE PERCENTAGE BENCHMARK IN**
20 **INTERMEDIATE DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS**
21 **SERVING LESS THAN THE STATE PERCENTAGE BENCHMARK. WHEN ALL**
22 **APPLICANTS HAVE BEEN GIVEN THE OPPORTUNITY TO REACH THE STATEWIDE**
23 **PERCENTAGE BENCHMARK, THE STATEWIDE PERCENTAGE BENCHMARK MAY BE**
24 **RESET, AS DETERMINED BY THE DEPARTMENT, UNTIL GREATER EQUITY OF**
25 **OPPORTUNITY TO SERVE ELIGIBLE CHILDREN ACROSS ALL INTERMEDIATE**
26 **SCHOOL DISTRICTS HAS BEEN ACHIEVED.**

27 (5) FOR THE PURPOSES OF SUBSECTION (4), FOR THE 2017-2018

1 PROGRAM YEAR, THE DEPARTMENT SHALL CALCULATE A PERCENTAGE OF
2 CHILDREN SERVED BY EACH INTERMEDIATE DISTRICT OR CONSORTIUM OF
3 INTERMEDIATE DISTRICTS BY DIVIDING THE NUMBER OF CHILDREN SERVED IN
4 THE IMMEDIATELY PRECEDING YEAR BY THAT INTERMEDIATE DISTRICT OR
5 CONSORTIUM BY THE TOTAL NUMBER OF CHILDREN WITHIN THE INTERMEDIATE
6 DISTRICT OR CONSORTIUM OF INTERMEDIATE DISTRICTS WHO MEET THE
7 CRITERIA OF SECTION 32D AS DETERMINED BY THE DEPARTMENT UTILIZING
8 THE MOST RECENT POPULATION DATA AVAILABLE FROM THE AMERICAN
9 COMMUNITY SURVEY CONDUCTED BY THE UNITED STATES CENSUS BUREAU. THE
10 DEPARTMENT SHALL COMPARE THE RESULTING PERCENTAGE OF ELIGIBLE
11 CHILDREN SERVED TO A STATEWIDE PERCENTAGE BENCHMARK TO DETERMINE IF
12 THE INTERMEDIATE DISTRICT OR CONSORTIUM IS ELIGIBLE FOR ADDITIONAL
13 FUNDS UNDER SUBSECTION (4). FOR 2017-2018, THE STATEWIDE PERCENTAGE
14 BENCHMARK IS 60%.

15 (6) ~~(7)~~—If, taking into account the total amount to be
16 allocated to the applicant as calculated under this section, an
17 applicant determines that it is able to include additional eligible
18 children in the great start readiness program without additional
19 funds under section 32d, the applicant may include additional
20 eligible children but shall not receive additional funding under
21 section 32d for those children.

22 (7) THE DEPARTMENT SHALL REVIEW THE PROGRAM COMPONENTS UNDER
23 SECTION 32D AND UNDER THIS SECTION AT LEAST BIENNIALLY. THE
24 DEPARTMENT ALSO SHALL CONVENE A COMMITTEE OF INTERNAL AND EXTERNAL
25 STAKEHOLDERS AT LEAST ONCE EVERY 5 YEARS TO ENSURE THAT THE FUNDING
26 STRUCTURE UNDER THIS SECTION REFLECTS CURRENT SYSTEM NEEDS UNDER
27 SECTION 32D.

1 (8) AS USED IN THIS SECTION, "SCHOOL-DAY PROGRAM", "GSRP/HEAD
2 START BLENDED PROGRAM", AND "PART-DAY PROGRAM" MEAN THOSE TERMS AS
3 DEFINED IN SECTION 32D.

4 Sec. 39a. (1) From the federal funds appropriated in section
5 11, there is allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-**
6 **2018** to districts, intermediate districts, and other eligible
7 entities all available federal funding, estimated at
8 ~~\$821,939,900.00~~ **\$744,039,900.00 FOR 2016-2017 AND \$731,600,000.00**
9 **FOR 2017-2018** for the federal programs under the no child left
10 behind act of 2001, Public Law 107-110, or the every student
11 succeeds act, Public Law 114-95. These funds are allocated as
12 follows:

13 (a) An amount estimated at ~~\$2,000,000.00~~ **\$1,200,000.00 EACH**
14 **FISCAL YEAR** to provide students with drug- and violence-prevention
15 programs and to implement strategies to improve school safety,
16 funded from DED-OESE, drug-free schools and communities funds.

17 (b) An amount estimated at \$111,111,900.00 **FOR 2016-2017 AND**
18 **\$100,000,000.00 FOR 2017-2018** for the purpose of preparing,
19 training, and recruiting high-quality teachers and class size
20 reduction, funded from DED-OESE, improving teacher quality funds.

21 (c) An amount estimated at \$12,200,000.00 **FOR 2016-2017 AND**
22 **\$11,000,000.00 FOR 2017-2018** for programs to teach English to
23 limited English proficient (LEP) children, funded from DED-OESE,
24 language acquisition state grant funds.

25 (d) An amount estimated at \$250,000.00 **FOR 2016-2017 ONLY** for
26 the Michigan charter school subgrant program, funded from DED-OESE,
27 charter school funds.

1 (e) An amount estimated at \$3,000,000.00 **FOR 2016-2017 AND**
2 **\$2,800,000.00 FOR 2017-2018** for rural and low income schools,
3 funded from DED-OESE, rural and low income school funds.

4 (f) An amount estimated at ~~\$565,000,000.00~~ **\$535,000,000.00**
5 **EACH FISCAL YEAR** to provide supplemental programs to enable
6 educationally disadvantaged children to meet challenging academic
7 standards, funded from DED-OESE, title I, disadvantaged children
8 funds.

9 (g) An amount estimated at \$8,878,000.00 **FOR 2016-2017 AND**
10 **\$9,200,000.00 FOR 2017-2018** for the purpose of identifying and
11 serving migrant children, funded from DED-OESE, title I, migrant
12 education funds.

13 (h) An amount estimated at \$39,000,000.00 **EACH FISCAL YEAR** for
14 the purpose of providing high-quality extended learning
15 opportunities, after school and during the summer, for children in
16 low-performing schools, funded from DED-OESE, twenty-first century
17 community learning center funds.

18 (i) An amount estimated at ~~\$24,600,000.00~~ **\$18,000,000.00 EACH**
19 **FISCAL YEAR** to help support local school improvement efforts,
20 funded from DED-OESE, title I, local school improvement grants.

21 (j) An amount estimated at ~~\$55,900,000.00~~ **\$15,400,000.00 EACH**
22 **FISCAL YEAR** to improve the academic achievement of students, funded
23 from DED-OESE, title IV, student support and academic enrichment
24 grants.

25 (2) From the federal funds appropriated in section 11, there
26 is allocated for 2016-2017 **AND FOR 2017-2018** to districts,
27 intermediate districts, and other eligible entities all available

1 federal funding, estimated at \$30,800,000.00 **FOR 2016-2017 AND**
2 **\$30,000,000.00 FOR 2017-2018** for the following programs that are
3 funded by federal grants:

4 (a) An amount estimated at \$200,000.00 **FOR 2016-2017 AND**
5 **\$100,000.00 FOR 2017-2018** for acquired immunodeficiency syndrome
6 education grants, funded from HHS - Centers for Disease Control and
7 Prevention, AIDS funding.

8 (b) An amount estimated at \$2,600,000.00 **FOR 2016-2017 AND**
9 **\$1,900,000.00 FOR 2017-2018** to provide services to homeless
10 children and youth, funded from DED-OVAE, homeless children and
11 youth funds.

12 (c) An amount estimated at \$4,000,000.00 **EACH FISCAL YEAR** to
13 provide mental health, substance abuse, or violence prevention
14 services to students, funded from HHS-SAMHSA.

15 (d) An amount estimated at \$24,000,000.00 **EACH FISCAL YEAR** for
16 providing career and technical education services to pupils, funded
17 from DED-OVAE, basic grants to states.

18 (3) All federal funds allocated under this section shall be
19 distributed in accordance with federal law and with flexibility
20 provisions outlined in Public Law 107-116, and in the education
21 flexibility partnership act of 1999, Public Law 106-25.

22 Notwithstanding section 17b, payments of federal funds to
23 districts, intermediate districts, and other eligible entities
24 under this section shall be paid on a schedule determined by the
25 department.

26 (4) For the purposes of applying for federal grants
27 appropriated under this article, the department shall allow an

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

4 (5) For the purposes of funding federal title I grants under
5 this article, in addition to any other federal grants for which a
6 strict discipline academy is eligible, the department shall
7 allocate to strict discipline academies out of title I, part A
8 funds equal to what a strict discipline academy would have received
9 if included and calculated under title I, part D, or what it would
10 receive under the formula allocation under title I, part A,
11 whichever is greater.

12 (6) As used in this section:

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

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

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

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

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

22 Sec. 41. From the appropriation in section 11, there is
23 allocated an amount not to exceed \$1,200,000.00 for ~~2016-2017-2017-~~
24 **2018** to applicant districts and intermediate districts offering
25 programs of instruction for pupils of limited English-speaking
26 ability under section 1153 of the revised school code, MCL
27 380.1153. Reimbursement shall be on a per-pupil basis and shall be

1 based on the number of pupils of limited English-speaking ability
2 in membership on the pupil membership count day. Funds allocated
3 under this section shall be used solely for instruction in
4 speaking, reading, writing, or comprehension of English. A pupil
5 shall not be counted under this section or instructed in a program
6 under this section for more than 3 years.

7 Sec. 51a. (1) From the appropriation in section 11, there is
8 allocated ~~an amount not to exceed \$945,246,100.00 for 2015-2016 and~~
9 an amount not to exceed ~~\$973,046,100.00~~ **\$945,046,100.00** for 2016-
10 2017 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$963,146,100.00**
11 **FOR 2017-2018** from state sources and all available federal funding
12 under sections 611 to 619 of part B of the individuals with
13 disabilities education act, 20 USC 1411 to 1419, estimated at
14 \$370,000,000.00 each fiscal year for ~~2015-2016 and for 2016-2017~~
15 **AND FOR 2017-2018**, plus any carryover federal funds from previous
16 year appropriations. **IN ADDITION, FROM THE GENERAL FUND**
17 **APPROPRIATION IN SECTION 11, THERE IS ALLOCATED TO THE DEPARTMENT**
18 **AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2017-2018 FOR THE PURPOSE**
19 **OF SUBSECTION (16)**. The allocations under this subsection are for
20 the purpose of reimbursing districts and intermediate districts for
21 special education programs, services, and special education
22 personnel as prescribed in article 3 of the revised school code,
23 MCL 380.1701 to 380.1766; net tuition payments made by intermediate
24 districts to the Michigan schools for the deaf and blind; and
25 special education programs and services for pupils who are eligible
26 for special education programs and services according to statute or
27 rule. For meeting the costs of special education programs and

1 services not reimbursed under this article, a district or
2 intermediate district may use money in general funds or special
3 education funds, not otherwise restricted, or contributions from
4 districts to intermediate districts, tuition payments, gifts and
5 contributions from individuals or other entities, or federal funds
6 that may be available for this purpose, as determined by the
7 intermediate district plan prepared pursuant to article 3 of the
8 revised school code, MCL 380.1701 to 380.1766. Notwithstanding
9 section 17b, payments of federal funds to districts, intermediate
10 districts, and other eligible entities under this section shall be
11 paid on a schedule determined by the department.

12 (2) From the funds allocated under subsection (1), there is
13 allocated the amount necessary, ~~estimated at \$263,500,000.00 for~~
14 ~~2015-2016~~ and estimated at ~~\$271,600,000.00~~ **\$261,400,000.00** for
15 2016-2017 **AND ESTIMATED AT \$266,000,000.00 FOR 2017-2018**, for
16 payments toward reimbursing districts and intermediate districts
17 for 28.6138% of total approved costs of special education,
18 excluding costs reimbursed under section 53a, and 70.4165% of total
19 approved costs of special education transportation. Allocations
20 under this subsection shall be made as follows:

21 (a) The initial amount allocated to a district under this
22 subsection toward fulfilling the specified percentages shall be
23 calculated by multiplying the district's special education pupil
24 membership, excluding pupils described in subsection (11), times
25 the foundation allowance under section 20 of the pupil's district
26 of residence plus the amount of the district's per-pupil allocation
27 under section 20m, not to exceed the basic foundation allowance

1 under section 20 for the ~~current 2016-2017~~ fiscal year **AND**
2 **BEGINNING WITH 2017-2018 NOT TO EXCEED THE TARGET FOUNDATION**
3 **ALLOWANCE FOR THE CURRENT FISCAL YEAR**, or, for a special education
4 pupil in membership in a district that is a public school academy,
5 times an amount equal to the amount per membership pupil calculated
6 under section 20(6) or, **UNTIL THE END OF THE 2016-2017 FISCAL YEAR**,
7 for a pupil described in this subsection who is counted in
8 membership in the education achievement system, times an amount
9 equal to the amount per membership pupil under section 20(7). For
10 an intermediate district, the amount allocated under this
11 subdivision toward fulfilling the specified percentages shall be an
12 amount per special education membership pupil, excluding pupils
13 described in subsection (11), and shall be calculated in the same
14 manner as for a district, using the foundation allowance under
15 section 20 of the pupil's district of residence, not to exceed the
16 basic foundation allowance under section 20 for the ~~current 2016-~~
17 ~~2017~~ fiscal year **AND BEGINNING WITH 2017-2018 NOT TO EXCEED THE**
18 **TARGET FOUNDATION ALLOWANCE FOR THE CURRENT FISCAL YEAR**, and that
19 district's per-pupil allocation under section 20m.

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

25 (3) From the funds allocated under subsection (1), ~~there is~~
26 ~~allocated for 2015-2016 an amount not to exceed \$1,000,000.00 and~~
27 there is allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-2018**

1 an amount not to exceed ~~\$1,100,000.00~~ **\$1,000,000.00** to make
2 payments to districts and intermediate districts under this
3 subsection. If the amount allocated to a district or intermediate
4 district for a fiscal year under subsection (2)(b) is less than the
5 sum of the amounts allocated to the district or intermediate
6 district for 1996-97 under sections 52 and 58, there is allocated
7 to the district or intermediate district for the fiscal year an
8 amount equal to that difference, adjusted by applying the same
9 proration factor that was used in the distribution of funds under
10 section 52 in 1996-97 as adjusted to the district's or intermediate
11 district's necessary costs of special education used in
12 calculations for the fiscal year. This adjustment is to reflect
13 reductions in special education program operations or services
14 between 1996-97 and subsequent fiscal years. Adjustments for
15 reductions in special education program operations or services
16 shall be made in a manner determined by the department and shall
17 include adjustments for program or service shifts.

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

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

10 (5) State funds shall be allocated on a total approved cost
11 basis. Federal funds shall be allocated under applicable federal
12 requirements, except that an amount not to exceed \$3,500,000.00 may
13 be allocated by the department each fiscal year ~~for 2015-2016 and~~
14 ~~for 2016-2017~~ **AND FOR 2017-2018** to districts, intermediate
15 districts, or other eligible entities on a competitive grant basis
16 for programs, equipment, and services that the department
17 determines to be designed to benefit or improve special education
18 on a statewide scale.

19 (6) From the amount allocated in subsection (1), there is
20 allocated an amount not to exceed \$2,200,000.00 each fiscal year
21 ~~for 2015-2016 and for 2016-2017~~ **AND FOR 2017-2018** to reimburse 100%
22 of the net increase in necessary costs incurred by a district or
23 intermediate district in implementing the revisions in the
24 administrative rules for special education that became effective on
25 July 1, 1987. As used in this subsection, "net increase in
26 necessary costs" means the necessary additional costs incurred
27 solely because of new or revised requirements in the administrative

1 rules minus cost savings permitted in implementing the revised
2 rules. Net increase in necessary costs shall be determined in a
3 manner specified by the department.

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

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

27 (b) Beginning with the 2004-2005 fiscal year, a district or

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

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

1 intermediate districts under this subdivision, then the
2 calculations and resulting reimbursement under this subdivision
3 shall be prorated on an equal percentage basis. Beginning in 2015-
4 2016, the amount of reimbursement under this subdivision for a
5 fiscal year shall not exceed \$2,000,000.00 for any district or
6 intermediate district.

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

19 (e) Beginning with calculations for 2004-2005, if an
20 intermediate district purchases a special education pupil
21 transportation service from a constituent district that was
22 previously purchased from a private entity; if the purchase from
23 the constituent district is at a lower cost, adjusted for changes
24 in fuel costs; and if the cost shift from the intermediate district
25 to the constituent does not result in any net change in the revenue
26 the constituent district receives from payments under sections 22b
27 and 51c, then upon application by the intermediate district, the

1 department shall direct the intermediate district to continue to
2 report the cost associated with the specific identified special
3 education pupil transportation service and shall adjust the costs
4 reported by the constituent district to remove the cost associated
5 with that specific service.

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

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

17 (10) If a district or intermediate district uses money
18 received under this section for a purpose other than the purpose or
19 purposes for which the money is allocated, the department may
20 require the district or intermediate district to refund the amount
21 of money received. Money that is refunded shall be deposited in the
22 state treasury to the credit of the state school aid fund.

23 (11) From the funds allocated in subsection (1), there is
24 allocated the amount necessary, estimated at ~~\$3,800,000.00 for~~
25 ~~2015-2016 and estimated at \$3,700,000.00 for 2016-2017,~~
26 **\$3,600,000.00 EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018,** to
27 pay the foundation allowances for pupils described in this

1 subsection. The allocation to a district under this subsection
2 shall be calculated by multiplying the number of pupils described
3 in this subsection who are counted in membership in the district
4 times the sum of the foundation allowance under section 20 of the
5 pupil's district of residence plus the amount of the district's
6 per-pupil allocation under section 20m, not to exceed the basic
7 foundation allowance under section 20 for the ~~current-2016-2017~~
8 **fiscal year AND BEGINNING WITH 2017-2018 NOT TO EXCEED THE TARGET**
9 **FOUNDATION ALLOWANCE FOR THE CURRENT FISCAL YEAR**, or, for a pupil
10 described in this subsection who is counted in membership in a
11 district that is a public school academy, times an amount equal to
12 the amount per membership pupil under section 20(6) or, **UNTIL THE**
13 **END OF THE 2016-2017 FISCAL YEAR**, for a pupil described in this
14 subsection who is counted in membership in the education
15 achievement system, times an amount equal to the amount per
16 membership pupil under section 20(7). The allocation to an
17 intermediate district under this subsection shall be calculated in
18 the same manner as for a district, using the foundation allowance
19 under section 20 of the pupil's district of residence, not to
20 exceed the basic foundation allowance under section 20 for the
21 ~~current-2016-2017~~ fiscal year **AND BEGINNING WITH 2017-2018 NOT TO**
22 **EXCEED THE TARGET FOUNDATION ALLOWANCE FOR THE CURRENT FISCAL YEAR**,
23 and that district's per-pupil allocation under section 20m. This
24 subsection applies to all of the following pupils:
25 (a) Pupils described in section 53a.
26 (b) Pupils counted in membership in an intermediate district
27 who are not special education pupils and are served by the

1 intermediate district in a juvenile detention or child caring
2 facility.

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

6 (12) If it is determined that funds allocated under subsection
7 (2) or (11) or under section 51c will not be expended, funds up to
8 the amount necessary and available may be used to supplement the
9 allocations under subsection (2) or (11) or under section 51c in
10 order to fully fund those allocations. After payments under
11 subsections (2) and (11) and section 51c, the remaining
12 expenditures from the allocation in subsection (1) shall be made in
13 the following order:

14 (a) 100% of the reimbursement required under section 53a.

15 (b) 100% of the reimbursement required under subsection (6).

16 (c) 100% of the payment required under section 54.

17 (d) 100% of the payment required under subsection (3).

18 (e) 100% of the payments under section 56.

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

23 (14) If a public school academy enrolls ~~pursuant to~~ **UNDER** this
24 section a pupil who resides outside of the intermediate district in
25 which the public school academy is located and who is eligible for
26 special education programs and services according to statute or
27 rule, or who is a child with disabilities, as defined under the

1 individuals with disabilities education act, Public Law 108-446,
2 the ~~provision of special education programs and services and the~~
3 ~~payment of the added costs of special education programs and~~
4 ~~services for the pupil are the responsibility of the district and~~
5 ~~intermediate district in which the pupil resides unless the~~
6 ~~enrolling district or intermediate district has~~ **PUBLIC SCHOOL**
7 **ACADEMY SHALL ENTER INTO** a written agreement with the district or
8 intermediate district in which the pupil resides ~~or the public~~
9 ~~school academy~~ for the purpose of providing the pupil with a free
10 appropriate public education, and the written agreement ~~includes~~
11 **SHALL INCLUDE** at least an agreement on the responsibility for the
12 payment of the added costs of special education programs and
13 services for the pupil. **IF THE PUBLIC SCHOOL ACADEMY THAT ENROLLS**
14 **THE PUPIL DOES NOT ENTER INTO AN AGREEMENT UNDER THIS SUBSECTION,**
15 **THE PUBLIC SCHOOL ACADEMY SHALL NOT CHARGE THE PUPIL'S RESIDENT**
16 **DISTRICT OR RESIDENT INTERMEDIATE DISTRICT OR THE INTERMEDIATE**
17 **DISTRICT IN WHICH THE PUBLIC SCHOOL ACADEMY IS LOCATED THE ADDED**
18 **COSTS OF SPECIAL EDUCATION PROGRAMS AND SERVICES FOR THE PUPIL, AND**
19 **THE PUBLIC SCHOOL ACADEMY IS NOT ELIGIBLE FOR ANY PAYOUTS BASED ON**
20 **THE FUNDING FORMULA OUTLINED IN THE RESIDENT OR NONRESIDENT**
21 **INTERMEDIATE DISTRICT'S PLAN. IF A PUPIL IS NOT ENROLLED IN A**
22 **PUBLIC SCHOOL ACADEMY UNDER THIS SUBSECTION, THE PROVISION OF**
23 **SPECIAL EDUCATION PROGRAMS AND SERVICES AND THE PAYMENT OF THE**
24 **ADDED COSTS OF SPECIAL EDUCATION PROGRAMS AND SERVICES FOR A PUPIL**
25 **DESCRIBED IN THIS SUBSECTION ARE THE RESPONSIBILITY OF THE DISTRICT**
26 **AND INTERMEDIATE DISTRICT IN WHICH THE PUPIL RESIDES.**
27 ~~—— (15) Beginning in 2016-2017, a district, public school~~

1 ~~academy, or intermediate district that fails to comply with~~
2 ~~subsection (14) or with the requirements of federal regulations~~
3 ~~regarding the treatment of public school academies and public~~
4 ~~school academy pupils for the purposes of special education, 34 CFR~~
5 ~~300.209, forfeits from its total state aid an amount equal to 10%~~
6 ~~of its total state aid.~~

7 (15) FOR THE PURPOSE OF RECEIVING ITS FEDERAL ALLOCATION UNDER
8 PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC
9 LAW 108-446, THE DEPARTMENT SHALL PAY TO A PUBLIC SCHOOL ACADEMY
10 THAT ENROLLS A PUPIL UNDER SUBSECTION (14) AN AMOUNT EQUAL TO THE
11 FEDERAL ALLOCATION UNDER PART B OF THE INDIVIDUALS WITH
12 DISABILITIES EDUCATION ACT, PUBLIC LAW 108-446, FOR THAT PUPIL.

13 (16) FOR A PUBLIC SCHOOL ACADEMY THAT ENROLLS A PUPIL UNDER
14 SUBSECTION (14), THE INTERMEDIATE DISTRICT IN WHICH THE PUBLIC
15 SCHOOL ACADEMY IS LOCATED SHALL ENSURE THAT THE PUBLIC SCHOOL
16 ACADEMY COMPLIES WITH SECTIONS 1701A, 1703, 1704, 1751, 1752, 1756,
17 AND 1757 OF THE REVISED SCHOOL CODE, MCL 380.1701A, 380.1703,
18 380.1704, 380.1751, 380.1752, 380.1756, AND 380.1757; APPLICABLE
19 RULES; AND THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC
20 LAW 108-446. FROM THE GENERAL FUND APPROPRIATION UNDER SUBSECTION
21 (1), THE DEPARTMENT SHALL PROVIDE APPROPRIATE ADMINISTRATIVE
22 FUNDING TO THE INTERMEDIATE DISTRICT IN WHICH THE PUBLIC SCHOOL
23 ACADEMY IS LOCATED FOR THE PURPOSE OF ENSURING THAT COMPLIANCE.

24 (17) ~~(16)~~ For the purposes of this section, the department or
25 the center shall only require a district or intermediate district
26 to report information that is not already available from the
27 financial information database maintained by the center.

1 Sec. 51c. As required by the court in the consolidated cases
2 known as Durant v State of Michigan, ~~Michigan supreme court docket~~
3 ~~no. 104458-104492, 456 MICH 175 (1997)~~, from the allocation under
4 section 51a(1), there is allocated each fiscal year for ~~2015-2016~~
5 ~~and for 2016-2017~~ **AND FOR 2017-2018** the amount necessary, estimated
6 at ~~\$624,800,000.00 for 2015-2016 and estimated at \$644,500,000.00~~
7 **\$626,900,000.00** for 2016-2017 **AND \$640,400,000.00 FOR 2017-2018**,
8 for payments to reimburse districts for 28.6138% of total approved
9 costs of special education excluding costs reimbursed under section
10 53a, and 70.4165% of total approved costs of special education
11 transportation. Funds allocated under this section that are not
12 expended in the state fiscal year for which they were allocated, as
13 determined by the department, may be used to supplement the
14 allocations under sections 22a and 22b in order to fully fund those
15 calculated allocations for the same fiscal year.

16 Sec. 51d. (1) From the federal funds appropriated in section
17 11, there is allocated **EACH FISCAL YEAR** for 2016-2017 **AND FOR 2017-**
18 **2018**, all available federal funding, estimated at ~~\$71,000,000.00,~~
19 **\$61,000,000.00 EACH FISCAL YEAR**, for special education programs and
20 services that are funded by federal grants. All federal funds
21 allocated under this section shall be distributed in accordance
22 with federal law. Notwithstanding section 17b, payments of federal
23 funds to districts, intermediate districts, and other eligible
24 entities under this section shall be paid on a schedule determined
25 by the department.

26 (2) From the federal funds allocated under subsection (1), the
27 following amounts are allocated **EACH FISCAL YEAR** for 2016-2017 **AND**

1 **FOR 2017-2018:**

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

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

8 (c) An amount estimated at ~~\$45,000,000.00~~ **\$35,000,000.00 EACH**
9 **FISCAL YEAR** for special education programs funded by DED-OSERS,
10 handicapped program, individuals with disabilities act funds.

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

14 Sec. 53a. (1) For districts, reimbursement for pupils
15 described in subsection (2) shall be 100% of the total approved
16 costs of operating special education programs and services approved
17 by the department and included in the intermediate district plan
18 adopted pursuant to article 3 of the revised school code, MCL
19 380.1701 to 380.1766, minus the district's foundation allowance
20 calculated under section 20 and minus the district's per-pupil
21 allocation under section 20m. For intermediate districts,
22 reimbursement for pupils described in subsection (2) shall be
23 calculated in the same manner as for a district, using the
24 foundation allowance under section 20 of the pupil's district of
25 residence, not to exceed the ~~basic~~-**TARGET** foundation allowance
26 under section 20 for the current fiscal year, and that district's
27 per-pupil allocation under section 20m.

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

3 (a) Pupils assigned to a district or intermediate district
4 through the community placement program of the courts or a state
5 agency, if the pupil was a resident of another intermediate
6 district at the time the pupil came under the jurisdiction of the
7 court or a state agency.

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

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

13 (d) Pupils enrolled in a department-approved on-grounds
14 educational program longer than 180 days, but not longer than 233
15 days, at a residential child care institution, if the child care
16 institution offered in 1991-92 an on-grounds educational program
17 longer than 180 days but not longer than 233 days.

18 (e) Pupils placed in a district by a parent for the purpose of
19 seeking a suitable home, if the parent does not reside in the same
20 intermediate district as the district in which the pupil is placed.

21 (3) Only those costs that are clearly and directly
22 attributable to educational programs for pupils described in
23 subsection (2), and that would not have been incurred if the pupils
24 were not being educated in a district or intermediate district, are
25 reimbursable under this section.

26 (4) The costs of transportation shall be funded under this
27 section and shall not be reimbursed under section 58.

1 (5) Not more than \$10,500,000.00 of the allocation for ~~2016-~~
2 ~~2017-~~**2017-2018** in section 51a(1) shall be allocated under this
3 section.

4 Sec. 54. Each intermediate district shall receive an amount
5 per-pupil for each pupil in attendance at the Michigan schools for
6 the deaf and blind. The amount shall be proportionate to the total
7 instructional cost at each school. Not more than \$1,688,000.00 of
8 the allocation for ~~2016-2017-~~**2017-2018** in section 51a(1) shall be
9 allocated under this section.

10 Sec. 54b. (1) From the general fund appropriation in section
11 11, there is allocated an amount not to exceed ~~\$1,125,000.00 for~~
12 ~~2016-2017 to begin~~ **\$1,600,000.00 FOR 2017-2018 TO CONTINUE THE**
13 implementation of the recommendations of the special education
14 reform task force published in January 2016.

15 (2) ~~From the allocation in subsection (1), there is allocated~~
16 ~~for 2016-2017 an amount not to exceed \$625,000.00~~ **EXCEPT AS**
17 **PROVIDED IN SUBSECTION (3), THE DEPARTMENT SHALL USE FUNDS**
18 **ALLOCATED UNDER THIS SECTION** for the purpose of piloting statewide
19 implementation of the Michigan Integrated Behavior and Learning
20 Support Initiative (MiBLSI), a nationally recognized program that
21 includes positive behavioral intervention and supports and provides
22 a statewide structure to support local initiatives for an
23 integrated behavior and reading program. With the assistance of the
24 intermediate districts involved in MiBLSI, the department shall
25 identify ~~at least 3~~ **A NUMBER OF** intermediate districts to
26 participate in the pilot **THAT IS SUFFICIENT** to ensure that MiBLSI
27 can be implemented statewide with fidelity and sustainability. In

1 addition, the department shall identify an intermediate district to
2 act as a fiscal agent for these funds.

3 ~~(3) From the allocation in subsection (1), there is allocated~~
4 ~~for 2016-2017 an amount not to exceed \$500,000.00~~ **IN ADDITION TO**
5 **THE PURPOSE UNDER SUBSECTION (2), THE DEPARTMENT SHALL USE FUNDS**
6 **ALLOCATED UNDER THIS SECTION** for the purpose of providing training
7 to intermediate districts and districts related to the safe
8 implementation of emergency restraints and seclusion. The
9 department shall develop and implement a training program that is
10 based on the state board's adopted standards and on any other
11 legislation enacted by the legislature regarding the emergency use
12 of seclusion and restraint.

13 Sec. 55. (1) From the money appropriated in section 11, there
14 is allocated an amount not to exceed \$150,000.00 for ~~2016-2017~~
15 **2017-2018** to Michigan State University, Department of Epidemiology,
16 for a study of the Conductive Learning Center located at Aquinas
17 College. This funding shall be used to develop and implement an
18 evaluation of the effectiveness of conductive education for
19 children with cerebral palsy. The evaluation shall be
20 multidimensional and shall include a control group of children with
21 cerebral palsy not enrolled in conductive education. It should
22 include an assessment of the motor system itself as well as the
23 impact of conductive education on each of the following:

24 (a) The acquisition of skills permitting complex motor
25 functions.

26 (b) The performance of tasks essential to daily living.

27 (c) The attitudes and feelings of both children and parents.

1 (d) The long-term need for special education for children with
2 cerebral palsy.

3 (2) This funding is for the ~~second of 2~~ **THIRD OF 3** years of
4 funding for this purpose.

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

6 (a) "Membership" means for a particular fiscal year the total
7 membership for the immediately preceding fiscal year of the
8 intermediate district and the districts constituent to the
9 intermediate district.

10 (b) "Millage levied" means the millage levied for special
11 education pursuant to part 30 of the revised school code, MCL
12 380.1711 to 380.1743, including a levy for debt service
13 obligations.

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

20 (2) From the allocation under section 51a(1), there is
21 allocated an amount not to exceed \$37,758,100.00 each fiscal year
22 ~~for 2015-2016 and for 2016-2017~~ **AND FOR 2017-2018** to reimburse
23 intermediate districts levying millages for special education
24 pursuant to part 30 of the revised school code, MCL 380.1711 to
25 380.1743. The purpose, use, and expenditure of the reimbursement
26 shall be limited as if the funds were generated by these millages
27 and governed by the intermediate district plan adopted pursuant to

1 article 3 of the revised school code, MCL 380.1701 to 380.1766. As
2 a condition of receiving funds under this section, an intermediate
3 district distributing any portion of special education millage
4 funds to its constituent districts shall submit for departmental
5 approval and implement a distribution plan.

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

11 (3) ~~(4)~~ Reimbursement for those millages levied in 2015-2016
12 shall be made in 2016-2017 at an amount per 2015-2016 membership
13 pupil computed by subtracting from ~~\$179,600.00~~ **\$180,900.00** the
14 2015-2016 taxable value behind each membership pupil and
15 multiplying the resulting difference by the 2015-2016 millage
16 levied.

17 **(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2016-2017 SHALL**
18 **BE MADE IN 2017-2018 AT AN AMOUNT PER 2016-2017 MEMBERSHIP PUPIL**
19 **COMPUTED BY SUBTRACTING FROM \$182,600.00 THE 2016-2017 TAXABLE**
20 **VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING**
21 **DIFFERENCE BY THE 2016-2017 MILLAGE LEVIED, AND THEN SUBTRACTING**
22 **FROM THAT AMOUNT THE 2016-2017 LOCAL COMMUNITY STABILIZATION SHARE**
23 **REVENUE FOR SPECIAL EDUCATION PURPOSES BEHIND EACH MEMBERSHIP PUPIL**
24 **FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE**
25 **LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL**
26 **123.1341 TO 123.1362.**

27 (5) The amount paid to a single intermediate district under

1 this section shall not exceed 62.9% of the total amount allocated
2 under subsection (2).

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

7 Sec. 61a. (1) From the appropriation in section 11, there is
8 allocated an amount not to exceed \$36,611,300.00 for ~~2016-2017~~
9 **2017-2018** to reimburse on an added cost basis districts, except for
10 a district that served as the fiscal agent for a vocational
11 education consortium in the 1993-94 school year and that has a
12 foundation allowance as calculated under section 20 greater than
13 the minimum foundation allowance under that section, and secondary
14 area vocational-technical education centers for secondary-level
15 career and technical education programs according to rules approved
16 by the superintendent. Applications for participation in the
17 programs shall be submitted in the form prescribed by the
18 department. The department shall determine the added cost for each
19 career and technical education program area. The allocation of
20 added cost funds shall be prioritized based on the capital and
21 program expenditures needed to operate the career and technical
22 education programs provided; the number of pupils enrolled; the
23 advancement of pupils through the instructional program; the
24 existence of an articulation agreement with at least 1
25 postsecondary institution that provides pupils with opportunities
26 to earn postsecondary credit during the pupil's participation in
27 the career and technical education program and transfers those

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

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

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

1 technical education program funded under this section if the
2 participation does not occur during regular school hours.

3 (4) In addition to the money allocated under subsection (1),
4 from the general fund money appropriated in section 11, there is
5 allocated for ~~2016-2017-2017-2018~~ an amount not to exceed
6 \$79,000.00 to an eligible Michigan-approved 501(c)(3) organization
7 for the purposes of teaching or training restaurant management and
8 culinary arts for career and professional development. The
9 department shall oversee funds distributed to an eligible grantee
10 under this section. As used in this subsection, "eligible Michigan-
11 approved 501(c)(3) organization" means an organization that is
12 exempt from taxation under section 501(c)(3) of the internal
13 revenue code of 1986, 26 USC 501, that provides the ProStart
14 curriculum and training to state-approved career and technical
15 education programs with classification of instructional programs
16 (CIP) codes in the 12.05xx category, and that administers national
17 certification for the purpose of restaurant management and culinary
18 arts for career and professional development.

19 Sec. 61b. (1) From the appropriation in section 11, there is
20 allocated ~~an amount not to exceed \$1,000,000.00 for 2015-2016 and~~
21 ~~there is allocated~~ an amount not to exceed \$9,000,000.00 for ~~2016-~~
22 ~~2017-2017-2018~~ for CTE early/middle college and CTE dual enrollment
23 programs authorized under this section **AND FOR PLANNING GRANTS FOR**
24 **THE DEVELOPMENT OR EXPANSION OF CTE EARLY/MIDDLE COLLEGE PROGRAMS.**
25 The purpose of these programs is to increase the number of Michigan
26 residents with high-quality degrees or credentials, and to increase
27 the number of students who are college and career ready upon high

1 school graduation.

2 (2) From the funds allocated under subsection (1), an amount
3 as determined under this subsection shall be allocated to each
4 intermediate district serving as a fiscal agent for state-approved
5 CTE early/middle college and CTE dual enrollment programs in each
6 of the prosperity regions and subregions identified by the
7 department. An intermediate district shall not use more than 5% of
8 the funds allocated under this subsection for administrative costs
9 for serving as the fiscal agent.

10 (3) To be an eligible fiscal agent, an intermediate district
11 must agree to do all of the following in a form and manner
12 determined by the department:

13 (a) Distribute funds to eligible CTE early/middle college and
14 CTE dual enrollment programs in a prosperity region or subregion as
15 described in this section.

16 (b) Collaborate with the talent district career council that
17 is located in the prosperity region or subregion to develop a
18 regional strategic plan under subsection (4) that aligns CTE
19 programs and services into an efficient and effective delivery
20 system for high school students.

21 (c) Implement a regional process to rank career clusters in
22 the prosperity region or subregion as described under subsection
23 (4). Regional processes shall be approved by the department before
24 the ranking of career clusters.

25 (d) Report CTE early/middle college and CTE dual enrollment
26 program and student data and information as prescribed by the
27 department.

1 (4) A regional strategic plan must be approved by the talent
2 district career council before submission to the department. A
3 regional strategic plan shall include, but not be limited to, the
4 following:

5 (a) An identification of regional employer need based on a
6 ranking of all career clusters in the prosperity region or
7 subregion ranked by 10-year job openings projections and median
8 wage for each standard occupational code in each career cluster as
9 obtained from the United States Bureau of Labor Statistics.
10 Standard occupational codes within high-ranking clusters also may
11 be further ranked by median wage. The rankings shall be reviewed by
12 the talent district career council located in the prosperity region
13 or subregion and modified if necessary to accurately reflect
14 employer demand for talent in the prosperity region or subregion. A
15 talent district career council shall document that it has conducted
16 this review and certify that it is accurate. These career cluster
17 rankings shall be determined and updated once every 4 years.

18 (b) An identification of educational entities in the
19 prosperity region or subregion that will provide eligible CTE
20 early/middle college and CTE dual enrollment programs including
21 districts, intermediate districts, postsecondary institutions, and
22 noncredit occupational training programs leading to an industry-
23 recognized credential.

24 (c) A strategy to inform parents and students of CTE
25 early/middle college and CTE dual enrollment programs in the
26 prosperity region or subregion.

27 (d) Any other requirements as defined by the department.

1 (5) An eligible CTE program is a program that meets all of the
2 following:

3 (a) Has been identified in the highest 5 career cluster
4 rankings in any of the 10 regional strategic plans jointly approved
5 by the Michigan talent investment agency in the department of
6 talent and economic development and the department.

7 (b) Has a coherent sequence of courses that will allow a
8 student to earn a high school diploma and achieve at least 1 of the
9 following in a specific career cluster:

10 (i) An associate degree.

11 (ii) An industry-recognized technical certification approved
12 by the Michigan talent investment agency in the department of
13 talent and economic development.

14 (iii) Up to 60 transferable college credits.

15 (iv) Participation in a registered apprenticeship.

16 (c) Is aligned with the Michigan merit curriculum.

17 (d) Has an articulation agreement with at least 1
18 postsecondary institution that provides students with opportunities
19 to receive postsecondary credits during the student's participation
20 in the CTE early/middle college or CTE dual enrollment program and
21 transfers those credits to the postsecondary institution upon
22 completion of the CTE early/middle college or CTE dual enrollment
23 program.

24 (e) Provides instruction that is supervised, directed, or
25 coordinated by an appropriately certificated CTE teacher or, for
26 concurrent enrollment courses, a postsecondary faculty member.

27 (f) Provides for highly integrated student support services

1 that include at least the following:

2 (i) Teachers as academic advisors.

3 (ii) Supervised course selection.

4 (iii) Monitoring of student progress and completion.

5 (iv) Career planning services provided by a local one-stop
6 service center as described in the Michigan works one-stop service
7 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
8 high school counselor or advisor.

9 (g) Has courses that are taught on a college campus, are
10 college courses offered at the high school and taught by college
11 faculty, or are courses taught in combination with online
12 instruction.

13 (6) Funds to eligible CTE early/middle college and CTE dual
14 enrollment programs shall be distributed as follows:

15 (a) The department shall ~~calculate~~**DETERMINE** statewide average
16 CTE costs per pupil for each CIP code program by ~~dividing total~~
17 ~~prior year~~**CALCULATING** statewide **AVERAGE** costs for each CIP code
18 program by ~~prior year pupils for each CIP code program~~**FOR THE 3**
19 **MOST RECENT FISCAL YEARS.**

20 (b) Distribution to each eligible CTE early/middle college or
21 CTE dual enrollment program shall be the product of 50% of CTE
22 costs per pupil times the current year pupil enrollment of each
23 eligible CTE early/middle college or CTE dual enrollment program.

24 (7) In order to receive funds under this section, a CTE
25 early/middle college or CTE dual enrollment program shall furnish
26 to the intermediate district that is the fiscal agent identified in
27 subsection (1), in a form and manner determined by the department,

1 all information needed to administer this program and meet federal
2 reporting requirements; shall allow the department or the
3 department's designee to review all records related to the program
4 for which it receives funds; and shall reimburse the state for all
5 disallowances found in the review, as determined by the department.

6 (8) There is allocated from the funds under subsection (1) an
7 amount not to exceed \$500,000.00 ~~each fiscal year for 2015-2016 and~~
8 ~~for 2016-2017~~ **FOR 2017-2018** for grants to intermediate districts or
9 consortia of intermediate districts for the purpose of planning for
10 new or expanded early middle college programs. Applications for
11 grants shall be submitted in a form and manner determined by the
12 department. The amount of a grant under this subsection shall not
13 exceed \$50,000.00. To be eligible for a grant under this
14 subsection, an intermediate district or consortia of intermediate
15 districts must provide matching funds equal to the grant received
16 under this subsection. Notwithstanding section 17b, payments under
17 this subsection may be made as determined by the department.

18 (9) Funds distributed under this section may be used to fund
19 program expenditures that would otherwise be paid from foundation
20 allowances. A program receiving funding under section 61a may
21 receive funding under this section for allowable costs that exceed
22 the reimbursement the program received under section 61a. The
23 combined payments received by a program under section 61a and this
24 section shall not exceed the total allowable costs of the program.
25 A program provider shall not use more than 5% of the funds
26 allocated under this section to the program for administrative
27 costs.

1 (10) If the allocation under subsection (1) is insufficient to
2 fully fund payments as otherwise calculated under this section, the
3 department shall prorate payments under this section on an equal
4 percentage basis.

5 (11) If pupils enrolled in a career cluster in an eligible CTE
6 early/middle college or CTE dual enrollment program qualify to be
7 reimbursed under this section, those pupils continue to qualify for
8 reimbursement until graduation, even if the career cluster is no
9 longer identified as being in the highest 5 career cluster
10 rankings.

11 (12) It is the intent of the legislature to provide funds in
12 ~~2017-2018-2018-2019~~ to reimburse districts with early/middle
13 college programs for the added costs of providing both a high
14 school diploma and an associate's degree, industry-recognized
15 certification, up to 60 transferable college credits, or
16 participation in a registered apprenticeship in less than 5 years.

17 (13) As used in this section:

18 (a) "Allowable costs" means those costs directly attributable
19 to the program as jointly determined by the Michigan talent
20 investment agency and the department.

21 (b) "CIP" means classification of instructional programs.

22 (c) "CTE" means career and technical education programs.

23 (d) "CTE dual enrollment program" means a 4-year high school
24 program of postsecondary courses offered by eligible postsecondary
25 educational institutions that leads to an industry-recognized
26 certification or degree.

27 (e) "Early/middle college program" means a 5-year high school

1 program.

2 (f) "Eligible postsecondary educational institution" means
3 that term as defined in section 3 of the career and technical
4 preparation act, 2000 PA 258, MCL 388.1903.

5 (g) "Talent district career council" means an advisory council
6 to the local workforce development boards located in a prosperity
7 region consisting of educational, employer, labor, and parent
8 representatives.

9 Sec. 61c. (1) From the general fund appropriation in section
10 11, there is allocated for ~~2016-2017-2017-2018~~ an amount not to
11 exceed ~~\$3,000,000.00~~ **\$7,500,000.00** to career education planning
12 districts for the CTE skilled trades initiative under this section.

13 (2) To be eligible to receive funding under this section, each
14 CEPD shall apply in a form and manner determined by the department.
15 Funding to each CEPD shall be equal to the quotient of the
16 allocation under subsection (1) and the sum of the number of career
17 education planning districts applying for funding under this
18 section.

19 (3) The funding allocated to each CEPD shall be used to update
20 equipment in current CTE programs that ~~are supporting and driving~~
21 ~~economic development in their individual communities, or~~ **HAVE BEEN**
22 **IDENTIFIED IN THE HIGHEST 5 CAREER CLUSTER RANKINGS IN ANY OF THE**
23 **10 REGIONAL STRATEGIC PLANS JOINTLY APPROVED BY THE MICHIGAN TALENT**
24 **INVESTMENT AGENCY IN THE DEPARTMENT OF TALENT AND ECONOMIC**
25 **DEVELOPMENT AND THE DEPARTMENT, FOR TRAINING ON NEW EQUIPMENT, FOR**
26 **PROFESSIONAL DEVELOPMENT RELATING TO COMPUTER SCIENCE OR CODING, OR**
27 for new and emerging certified CTE programs to allow CEPD

1 administrators to provide programming in communities that will
2 enhance economic development. The funding for equipment should be
3 used to support and enhance community areas that have sustained job
4 growth, and act as a commitment to build a more qualified and
5 skilled workforce.

6 (4) The allocation of funds at the local level shall be
7 determined by CEPD administrators using data from the state,
8 region, and local sources to make well-informed decisions on
9 program equipment improvements. Grants awarded by CEPD
10 administrators for capital infrastructure shall be used to ensure
11 that CTE programs can deliver educational programs in high-wage,
12 high-skill, and high-demand occupations. Each CEPD shall continue
13 to ensure that program advisory boards make recommendations on
14 needed improvements for equipment that support job growth and job
15 skill development and retention for both the present and the
16 future.

17 (5) Not later than September 15 of each fiscal year, each CEPD
18 receiving funding under this section shall annually report to the
19 department, the senate and house appropriations subcommittees on
20 state school aid, and the senate and house fiscal agencies and
21 legislature on equipment purchased under this section. In addition,
22 the report shall identify growth data on program involvement,
23 retention, and development of student skills.

24 ~~—— (6) In addition to the funds allocated under subsection (1),~~
25 ~~from the funds appropriated under section 11, there is allocated~~
26 ~~for 2016-2017 an amount not to exceed \$200,000.00 to a district~~
27 ~~with fewer than 1,200 pupils in membership to support a~~

1 ~~mechatronics program that operated in 2015-2016 for updating~~
2 ~~mechatronics program equipment. To be eligible to receive a grant~~
3 ~~under this subsection, a program shall be a flexible learning~~
4 ~~program that offered in 2015-2016 both classroom and hands on~~
5 ~~training in mechatronics in at least 2 sites.~~

6 (6) ~~(7)~~As used in this section, "CEPD" means a career
7 education planning district described in this section.

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

9 (a) "Membership" means for a particular fiscal year the total
10 membership for the immediately preceding fiscal year of the
11 intermediate district and the districts constituent to the
12 intermediate district or the total membership for the immediately
13 preceding fiscal year of the area vocational-technical program.

14 (b) "Millage levied" means the millage levied for area
15 vocational-technical education pursuant to sections 681 to 690 of
16 the revised school code, MCL 380.681 to 380.690, including a levy
17 for debt service obligations incurred as the result of borrowing
18 for capital outlay projects and in meeting capital projects fund
19 requirements of area vocational-technical education.

20 (c) "Taxable value" means the total taxable value of the
21 districts constituent to an intermediate district or area
22 vocational-technical education program, except that if a district
23 has elected not to come under sections 681 to 690 of the revised
24 school code, MCL 380.681 to 380.690, the membership and taxable
25 value of that district shall not be included in the membership and
26 taxable value of the intermediate district. However, the membership
27 and taxable value of a district that has elected not to come under

1 sections 681 to 690 of the revised school code, MCL 380.681 to
2 380.690, shall be included in the membership and taxable value of
3 the intermediate district if the district meets both of the
4 following:

5 (i) The district operates the area vocational-technical
6 education program pursuant to a contract with the intermediate
7 district.

8 (ii) The district contributes an annual amount to the
9 operation of the program that is commensurate with the revenue that
10 would have been raised for operation of the program if millage were
11 levied in the district for the program under sections 681 to 690 of
12 the revised school code, MCL 380.681 to 380.690.

13 (2) From the appropriation in section 11, there is allocated
14 an amount not to exceed \$9,190,000.00 each fiscal year for ~~2015-~~
15 ~~2016 and for 2016-2017~~ **AND FOR 2017-2018** to reimburse intermediate
16 districts and area vocational-technical education programs
17 established under section 690(3) of the revised school code, MCL
18 380.690, levying millages for area vocational-technical education
19 pursuant to sections 681 to 690 of the revised school code, MCL
20 380.681 to 380.690. The purpose, use, and expenditure of the
21 reimbursement shall be limited as if the funds were generated by
22 those millages.

23 ~~—— (3) Reimbursement for the millages levied in 2014-2015 shall~~
24 ~~be made in 2015-2016 at an amount per 2014-2015 membership pupil~~
25 ~~computed by subtracting from \$192,200.00 the 2014-2015 taxable~~
26 ~~value behind each membership pupil and multiplying the resulting~~
27 ~~difference by the 2014-2015 millage levied.~~

1 (3) ~~(4)~~ Reimbursement for the millages levied in 2015-2016
2 shall be made in 2016-2017 at an amount per 2015-2016 membership
3 pupil computed by subtracting from ~~\$196,300.00~~ **\$198,400.00** the
4 2015-2016 taxable value behind each membership pupil and
5 multiplying the resulting difference by the 2015-2016 millage
6 levied.

7 (4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2016-2017 SHALL
8 BE MADE IN 2017-2018 AT AN AMOUNT PER 2016-2017 MEMBERSHIP PUPIL
9 COMPUTED BY SUBTRACTING FROM \$198,400.00 THE 2016-2017 TAXABLE
10 VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING
11 DIFFERENCE BY THE 2016-2017 MILLAGE LEVIED, AND THEN SUBTRACTING
12 FROM THAT AMOUNT THE 2016-2017 LOCAL COMMUNITY STABILIZATION SHARE
13 REVENUE FOR AREA VOCATIONAL TECHNICAL EDUCATION BEHIND EACH
14 MEMBERSHIP PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION
15 LOSS UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA
16 86, MCL 123.1341 TO 123.1362.

17 (5) The amount paid to a single intermediate district under
18 this section shall not exceed 38.4% of the total amount allocated
19 under subsection (2).

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

24 Sec. 64b. (1) From the appropriation in section 11, there is
25 allocated an amount not to exceed \$1,750,000.00 ~~each fiscal year~~
26 ~~for 2015-2016 and for 2016-2017~~ **FOR 2017-2018** for supplemental
27 payments to districts that support the attendance of district

1 pupils in grades 9 to 12 under the postsecondary enrollment options
2 act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and
3 technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913,
4 consistent with section 21b, or that support the attendance of
5 district pupils in a concurrent enrollment program if the district
6 meets the requirements under subsection (3). Programs funded under
7 this section are intended to increase the number of pupils who are
8 college- and career-ready upon high school graduation.

9 (2) To be eligible for payments under this section for
10 supporting the attendance of district pupils under the
11 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
12 388.524, or under the career and technical preparation act, 2000 PA
13 258, MCL 388.1901 to 388.1913, a district shall do all of the
14 following:

15 (a) Provide information to all high school pupils on
16 postsecondary enrollment options, including enrollment eligibility,
17 the institutions and types of courses that are eligible for
18 participation, the decision-making process for granting academic
19 credit, and an explanation of eligible charges that will be paid by
20 the district.

21 (b) Enter into a written agreement with a postsecondary
22 institution before the enrollment of district pupils.

23 (c) Agree to pay all eligible charges pursuant to section 21b.

24 (d) Award high school credit for the postsecondary course if
25 the pupil successfully completes the course.

26 (3) To be eligible for payments under this section for pupils
27 enrolled in a concurrent enrollment program, a district shall do

1 all of the following:

2 (a) Provide information to all high school pupils on
3 postsecondary enrollment options, including enrollment eligibility,
4 the institutions and types of courses that are eligible for
5 participation, the decision-making process for granting academic
6 credit, and an explanation of eligible charges that will be paid by
7 the district.

8 (b) Enter into a written agreement with a postsecondary
9 institution establishing the concurrent enrollment program before
10 the enrollment of district pupils in a postsecondary course through
11 the postsecondary institution.

12 (c) Ensure that the course is taught by either a high school
13 teacher or postsecondary faculty pursuant to standards established
14 by the postsecondary institution with which the district has
15 entered into a written agreement to operate the concurrent
16 enrollment program.

17 (d) Ensure that the written agreement provides that the
18 postsecondary institution agrees not to charge the pupil for any
19 cost of the program.

20 (e) Ensure that the course is taught in the local district or
21 intermediate district.

22 (f) Ensure that the pupil is awarded both high school and
23 college credit at a community college or state public university in
24 this state upon successful completion of the course as outlined in
25 the agreement with the postsecondary institution.

26 (4) Funds shall be awarded to eligible districts under this
27 section in the following manner:

1 (a) A payment of \$10.00 per credit, for up to 3 credits, for a
2 credit-bearing course in which a pupil enrolls during the ~~2015-2016~~
3 ~~or 2016-2017~~ **CURRENT** school year, ~~as applicable,~~ as described under
4 either subsection (2) or (3).

5 (b) An additional payment of \$30.00 per-pupil per course
6 identified in subdivision (a), if the pupil successfully completes,
7 and is awarded both high school and postsecondary credit for, the
8 course during the ~~2015-2016 or 2016-2017~~ **CURRENT** school year. ~~, as~~
9 ~~applicable.~~

10 (5) A district requesting payment under this section shall
11 submit an application to the department in the form and manner
12 prescribed by the department. Notwithstanding section 17b, payments
13 under this section shall be made on a schedule determined by the
14 department.

15 Sec. 65. (1) From the general fund money appropriated under
16 section 11, there is allocated an amount not to exceed \$340,000.00
17 for ~~2016-2017~~ **2017-2018** for a pre-college engineering K-12
18 educational program that is focused on the development of a diverse
19 future Michigan workforce, that serves multiple communities within
20 southeast Michigan, that enrolls pupils from multiple districts,
21 and that received funds appropriated for this purpose in the
22 appropriations act that provided the Michigan strategic fund budget
23 for 2014-2015.

24 (2) To be eligible for funding under this section, a program
25 must have the ability to expose pupils to, and motivate and prepare
26 pupils for, science, technology, engineering, and mathematics
27 careers and postsecondary education with special attention given to

1 groups of pupils who are at-risk and underrepresented in technical
2 professions and careers.

3 Sec. 67. (1) From the general fund amount appropriated in
4 section 11, there is allocated an amount not to exceed
5 ~~\$3,050,000.00 for 2016-2017~~ **\$3,000,000.00 FOR 2017-2018** for college
6 ~~and career preparation activities.~~ **ACCESS PROGRAMS.** The programs
7 funded under this section are intended to inform students of
8 college and career options and to provide ~~a wide array of tools and~~
9 resources intended to increase the number of pupils who are
10 adequately prepared with the information needed to make informed
11 decisions on college and career. The funds appropriated under this
12 section are intended to be used to increase the number of Michigan
13 residents with high-quality degrees or credentials. Funds
14 appropriated under this section shall not be used to supplant
15 funding for counselors already funded by districts.

16 (2) ~~From the amount allocated in subsection (1), an amount not~~
17 ~~to exceed \$3,000,000.00 shall be used for the college access~~
18 ~~program.~~ The talent investment agency of the department of talent
19 and economic development shall administer ~~these funds~~ **ALLOCATED**
20 **UNDER THIS SECTION** in collaboration with the Michigan college
21 access network. These funds may be used for any of the following
22 purposes:

23 (a) Michigan college access network operations, programming,
24 and services to local college access networks.

25 (b) Local college access networks, which are community-based
26 college access/success partnerships committed to increasing the
27 college participation and completion rates within geographically

1 defined communities through a coordinated strategy.

2 (c) The Michigan college advising program, a program intended
3 to place trained, recently graduated college advisors in high
4 schools that serve significant numbers of low-income and first-
5 generation college-going pupils. State funds used for this purpose
6 may not exceed 33% of the total funds available under this
7 subsection.

8 (d) Subgrants of up to \$5,000.00 to districts with
9 comprehensive high schools that establish a college access team and
10 implement specific strategies to create a college-going culture in
11 a high school in a form and manner approved by the Michigan college
12 access network and the Michigan talent investment agency.

13 (e) The Michigan college access portal, an online one-stop
14 portal to help pupils and families plan and apply for college.

15 (f) Public awareness and outreach campaigns to encourage low-
16 income and first-generation college-going pupils to take necessary
17 steps toward college and to assist pupils and families in
18 completing a timely and accurate free application for federal
19 student aid.

20 (g) Subgrants to postsecondary institutions to recruit, hire,
21 and train college student mentors and college advisors to assist
22 high school pupils in navigating the postsecondary planning and
23 enrollment process.

24 ~~—— (3) From the amount allocated in subsection (1), an amount not~~
25 ~~to exceed \$50,000.00 shall be used for an outreach program to~~
26 ~~provide information to pupils, parents, and educators on dual~~
27 ~~enrollment and other opportunities available to high school pupils~~

1 ~~to earn postsecondary credits, industry recognized technical~~
2 ~~certifications, and participation in registered apprenticeships at~~
3 ~~no cost.~~

4 (3) ~~(4)~~ For the purposes of this section, "college" means any
5 postsecondary educational opportunity that leads to a career,
6 including, but not limited to, a postsecondary degree, industry-
7 recognized technical certification, or registered apprenticeship.

8 Sec. 74. (1) From the amount appropriated in section 11, there
9 is allocated an amount not to exceed ~~\$3,320,600.00 for 2016-2017~~
10 **\$3,730,300.00 FOR 2017-2018** for the purposes of this section.

11 (2) From the allocation in subsection (1), there is allocated
12 for each fiscal year the amount necessary for payments to state
13 supported colleges or universities and intermediate districts
14 providing school bus driver safety instruction pursuant to section
15 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
16 payments shall be in an amount determined by the department not to
17 exceed the actual cost of instruction and driver compensation for
18 each public or nonpublic school bus driver attending a course of
19 instruction. For the purpose of computing compensation, the hourly
20 rate allowed each school bus driver shall not exceed the hourly
21 rate received for driving a school bus. Reimbursement compensating
22 the driver during the course of instruction shall be made by the
23 department to the college or university or intermediate district
24 providing the course of instruction.

25 (3) From the allocation in subsection (1), there is allocated
26 for ~~2016-2017~~ **2017-2018** the amount necessary to pay the reasonable
27 costs of nonspecial education auxiliary services transportation

1 provided pursuant to section 1323 of the revised school code, MCL
2 380.1323. Districts funded under this subsection shall not receive
3 funding under any other section of this article for nonspecial
4 education auxiliary services transportation.

5 (4) From the funds allocated in subsection (1), there is
6 allocated an amount not to exceed ~~\$1,695,600.00 for 2016-2017~~
7 **\$1,705,300.00 FOR 2017-2018** for reimbursement to districts and
8 intermediate districts for costs associated with the inspection of
9 school buses and pupil transportation vehicles by the department of
10 state police as required under section 715a of the Michigan vehicle
11 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
12 transportation act, 1990 PA 187, MCL 257.1839. The department of
13 state police shall prepare a statement of costs attributable to
14 each district for which bus inspections are provided and submit it
15 to the department and to an intermediate district serving as
16 fiduciary in a time and manner determined jointly by the department
17 and the department of state police. Upon review and approval of the
18 statement of cost, the department shall forward to the designated
19 intermediate district serving as fiduciary the amount of the
20 reimbursement on behalf of each district and intermediate district
21 for costs detailed on the statement within 45 days after receipt of
22 the statement. The designated intermediate district shall make
23 payment in the amount specified on the statement to the department
24 of state police within 45 days after receipt of the statement. The
25 total reimbursement of costs under this subsection shall not exceed
26 the amount allocated under this subsection. Notwithstanding section
27 17b, payments to eligible entities under this subsection shall be

1 paid on a schedule prescribed by the department.

2 Sec. 81. (1) From the appropriation in section 11, there is
3 allocated for ~~2016-2017-2017-2018~~ to the intermediate districts the
4 sum necessary, but not to exceed ~~\$67,108,000.00~~ **\$68,108,000.00** to
5 provide state aid to intermediate districts under this section.

6 ~~(2) From the allocation in subsection (1), there is allocated~~
7 ~~for 2016-2017 an amount not to exceed \$67,108,000.00 for~~
8 ~~allocations~~ **THE AMOUNT ALLOCATED UNDER THIS SECTION** to each
9 intermediate district ~~in~~ **IS** an amount equal to ~~100%~~ **101.5%** of the
10 amount allocated to the intermediate district under this ~~subsection~~
11 ~~for 2015-2016.~~ **SECTION FOR 2016-2017.** Funding provided under this
12 section shall be used to comply with requirements of this article
13 and the revised school code that are applicable to intermediate
14 districts, and for which funding is not provided elsewhere in this
15 article, and to provide technical assistance to districts as
16 authorized by the intermediate school board.

17 (3) Intermediate districts receiving funds under ~~subsection~~
18 ~~(2)~~ **THIS SECTION**, shall collaborate with the department to develop
19 expanded professional development opportunities for teachers to
20 update and expand their knowledge and skills needed to support the
21 Michigan merit curriculum.

22 (4) From the allocation in subsection (1), there is allocated
23 to an intermediate district, formed by the consolidation or
24 annexation of 2 or more intermediate districts or the attachment of
25 a total intermediate district to another intermediate school
26 district or the annexation of all of the constituent K-12 districts
27 of a previously existing intermediate school district which has

1 disorganized, an additional allotment of \$3,500.00 each fiscal year
2 for each intermediate district included in the new intermediate
3 district for 3 years following consolidation, annexation, or
4 attachment.

5 (5) In order to receive funding under ~~subsection (2)~~, **THIS**
6 **SECTION**, an intermediate district shall do all of the following:

7 (a) Demonstrate to the satisfaction of the department that the
8 intermediate district employs at least 1 person who is trained in
9 pupil accounting and auditing procedures, rules, and regulations.

10 (b) Demonstrate to the satisfaction of the department that the
11 intermediate district employs at least 1 person who is trained in
12 rules, regulations, and district reporting procedures for the
13 individual-level student data that serves as the basis for the
14 calculation of the district and high school graduation and dropout
15 rates.

16 (c) Comply with sections 1278a and 1278b of the revised school
17 code, MCL 380.1278a and 380.1278b.

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

21 (e) Comply with section 1230g of the revised school code, MCL
22 380.1230g.

23 (f) Comply with section 761 of the revised school code, MCL
24 380.761.

25 Sec. 94. (1) From the general fund appropriation in section
26 11, there is allocated to the department for ~~2016-2017~~ **2017-2018** an
27 amount not to exceed ~~\$250,000.00~~ **\$1,000,000.00** for efforts to

1 increase the number of pupils who participate and succeed in
2 advanced placement and international baccalaureate programs.

3 (2) From the funds allocated under this section, the
4 department shall award funds to cover all or part of the costs of
5 advanced placement test fees or international baccalaureate test
6 fees and international baccalaureate registration fees for low-
7 income pupils who take an advanced placement or an international
8 baccalaureate test. Payments shall not exceed \$20.00 per test
9 completed or \$150.00 per international baccalaureate registration
10 fees per pupil registered.

11 (3) The department shall only award funds under this section
12 if the department determines that all of the following criteria are
13 met:

14 (a) Each pupil for whom payment is made meets eligibility
15 requirements of the federal advanced placement test fee program
16 under section 1701 of the no child left behind act of 2001, Public
17 Law 107-110, or under a corresponding provision of the every
18 student succeeds act, Public Law 114-95.

19 (b) The tests are administered by the college board, the
20 international baccalaureate organization, or another test provider
21 approved by the department.

22 (c) The pupil for whom payment is made pays at least \$5.00
23 toward the cost of each test for which payment is made.

24 (4) The department shall establish procedures for awarding
25 funds under this section.

26 (5) Notwithstanding section 17b, payments under this section
27 shall be made on a schedule determined by the department.

1 Sec. 94a. (1) There is created within the state budget office
2 in the department of technology, management, and budget the center
3 for educational performance and information. The center shall do
4 all of the following:

5 (a) Coordinate the collection of all data required by state
6 and federal law from districts, intermediate districts, and
7 postsecondary institutions.

8 (b) Create, maintain, and enhance this state's P-20
9 longitudinal data system and ensure that it meets the requirements
10 of subsection (4).

11 (c) Collect data in the most efficient manner possible in
12 order to reduce the administrative burden on reporting entities,
13 including, but not limited to, electronic transcript services.

14 (d) Create, maintain, and enhance this state's web-based
15 educational portal to provide information to school leaders,
16 teachers, researchers, and the public in compliance with all
17 federal and state privacy laws. Data shall include, but are not
18 limited to, all of the following:

19 (i) Data sets that link teachers to student information,
20 allowing districts to assess individual teacher impact on student
21 performance and consider student growth factors in teacher and
22 principal evaluation systems.

23 (ii) Data access or, if practical, data sets, provided for
24 regional data ~~warehouses~~**HUBS** that, in combination with local data,
25 can improve teaching and learning in the classroom.

26 (iii) Research-ready data sets for researchers to perform
27 research that advances this state's educational performance.

1 (e) Provide data in a useful manner to allow state and local
2 policymakers to make informed policy decisions.

3 (f) Provide public reports to the citizens of this state to
4 allow them to assess allocation of resources and the return on
5 their investment in the education system of this state.

6 (g) Other functions as assigned by the state budget director.

7 (2) Each state department, officer, or agency that collects
8 information from districts, intermediate districts, or
9 postsecondary institutions as required under state or federal law
10 shall make arrangements with the center to ensure that the state
11 department, officer, or agency is in compliance with subsection
12 (1). This subsection does not apply to information collected by the
13 department of treasury under the uniform budgeting and accounting
14 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
15 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
16 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
17 388.1939; or section 1351a of the revised school code, MCL
18 380.1351a.

19 (3) The center may enter into any interlocal agreements
20 necessary to fulfill its functions.

21 (4) The center shall ensure that the P-20 longitudinal data
22 system required under subsection (1)(b) meets all of the following:

23 (a) Includes data at the individual student level from
24 preschool through postsecondary education and into the workforce.

25 (b) Supports interoperability by using standard data
26 structures, data formats, and data definitions to ensure linkage
27 and connectivity in a manner that facilitates the exchange of data

1 among agencies and institutions within the state and between
2 states.

3 (c) Enables the matching of individual teacher and student
4 records so that an individual student may be matched with those
5 teachers providing instruction to that student.

6 (d) Enables the matching of individual teachers with
7 information about their certification and the institutions that
8 prepared and recommended those teachers for state certification.

9 (e) Enables data to be easily generated for continuous
10 improvement and decision-making, including timely reporting to
11 parents, teachers, and school leaders on student achievement.

12 (f) Ensures the reasonable quality, validity, and reliability
13 of data contained in the system.

14 (g) Provides this state with the ability to meet federal and
15 state reporting requirements.

16 (h) For data elements related to preschool through grade 12
17 and postsecondary, meets all of the following:

18 (i) Contains a unique statewide student identifier that does
19 not permit a student to be individually identified by users of the
20 system, except as allowed by federal and state law.

21 (ii) Contains student-level enrollment, demographic, and
22 program participation information.

23 (iii) Contains student-level information about the points at
24 which students exit, transfer in, transfer out, drop out, or
25 complete education programs.

26 (iv) Has the capacity to communicate with higher education
27 data systems.

1 (i) For data elements related to preschool through grade 12
2 only, meets all of the following:

3 (i) Contains yearly test records of individual students for
4 assessments approved by DED-OESE for accountability purposes under
5 section 1111(b) of the elementary and secondary education act of
6 1965, 20 USC 6311, including information on individual students not
7 tested, by grade and subject.

8 (ii) Contains student-level transcript information, including
9 information on courses completed and grades earned.

10 (iii) Contains student-level college readiness test scores.

11 (j) For data elements related to postsecondary education only:

12 (i) Contains data that provide information regarding the
13 extent to which individual students transition successfully from
14 secondary school to postsecondary education, including, but not
15 limited to, all of the following:

16 (A) Enrollment in remedial coursework.

17 (B) Completion of 1 year's worth of college credit applicable
18 to a degree within 2 years of enrollment.

19 (ii) Contains data that provide other information determined
20 necessary to address alignment and adequate preparation for success
21 in postsecondary education.

22 (5) From the general fund appropriation in section 11, there
23 is allocated an amount not to exceed ~~\$12,173,200.00 for 2016-2017~~
24 **\$13,216,000.00 FOR 2017-2018** to the department of technology,
25 management, and budget to support the operations of the center. In
26 addition, from the federal funds appropriated in section 11 there
27 is allocated for ~~2016-2017~~**2017-2018** the amount necessary,

1 estimated at \$193,500.00, to support the operations of the center
2 and to establish a P-20 longitudinal data system necessary for
3 state and federal reporting purposes. The center shall cooperate
4 with the department to ensure that this state is in compliance with
5 federal law and is maximizing opportunities for increased federal
6 funding to improve education in this state.

7 (6) From the funds allocated in subsection (5), the center may
8 use an amount determined by the center for competitive grants for
9 ~~2016-2017-2017-2018~~ to support collaborative efforts on the P-20
10 longitudinal data system. All of the following apply to grants
11 awarded under this subsection:

12 (a) The center shall award competitive grants to eligible
13 intermediate districts or a consortium of intermediate districts
14 based on criteria established by the center.

15 (b) Activities funded under the grant shall support the P-20
16 longitudinal data system portal and may include portal hosting,
17 hardware and software acquisition, maintenance, enhancements, user
18 support and related materials, and professional learning tools and
19 activities aimed at improving the utility of the P-20 longitudinal
20 data system.

21 (c) An applicant that received a grant under this subsection
22 for the immediately preceding fiscal year shall receive priority
23 for funding under this section. However, after 3 fiscal years of
24 continuous funding, an applicant is required to compete openly with
25 new applicants.

26 (7) Funds allocated under this section that are not expended
27 in the fiscal year in which they were allocated may be carried

1 forward to a subsequent fiscal year and are appropriated for the
2 purposes for which the funds were originally allocated.

3 (8) The center may bill departments as necessary in order to
4 fulfill reporting requirements of state and federal law. The center
5 may also enter into agreements to supply custom data, analysis, and
6 reporting to other principal executive departments, state agencies,
7 local units of government, and other individuals and organizations.
8 The center may receive and expend funds in addition to those
9 authorized in subsection (5) to cover the costs associated with
10 salaries, benefits, supplies, materials, and equipment necessary to
11 provide such data, analysis, and reporting services.

12 (9) As used in this section:

13 (a) "DED-OESE" means the United States Department of Education
14 Office of Elementary and Secondary Education.

15 (b) "State education agency" means the department.

16 Sec. 98. (1) From the general fund money appropriated in
17 section 11, there is allocated an amount not to exceed
18 ~~\$7,387,500.00~~ **\$6,500,000.00** for ~~2016-2017~~ **2017-2018** for the
19 purposes described in this section. The Michigan Virtual University
20 shall provide a report to the legislature not later than November
21 1, ~~2016-2017~~ that includes its mission, its plans, and proposed
22 benchmarks it must meet, which shall include a plan to achieve a
23 50% increase in documented improvement in each requirement of the
24 Michigan Virtual Learning Research Institute and Michigan Virtual
25 School, and all other organizational priorities identified in this
26 section, in order to receive full funding for ~~2017-2018.~~ **2018-2019.**
27 Not later than March 1, ~~2017,~~ **2018**, the Michigan Virtual University

1 shall provide an update to the house and senate appropriations
2 subcommittees on school aid to show the progress being made to meet
3 the benchmarks identified.

4 (2) The Michigan Virtual University shall operate the Michigan
5 Virtual Learning Research Institute. The Michigan Virtual Learning
6 Research Institute shall do all of the following:

7 (a) Support and accelerate innovation in education through the
8 following activities:

9 (i) Test, evaluate, and recommend as appropriate new
10 technology-based instructional tools and resources.

11 (ii) Research, design, and recommend virtual education
12 delivery models for use by pupils and teachers that include age-
13 appropriate multimedia instructional content.

14 (iii) Research, develop, and recommend annually to the
15 department criteria by which cyber schools and virtual course
16 providers should be monitored and evaluated to ensure a quality
17 education for their pupils.

18 (iv) Based on pupil completion and performance data reported
19 to the department or the center for educational performance and
20 information from cyber schools and other virtual course providers
21 operating in this state, analyze the effectiveness of virtual
22 learning delivery models in preparing pupils to be college- and
23 career-ready and publish a report that highlights enrollment
24 totals, completion rates, and the overall impact on pupils. The
25 report shall be submitted to the house and senate appropriations
26 subcommittees on state school aid, the state budget director, the
27 house and senate fiscal agencies, the department, districts, and

1 intermediate districts not later than March 31, ~~2017-~~**2018**.

2 (v) ~~Before August 31, 2017, provide~~ **PROVIDE** an extensive
3 professional development program to at least 30,000 educational
4 personnel, including teachers, school administrators, and school
5 board members, that focuses on the effective integration of virtual
6 learning into curricula and instruction. The Michigan Virtual
7 Learning Research Institute is encouraged to work with the MiSTEM
8 advisory council created under section 99s to coordinate
9 professional development of teachers in applicable fields. In
10 addition, the Michigan Virtual Learning Research Institute and
11 external stakeholders are encouraged to coordinate with the
12 department for professional development in this state **AND SHALL**
13 **WORK WITH THE DEPARTMENT TO PROVIDE THE PROFESSIONAL DEVELOPMENT**
14 **DESCRIBED UNDER SECTION 35A(3)**. Not later than December 1, ~~2017-~~
15 **2018**, the Michigan Virtual Learning Research Institute shall submit
16 a report to the house and senate appropriations subcommittees on
17 state school aid, the state budget director, the house and senate
18 fiscal agencies, and the department on the number and percentage of
19 teachers, school administrators, and school board members who have
20 received professional development services from the Michigan
21 Virtual University. The report shall also identify barriers and
22 other opportunities to encourage the adoption of virtual learning
23 in the public education system.

24 (vi) Identify and share best practices for planning,
25 implementing, and evaluating virtual and blended education delivery
26 models with intermediate districts, districts, and public school
27 academies to accelerate the adoption of innovative education

1 delivery models statewide.

2 (b) Provide leadership for this state's system of virtual
3 learning education by doing the following activities:

4 (i) Develop and report policy recommendations to the governor
5 and the legislature that accelerate the expansion of effective
6 virtual learning in this state's schools.

7 (ii) Provide a clearinghouse for research reports, academic
8 studies, evaluations, and other information related to virtual
9 learning.

10 (iii) Promote and distribute the most current instructional
11 design standards and guidelines for virtual teaching.

12 (iv) In collaboration with the department and interested
13 colleges and universities in this state, support implementation and
14 improvements related to effective virtual learning instruction.

15 (v) Pursue public/private partnerships that include districts
16 to study and implement competency-based technology-rich virtual
17 learning models.

18 (vi) Create a statewide network of school-based mentors
19 serving as liaisons between pupils, virtual instructors, parents,
20 and school staff, as provided by the department or the center, and
21 provide mentors with research-based training and technical
22 assistance designed to help more pupils be successful virtual
23 learners.

24 (vii) Convene focus groups and conduct annual surveys of
25 teachers, administrators, pupils, parents, and others to identify
26 barriers and opportunities related to virtual learning.

27 (viii) Produce an annual consumer awareness report for schools

1 and parents about effective virtual education providers and
2 education delivery models, performance data, cost structures, and
3 research trends.

4 (ix) Research and establish an internet-based platform that
5 educators can use to create student-centric learning tools and
6 resources and facilitate a user network that assists educators in
7 using the platform. As part of this initiative, the Michigan
8 Virtual University shall work collaboratively with districts and
9 intermediate districts to establish a plan to make available
10 virtual resources that align to Michigan's K-12 curriculum
11 standards for use by students, educators, and parents.

12 (x) Create and maintain a public statewide catalog of virtual
13 learning courses being offered by all public schools and community
14 colleges in this state. The Michigan Virtual Learning Research
15 Institute shall identify and develop a list of nationally
16 recognized best practices for virtual learning and use this list to
17 support reviews of virtual course vendors, courses, and
18 instructional practices. The Michigan Virtual Learning Research
19 Institute shall also provide a mechanism for intermediate districts
20 to use the identified best practices to review content offered by
21 constituent districts. The Michigan Virtual Learning Research
22 Institute shall review the virtual course offerings of the Michigan
23 Virtual University, and make the results from these reviews
24 available to the public as part of the statewide catalog. The
25 Michigan Virtual Learning Research Institute shall ensure that the
26 statewide catalog is made available to the public on the Michigan
27 Virtual University website and shall allow the ability to link it

1 to each district's website as provided for in section 21f. The
2 statewide catalog shall also contain all of the following:

3 (A) The number of enrollments in each virtual course in the
4 immediately preceding school year.

5 (B) The number of enrollments that earned 60% or more of the
6 total course points for each virtual course in the immediately
7 preceding school year.

8 (C) The completion rate for each virtual course.

9 (xi) Develop prototype and pilot registration, payment
10 services, and transcript functionality to the statewide catalog and
11 train key stakeholders on how to use new features.

12 (xii) Collaborate with key stakeholders to examine district
13 level accountability and teacher effectiveness issues related to
14 virtual learning under section 21f and make findings and
15 recommendations publicly available.

16 (xiii) Provide a report on the activities of the Michigan
17 Virtual Learning Research Institute.

18 (3) To further enhance its expertise and leadership in virtual
19 learning, the Michigan Virtual University shall continue to operate
20 the Michigan Virtual School as a statewide laboratory and quality
21 model of instruction by implementing virtual and blended learning
22 solutions for Michigan schools in accordance with the following
23 parameters:

24 (a) The Michigan Virtual School must maintain its
25 accreditation status from recognized national and international
26 accrediting entities.

27 (b) The Michigan Virtual University shall use no more than

1 \$1,000,000.00 of the amount allocated under this section to
2 subsidize the cost paid by districts for virtual courses.

3 (c) In providing educators responsible for the teaching of
4 virtual courses as provided for in this section, the Michigan
5 Virtual School shall follow the requirements to request and assess,
6 and the department of state police shall provide, a criminal
7 history check and criminal records check under sections 1230 and
8 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
9 the same manner as if the Michigan Virtual School were a school
10 district under those sections.

11 (4) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THE
12 MICHIGAN VIRTUAL UNIVERSITY SHALL ALLOCATE UP TO \$500,000.00 TO
13 SUPPORT THE EXPANSION OF NEW ONLINE AND BLENDED EDUCATOR
14 PROFESSIONAL DEVELOPMENT PROGRAMS.

15 (5) ~~(4)~~—If the course offerings are included in the statewide
16 catalog of virtual courses under subsection (2)(b)(ix), the
17 Michigan Virtual School operated by the Michigan Virtual University
18 may offer virtual course offerings, including, but not limited to,
19 all of the following:

20 (a) Information technology courses.

21 (b) College level equivalent courses, as defined in section
22 1471 of the revised school code, MCL 380.1471.

23 (c) Courses and dual enrollment opportunities.

24 (d) Programs and services for at-risk pupils.

25 (e) High school equivalency test preparation courses for
26 adjudicated youth.

27 (f) Special interest courses.

1 (g) Professional development programs for teachers, school
2 administrators, other school employees, and school board members.

3 (6) ~~(5)~~—If a home-schooled or nonpublic school student is a
4 resident of a district that subscribes to services provided by the
5 Michigan Virtual School, the student may use the services provided
6 by the Michigan Virtual School to the district without charge to
7 the student beyond what is charged to a district pupil using the
8 same services.

9 (7) ~~(6)~~—Not later than December 1 of each fiscal year, the
10 Michigan Virtual University shall provide a report to the house and
11 senate appropriations subcommittees on state school aid, the state
12 budget director, the house and senate fiscal agencies, and the
13 department that includes at least all of the following information
14 related to the Michigan Virtual School for the preceding state
15 fiscal year:

16 (a) A list of the districts served by the Michigan Virtual
17 School.

18 (b) A list of virtual course titles available to districts.

19 (c) The total number of virtual course enrollments and
20 information on registrations and completions by course.

21 (d) The overall course completion rate percentage.

22 (8) ~~(7)~~—In addition to the information listed in subsection
23 ~~(6)~~, ~~(7)~~, the report under subsection ~~(6)~~ ~~(7)~~ shall also include a
24 plan to serve at least 600 schools with courses from the Michigan
25 Virtual School or with content available through the internet-based
26 platform identified in subsection (2) (b) (ix).

27 (9) ~~(8)~~—The governor may appoint an advisory group for the

1 Michigan Virtual Learning Research Institute established under
2 subsection (2). The members of the advisory group shall serve at
3 the pleasure of the governor and shall serve without compensation.
4 The purpose of the advisory group is to make recommendations to the
5 governor, the legislature, and the president and board of the
6 Michigan Virtual University that will accelerate innovation in this
7 state's education system in a manner that will prepare elementary
8 and secondary students to be career and college ready and that will
9 promote the goal of increasing the percentage of citizens of this
10 state with high-quality degrees and credentials to at least 60% by
11 2025.

12 (10) ~~(9)~~—Not later than November 1, ~~2016,~~ **2017**, the Michigan
13 Virtual University shall submit to the house and senate
14 appropriations subcommittees on state school aid, the state budget
15 director, and the house and senate fiscal agencies a detailed
16 budget for the ~~2016-2017~~ **2017-2018** fiscal year that includes a
17 breakdown on its projected costs to deliver virtual educational
18 services to districts and a summary of the anticipated fees to be
19 paid by districts for those services. Not later than March 1 each
20 year, the Michigan Virtual University shall submit to the house and
21 senate appropriations subcommittees on state school aid, the state
22 budget director, and the house and senate fiscal agencies a
23 breakdown on its actual costs to deliver virtual educational
24 services to districts and a summary of the actual fees paid by
25 districts for those services based on audited financial statements
26 for the immediately preceding fiscal year.

27 (11) ~~(10)~~—As used in this section:

1 (a) "Blended learning" means a hybrid instructional delivery
2 model where pupils are provided content, instruction, and
3 assessment, in part at a supervised educational facility away from
4 home where the pupil and a teacher with a valid Michigan teaching
5 certificate are in the same physical location and in part through
6 internet-connected learning environments with some degree of pupil
7 control over time, location, and pace of instruction.

8 (b) "Cyber school" means a full-time instructional program of
9 virtual courses for pupils that may or may not require attendance
10 at a physical school location.

11 (c) "Virtual course" means a course of study that is capable
12 of generating a credit or a grade and that is provided in an
13 interactive learning environment in which the majority of the
14 curriculum is delivered using the internet and in which pupils are
15 separated from their instructor or teacher of record by time or
16 location, or both.

17 **SEC. 99C. FROM THE APPROPRIATION IN SECTION 11, THERE IS**
18 **ALLOCATED FROM THE GENERAL FUND AN AMOUNT NOT TO EXCEED \$60,000.00**
19 **EACH FISCAL YEAR FOR 2016-2017 AND FOR 2017-2018 FOR THE PURPOSE OF**
20 **CIVIC EDUCATION AS DESCRIBED IN THIS SECTION. THE DEPARTMENT SHALL**
21 **ESTABLISH A COMPETITIVE GRANT PROCESS THAT AWARDS FUNDING TO NOT**
22 **MORE THAN 1 PROVIDER FOR THE DELIVERY OF PROGRAMS THAT EXEMPLIFY**
23 **BEST PRACTICES IN CIVIC EDUCATION. THE PROGRAMS SHALL TEACH UPPER**
24 **ELEMENTARY, MIDDLE, AND HIGH SCHOOL PUPILS HOW TO PARTICIPATE**
25 **RESPONSIBLY IN LOCAL AND STATE GOVERNMENT, AND SHALL PROVIDE UPPER**
26 **ELEMENTARY, MIDDLE, AND HIGH SCHOOL PUPILS WITH AN INNOVATIVE**
27 **COURSE OF INSTRUCTION ON THE HISTORY AND PRINCIPLES OF UNITED**

1 STATES CONSTITUTIONAL DEMOCRACY. THE GRANTEE ALSO SHALL PROVIDE
2 SUPPORT TO ALL SCHOOLS IN THIS STATE BEYOND THOSE TARGETED FOR
3 INTENSIVE PROGRAMMING FUNDED UNDER THIS SECTION THROUGH ITS
4 WEBSITE, CONDUCT PRESENTATIONS AT STATEWIDE CONFERENCES, AND
5 CONDUCT PRESENTATIONS AT DISTRICTS AND INTERMEDIATE DISTRICTS.

6 Sec. 99h. (1) From the **STATE SCHOOL AID FUND** appropriation in
7 section 11, there is allocated an amount not to exceed
8 \$2,500,000.00 for ~~2016-2017~~ **2017-2018** for competitive grants to
9 districts, **AND FROM THE GENERAL FUND APPROPRIATION IN SECTION 11,**
10 **THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$250,000.00 FOR 2017-**
11 **2018 FOR COMPETITIVE GRANTS TO NONPUBLIC SCHOOLS,** that provide
12 pupils in grades K to 12 with expanded opportunities to improve
13 mathematics, science, and technology skills by participating in
14 events hosted by a science and technology development program known
15 as FIRST (for inspiration and recognition of science and
16 technology) Robotics, including JR FIRST Lego League, FIRST Lego
17 League, FIRST tech challenge, and FIRST Robotics competition.
18 Programs funded under this section are intended to increase the
19 number of pupils demonstrating proficiency in science and
20 mathematics on the state assessments and to increase the number of
21 pupils who are college- and career-ready upon high school
22 graduation. Notwithstanding section 17b, grant payments to
23 districts **AND NONPUBLIC SCHOOLS** under this section shall be paid on
24 a schedule determined by the department. The department shall set
25 maximum grant awards for each different level of competition in a
26 manner that both maximizes the number of teams that will be able to
27 receive funds and expands the geographical distribution of teams.

1 (2) A district **OR NONPUBLIC SCHOOL** applying for a grant under
2 this section shall submit an application in a form and manner
3 determined by the department. To be eligible for a grant, a
4 district **OR NONPUBLIC SCHOOL** shall demonstrate in its application
5 that the district **OR NONPUBLIC SCHOOL** has established a partnership
6 for the purposes of the FIRST Robotics program with at least 1
7 sponsor, business entity, higher education institution, or
8 technical school, shall submit a spending plan, and shall pay at
9 least 25% of the cost of the FIRST Robotics program.

10 (3) The department shall distribute the grant funding under
11 this section for the following purposes:

12 (a) Grants to districts **OR NONPUBLIC SCHOOLS** to pay for
13 stipends not to exceed \$1,500.00 for 1 coach per team.

14 (b) Grants to districts **OR NONPUBLIC SCHOOLS** for event
15 registrations, materials, travel costs, and other expenses
16 associated with the preparation for and attendance at FIRST
17 Robotics events and competitions. Each grant recipient shall
18 provide a local match from other private or local funds for the
19 funds received under this subdivision equal to at least 50% of the
20 costs of participating in an event.

21 (c) Grants to districts **OR NONPUBLIC SCHOOLS** for awards to
22 teams that advance to the state and world championship
23 competitions. The department shall determine an equal amount per
24 team for those teams that advance to the state championship and a
25 second equal award amount to those teams that advance to the world
26 championship.

27 ~~(4) The funds allocated under this section are a work project~~

1 ~~appropriation, and any unexpended funds for 2016-2017 are carried~~
2 ~~forward into 2017-2018. The purpose of the work project is to~~
3 ~~continue to implement the projects described under subsection (1).~~
4 ~~The estimated completion date of the work project is September 30,~~
5 ~~2019.~~

6 SEC. 99K. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS
7 ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2017-2018 FOR
8 COMPETITIVE GRANTS TO DISTRICTS THAT PROVIDE PUPILS IN GRADES 6 TO
9 12 WITH EXPANDED OPPORTUNITIES TO IMPROVE COMPUTER SCIENCE SKILLS
10 BY PARTICIPATING IN CYBERSECURITY COMPETITIVE EVENTS HOSTED BY
11 MERIT NETWORK, INCORPORATED, KNOWN AS MICHIGAN HIGH SCHOOL CYBER
12 CHALLENGE, OR HOSTED BY THE AIR FORCE ASSOCIATION, KNOWN AS
13 CYBERPATRIOT. PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO
14 INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN SCIENCE
15 AND MATHEMATICS ON STATE ASSESSMENTS AND TO INCREASE THE NUMBER OF
16 PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL
17 GRADUATION. NOTWITHSTANDING SECTION 17B, GRANT PAYMENTS TO
18 DISTRICTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED
19 BY THE DEPARTMENT. THE DEPARTMENT SHALL SET MAXIMUM GRANT AWARDS
20 FOR EACH COMPETITION IN A MANNER THAT BOTH MAXIMIZES THE NUMBER OF
21 TEAMS THAT WILL BE ABLE TO RECEIVE FUNDS AND THE GEOGRAPHICAL
22 DISTRIBUTION OF TEAMS.

23 (2) A DISTRICT APPLYING FOR A GRANT UNDER THIS SECTION SHALL
24 SUBMIT AN APPLICATION IN A FORM AND MANNER DETERMINED BY THE
25 DEPARTMENT. TO BE ELIGIBLE FOR A GRANT, A DISTRICT SHALL
26 DEMONSTRATE IN ITS APPLICATION THAT THE DISTRICT HAS ESTABLISHED A
27 PARTNERSHIP WITH AT LEAST 1 SPONSOR, BUSINESS ENTITY, HIGHER

1 EDUCATION INSTITUTION, OR TECHNICAL SCHOOL, SHALL SUBMIT A SPENDING
2 PLAN, AND SHALL PAY AT LEAST 25% OF THE COST OF THE SELECTED
3 CYBERSECURITY PROGRAM.

4 (3) THE DEPARTMENT SHALL DISTRIBUTE THE GRANT FUNDING UNDER
5 THIS SECTION FOR THE FOLLOWING PURPOSES:

6 (A) GRANTS TO DISTRICTS TO PAY FOR STIPENDS NOT TO EXCEED
7 \$1,500.00 FOR 1 COACH OR MENTOR PER TEAM.

8 (B) GRANTS TO DISTRICTS FOR EVENT REGISTRATIONS, MATERIALS,
9 TRAVEL COSTS, AND OTHER EXPENSES ASSOCIATED WITH THE PREPARATION
10 FOR AND ATTENDANCE AT EVENTS AND COMPETITIONS. EACH GRANT RECIPIENT
11 SHALL PROVIDE A LOCAL MATCH FROM OTHER PRIVATE OR LOCAL FUNDS FOR
12 THE FUNDS RECEIVED UNDER THIS SUBDIVISION EQUAL TO AT LEAST 50% OF
13 THE COSTS OF PARTICIPATING IN AN EVENT.

14 (C) GRANTS TO DISTRICTS FOR AWARDS TO TEAMS THAT ADVANCE TO
15 STATE AND WORLD CHAMPIONSHIP COMPETITIONS. THE DEPARTMENT SHALL
16 DETERMINE AN EQUAL AMOUNT PER TEAM FOR THOSE TEAMS THAT ADVANCE TO
17 THE STATE CHAMPIONSHIP AND A SECOND EQUAL AWARD AMOUNT TO THOSE
18 TEAMS THAT ADVANCE TO THE WORLD CHAMPIONSHIP FOR THE SELECTED
19 CYBERSECURITY PROGRAM.

20 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT
21 APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2017-2018 ARE CARRIED
22 FORWARD INTO 2018-2019. THE PURPOSE OF THE WORK PROJECT IS TO
23 CONTINUE TO IMPLEMENT THE PROJECTS DESCRIBED UNDER SUBSECTION (1).
24 THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,
25 2020.

26 Sec. 99s. (1) From the funds appropriated under section 11,
27 there is allocated for ~~2016-2017~~ 2017-2018 an amount not to exceed

1 ~~\$3,000,000.00~~ **\$3,549,300.00** from the state school aid fund
2 appropriation and an amount not to exceed ~~\$1,300,000.00~~
3 **\$2,250,700.00** from the general fund appropriation for Michigan
4 science, technology, engineering, and mathematics (MiSTEM)
5 programs. In addition, from the federal funds appropriated in
6 section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount
7 estimated at ~~\$5,249,300.00~~ **\$4,700,000.00** from DED-OESE, title II,
8 mathematics and science partnership grants. Programs funded under
9 this section are intended to increase the number of pupils
10 demonstrating proficiency in science and mathematics on the state
11 assessments and to increase the number of pupils who are college-
12 and career-ready upon high school graduation. **NOTWITHSTANDING**
13 **SECTION 17B, PAYMENTS UNDER THIS SECTION SHALL BE PAID ON A**
14 **SCHEDULE DETERMINED BY THE DEPARTMENT.**

15 (2) From the general fund allocation in subsection (1), there
16 is allocated an amount not to exceed \$50,000.00 to the department
17 for administrative, training, and travel costs related to the
18 MiSTEM advisory council. All of the following apply to the MiSTEM
19 advisory council funded under this subsection:

20 (a) The MiSTEM advisory council is created. The MiSTEM
21 advisory council shall provide to the governor, legislature,
22 department of talent and economic development, and department
23 recommendations designed to improve and promote innovation in STEM
24 education and to prepare students for careers in science,
25 technology, engineering, and mathematics.

26 (b) The MiSTEM advisory council created under subdivision (a)
27 shall consist of the following members:

1 (i) The governor shall appoint 11 voting members who are
2 representative of business sectors that are important to Michigan's
3 economy and rely on a STEM-educated workforce, nonprofit
4 organizations and associations that promote STEM education, K-12
5 and postsecondary education entities involved in STEM-related
6 career education, or other sectors as considered appropriate by the
7 governor. Each of these members shall serve at the pleasure of the
8 governor and for a term determined by the governor.

9 (ii) The senate majority leader shall appoint 2 members of the
10 senate to serve as nonvoting, ~~ex officio~~ **EX OFFICIO** members of the
11 MiSTEM advisory council, including 1 majority party member and 1
12 minority party member.

13 (iii) The speaker of the house of representatives shall
14 appoint 2 members of the house of representatives to serve as
15 nonvoting, ~~ex officio~~ **EX OFFICIO** members of the MiSTEM advisory
16 council, including 1 majority party member and 1 minority party
17 member.

18 (c) Each member of the MiSTEM advisory council shall serve
19 without compensation.

20 (d) The MiSTEM advisory council shall recommend to the
21 governor, the legislature, and the department a statewide strategy
22 for delivering STEM education-related opportunities to pupils and
23 objective criteria for determining preferred STEM programs. The
24 MiSTEM advisory council shall use funds received under this
25 subsection to purchase training for its members or their designees
26 from the Change the Equation STEMworks rating system program for
27 the purpose of rating STEM programs.

1 (e) Not later than October 15 of each fiscal year, the MiSTEM
2 advisory council shall provide STEM quality ratings for programs
3 recommended for funding under subsection (3). The MiSTEM advisory
4 council shall make specific funding recommendations for the funds
5 allocated under subsection (3) by December 15 of each fiscal year.
6 The amount of each grant recommended shall not exceed \$250,000.00.

7 (f) If the MiSTEM advisory council is unable to make specific
8 funding recommendations by December 15 of a fiscal year, the
9 department shall distribute the funds allocated under subsection
10 (3) on a competitive grant basis that at least follows the quality
11 guidelines and priority areas recommended by the MiSTEM advisory
12 council. Each grant shall not exceed \$250,000.00 and must provide
13 STEM education-related opportunities for pupils.

14 (g) The MiSTEM advisory council shall work with directors of
15 mathematics and science centers funded under subsection (4) to
16 connect educators with businesses, workforce developers, economic
17 developers, community colleges, and universities.

18 (3) From the general fund money allocated under subsection
19 (1), there is allocated for ~~2016-2017-2017-2018~~ an amount not to
20 exceed ~~\$1,000,000.00~~ **\$1,950,700.00** for the purpose of funding
21 programs under this section for ~~2016-2017,~~ **2017-2018**, as
22 recommended by the MiSTEM advisory council.

23 (4) From the state school aid fund allocation under subsection
24 (1), there is allocated for ~~2016-2017-2017-2018~~ an amount not to
25 exceed ~~\$2,750,000.00~~ **\$3,299,300.00** to support the activities and
26 programs of mathematics and science centers. In addition, from the
27 federal funds allocated under subsection (1), there is allocated

1 for ~~2016-2017-2017-2018~~ an amount estimated at ~~\$5,249,300.00~~
2 **\$4,700,000.00** from DED-OESE, title II, mathematics and science
3 partnership grants, for the purposes of this subsection. All of the
4 following apply to the programs and funding under this subsection:

5 (a) Within a service area designated locally, approved by the
6 department, and consistent with the comprehensive master plan for
7 mathematics and science centers developed by the department and
8 approved by the state board, an established mathematics and science
9 center shall provide 2 or more of the following 6 basic services,
10 as described in the master plan, to constituent districts and
11 communities: leadership, pupil services, curriculum support,
12 community involvement, professional development, and resource
13 clearinghouse services.

14 (b) The department shall not award a state grant under this
15 subsection to more than 1 mathematics and science center located in
16 a designated region as prescribed in the 2007 master plan unless
17 each of the grants serves a distinct target population or provides
18 a service that does not duplicate another program in the designated
19 region.

20 (c) As part of the technical assistance process, the
21 department shall provide minimum standard guidelines that may be
22 used by the mathematics and science center for providing fair
23 access for qualified pupils and professional staff as prescribed in
24 this subsection.

25 (d) Allocations under this subsection to support the
26 activities and programs of mathematics and science centers shall be
27 continuing support grants to all 33 established mathematics and

1 science centers. For ~~2016-2017~~, **2017-2018**, each established
2 mathematics and science center shall receive state funding in an
3 amount equal to ~~100%~~ **120%** of the amount it was allocated under
4 former section 99 for 2014-2015. If a center declines state funding
5 or a center closes, the remaining money available under this
6 subsection shall be distributed to the remaining centers, as
7 determined by the department.

8 (e) From the funds allocated under this subsection, the
9 department shall distribute for ~~2016-2017~~ **2017-2018** an amount not
10 to exceed \$750,000.00 in a form and manner determined by the
11 department to those centers able to provide curriculum and
12 professional development support to assist districts in
13 implementing the Michigan merit curriculum components for
14 mathematics and science. Funding under this subdivision is in
15 addition to funding allocated under subdivision (d).

16 (f) In order to receive state or federal funds under this
17 subsection, a grant recipient shall allow access for the department
18 or the department's designee to audit all records related to the
19 program for which it receives those funds. The grant recipient
20 shall reimburse the state for all disallowances found in the audit.

21 (g) Not later than September 30, 2017, the department shall
22 work with the MiSTEM advisory council to revise the comprehensive
23 master plan described in subdivision (a) to ensure that the
24 comprehensive master plan is in compliance with the statewide
25 strategy developed by the council under subsection (2)(d). The
26 comprehensive master plan shall include a review of the feasibility
27 of consolidating and reducing the number of mathematics and science

1 centers.

2 (h) The department shall give preference in awarding the
3 federal grants allocated under this subsection to eligible existing
4 mathematics and science centers.

5 (i) In order to receive state funds under this subsection, a
6 grant recipient shall provide at least a 10% local match from local
7 public or private resources for the funds received under this
8 subsection.

9 (j) Not later than July 1 of each year, a mathematics and
10 science center that receives funds under this subsection shall
11 report to the department in a form and manner prescribed by the
12 department on the following performance measures:

13 (i) Statistical change in pre- and post-assessment scores for
14 students who enrolled in mathematics and science activities
15 provided to districts by the mathematics and science center.

16 (ii) Statistical change in pre- and post-assessment scores for
17 teachers who enrolled in professional development activities
18 provided by the mathematics and science center.

19 (k) As used in this subsection:

20 (i) "DED" means the United States Department of Education.

21 (ii) "DED-OESE" means the DED Office of Elementary and
22 Secondary Education.

23 (5) From the allocations under subsection (1), there is
24 allocated an amount not to exceed \$250,000.00 for ~~2016-2017-2017-~~
25 **2018** for competitive grants to districts that provide pupils in
26 grades K to 12 with expanded opportunities in science education and
27 skills by participating in events and competitions hosted by

1 Science Olympiad. All of the following apply to the grant funding
2 under this subsection:

3 (a) A district applying for a grant under this subsection
4 shall submit an application in the form and manner determined by
5 the department not later than November 15, ~~2016~~—2017. The
6 department shall select districts for grants and make notification
7 not later than December 15, ~~2016~~—2017. To be eligible for a grant,
8 a district shall pay at least 25% of the cost of participating in
9 the Science Olympiad program.

10 (b) The department shall distribute the grant funding
11 allocated under this subsection for the following purposes:

12 (i) Grants to districts of up to \$800.00 per new elementary
13 team.

14 (ii) Grants to districts of up to \$400.00 per established
15 elementary team.

16 (iii) Grants to districts of up to \$1,600.00 per new secondary
17 team.

18 (iv) Grants to districts of up to \$800.00 per established
19 secondary team.

20 (6) From the general fund allocation under subsection (1),
21 there is allocated an amount not to exceed \$250,000.00 for ~~2016~~—
22 ~~2017~~—2017-2018 for a grant to the Van Andel Education Institute for
23 the purposes of advancing and promoting science education and
24 increasing the number of students who choose to pursue careers in
25 science or science-related fields. Funds allocated under this
26 subsection shall be used to provide professional development for
27 science teachers in using student-driven, inquiry-based

1 instruction.

2 Sec. 99t. (1) From the general fund appropriation under
3 section 11, there is allocated an amount not to exceed
4 ~~\$1,500,000.00 for 2016-2017~~ **\$1,200,000.00 FOR 2017-2018** to purchase
5 statewide access to an online algebra tool that meets all of the
6 following:

7 (a) Provides students statewide with complete access to videos
8 aligned with state standards including study guides and workbooks
9 that are aligned with the videos.

10 (b) Provides students statewide with access to a personalized
11 online algebra learning tool including adaptive diagnostics.

12 (c) Provides students statewide with dynamic algebra practice
13 assessments that emulate the state assessment with immediate
14 feedback and help solving problems.

15 (d) Provides students statewide with online access to algebra
16 help 24 hours a day and 7 days a week from study experts, teachers,
17 and peers on a moderated social networking platform.

18 (e) Provides an online algebra professional development
19 network for teachers.

20 (f) Is already provided under a statewide contract in at least
21 1 other state that has a population of at least 18,000,000 but not
22 more than 19,000,000 according to the most recent decennial census
23 and is offered in that state in partnership with a public
24 university.

25 (2) The department shall choose the online algebra tool by
26 October 1, 2016.

27 **SEC. 99U. (1) FROM THE GENERAL FUND APPROPRIATION UNDER**

1 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
2 \$2,300,000.00 FOR 2017-2018 FOR A COMPETITIVE GRANT TO PROVIDE
3 INFORMATION TECHNOLOGY EDUCATION OPPORTUNITIES TO STUDENTS
4 ATTENDING SCHOOLS OPERATING GRADES K-12, CAREER AND TECHNICAL
5 CENTERS AND CAREER ACADEMIES, AND COMMUNITY COLLEGES AND
6 UNIVERSITIES. IT IS THE INTENT OF THE LEGISLATURE THAT 2017-2018 IS
7 THE FIRST OF 3 YEARS OF FUNDING FOR THE COMPETITIVE GRANT PROGRAM.
8 FUNDS ALLOCATED UNDER THIS SECTION SHALL BE USED FOR INSTRUCTION IN
9 INFORMATION TECHNOLOGY SKILLS AND COMPETENCIES THAT ARE ESSENTIAL
10 FOR THE WORKPLACE AND REQUESTED BY EMPLOYERS AND SHALL ALLOW
11 PARTICIPATING STUDENTS AND FACULTIES TO SECURE BROAD-BASED
12 INFORMATION TECHNOLOGY CERTIFICATIONS AND, IF APPLICABLE, COLLEGE
13 CREDIT.

14 (2) THE DEPARTMENT SHALL SELECT A PROVIDER USING A COMPETITIVE
15 REQUEST FOR PROPOSALS PROCESS. PROPOSALS SUBMITTED UNDER THIS
16 SUBSECTION SHALL INCLUDE AT LEAST THE FOLLOWING COMPONENTS:

17 (A) RESEARCH- AND SKILL-DEVELOPMENT-BASED AND INFORMATION
18 TECHNOLOGY CURRICULUM.

19 (B) ONLINE ACCESS TO THE CURRICULUM.

20 (C) INSTRUCTIONAL SOFTWARE FOR CLASSROOM AND STUDENT USE.

21 (D) A PROGRAM THAT INCLUDES CODING CURRICULUM AND MATERIAL
22 THAT ARE ALIGNED TO THE CS AP EXAM AND GRANTS A CERTIFICATE UPON
23 COMPLETION OF THE PROGRAM.

24 (E) COMPONENTS FOR ALL GRADE LEVELS ON COMPUTATIONAL THINKING
25 SKILLS DEVELOPMENT USING THE LATEST GAMING SOFTWARE.

26 (F) A PROCESS FOR STUDENTS TO OBTAIN CERTIFICATIONS OF SKILLS
27 AND COMPETENCIES IN A BROAD BASE OF INFORMATION TECHNOLOGY-RELATED

1 SKILL AREAS.

2 (G) PROFESSIONAL DEVELOPMENT FOR FACULTY.

3 (H) IMPLEMENTATION AND PROGRAM SUPPORT, INCLUDING, BUT NOT
4 LIMITED TO, INTEGRATION WITH CURRENT CURRICULUM STANDARDS.

5 (I) METHODS FOR STUDENTS TO EARN COLLEGE CREDIT.

6 (3) THE DEPARTMENT SHALL GIVE PRIORITY TO PROPOSALS BY
7 PROVIDERS THAT HAVE PREVIOUSLY DEMONSTRATED SUCCESS IN THIS STATE
8 IN PROVIDING HIGH-QUALITY INFORMATION TECHNOLOGY EDUCATION
9 OPPORTUNITIES TO STUDENTS.

10 (4) THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2017-2018 ARE A
11 WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2017-2018
12 ARE TO BE CARRIED FORWARD INTO 2018-2019. THE PURPOSE OF THE WORK
13 PROJECT IS TO CONTINUE TO PROVIDE INFORMATION TECHNOLOGY EDUCATION
14 OPPORTUNITIES DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION
15 DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2020.

16 Sec. 102d. (1) From the funds appropriated in section 11,
17 there is allocated an amount not to exceed ~~\$1,500,000.00~~
18 \$1,750,000.00 for ~~2016-2017-2017-2018~~ for reimbursements to
19 districts and intermediate districts for the licensing of school
20 data analytical tools as described under this section. The
21 reimbursement is for districts and intermediate districts that
22 choose to use a school data analytical tool to assist the district
23 or intermediate district and that enter into a licensing agreement
24 for a school data analytical tool with 1 of the vendors approved by
25 the department of technology, management, and budget under
26 subsection (2). Funds allocated under this section are intended to
27 provide districts and intermediate districts with financial

1 forecasting and transparency reporting tools to help improve the
2 financial health of districts and to improve communication with the
3 public, resulting in increased fund balances for districts and
4 intermediate districts.

5 (2) Not later than October 15, ~~2016~~,**2017**, the department of
6 technology, management, and budget shall review vendors for school
7 data analytical tools and provide districts and intermediate
8 districts with a list of up to 2 approved vendors that districts
9 and intermediate districts may use to be eligible for a
10 reimbursement paid under this section. In addition, a vendor
11 approved under this section for ~~2015-2016~~**2016-2017** is considered
12 to be approved for use by a district or intermediate district and
13 for reimbursement for ~~2016-2017~~**2017-2018**. An approved school data
14 analytical tool supplied by the vendor must meet at least all of
15 the following:

16 (a) Analyzes financial data.

17 (b) Analyzes academic data.

18 (c) Provides early warning indicators of financial stress.

19 (d) Has the capability to provide peer district comparisons of
20 both financial and academic data.

21 (e) Has the capability to provide financial projections for at
22 least 3 subsequent fiscal years.

23 (3) Funds allocated under this section shall be paid to
24 districts and intermediate districts as a reimbursement for already
25 having a licensing agreement or for entering into a licensing
26 agreement not later than December 1, ~~2016~~**2017** with a vendor
27 approved under subsection (2) to implement a school data analytical

1 tool. Reimbursement will be prorated for the portion of the state
2 fiscal year not covered by the licensing agreement. However, a
3 licensing agreement that takes effect after October 1, ~~2016~~2017
4 and before December 1, ~~2016~~2017 will not be prorated if the term
5 of the agreement is at least 1 year. Reimbursement under this
6 section shall be made as follows:

7 (a) All districts and intermediate districts seeking
8 reimbursement shall submit requests not later than December 1, ~~2016~~
9 2017 indicating the cost paid for the financial data analytical
10 tool.

11 (b) The department shall determine the sum of the funding
12 requests under subdivision (a) and, if there are sufficient funds,
13 shall pay 1/2 of the costs submitted under subdivision (a). If
14 there are insufficient funds to pay 1/2 of the costs submitted
15 under (a), then reimbursement shall be made on an equal percentage
16 basis.

17 (c) Funds remaining after the calculation and payment under
18 subdivision (b) shall be distributed on an equal per-pupil basis,
19 with an intermediate district's pupils considered to be the sum of
20 the pupil memberships of the constituent districts for which the
21 intermediate district is purchasing the financial data analytical
22 tool.

23 (d) The reimbursement to a district or intermediate district
24 shall not be greater than the amount paid for a data analytics
25 application.

26 (e) A district or intermediate district shall not be
27 reimbursed for the purchase of more than 1 software application.

1 (4) IF AN INTERMEDIATE DISTRICT PURCHASES BOTH A SCHOOL DATA
2 ANALYTICAL TOOL SPECIFICALLY FOR INTERMEDIATE DISTRICT FINANCES AND
3 A SCHOOL DATA ANALYTICAL TOOL FOR ITS CONSTITUENT DISTRICTS, THE
4 INTERMEDIATE DISTRICT SHALL BE REIMBURSED FOR BOTH PURCHASES UNDER
5 THIS SECTION.

6 (5) IF AN INTERMEDIATE DISTRICT MAKES AVAILABLE TO 1 OR MORE
7 OF ITS CONSTITUENT DISTRICTS A SCHOOL DATA ANALYTICAL TOOL FUNDED
8 UNDER THIS SECTION, THAT CONSTITUENT DISTRICT SHALL NOT BE
9 REIMBURSED UNDER THIS SECTION FOR THE PURCHASE OF A SCHOOL DATA
10 ANALYTICAL TOOL.

11 (6) ~~(4)~~ Notwithstanding section 17b, payments under this
12 section shall be made on a schedule determined by the department.

13 Sec. 104. (1) In order to receive state aid under this
14 article, a district shall comply with sections 1249, 1278a, 1278b,
15 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
16 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
17 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
18 the state school aid fund money appropriated in section 11, there
19 is allocated for ~~2016-2017-2017-2018~~ an amount not to exceed
20 ~~\$33,894,400.00~~ **\$34,709,400.00** for payments on behalf of districts
21 for costs associated with complying with those provisions of law.
22 In addition, from the federal funds appropriated in section 11,
23 there is allocated for ~~2016-2017-2017-2018~~ an amount estimated at
24 \$6,250,000.00, funded from DED-OESE, title VI, state assessment
25 funds, and from DED-OSERS, section 504 of part B of the individuals
26 with disabilities education act, Public Law 94-142, plus any
27 carryover federal funds from previous year appropriations, for the

1 purposes of complying with the federal no child left behind act of
2 2001, Public Law 107-110, or the every student succeeds act, Public
3 Law 114-95.

4 (2) The results of each test administered as part of the
5 Michigan student test of educational progress (M-STEP), including
6 tests administered to high school students, shall include an item
7 analysis that lists all items that are counted for individual pupil
8 scores and the percentage of pupils choosing each possible
9 response. The department shall work with the center to identify the
10 number of students enrolled at the time assessments are given by
11 each district. In calculating the percentage of pupils assessed for
12 a district's scorecard, the department shall use only the number of
13 pupils enrolled in the district at the time the district
14 administers the assessments and shall exclude pupils who enroll in
15 the district after the district administers the assessments.

16 (3) All federal funds allocated under this section shall be
17 distributed in accordance with federal law and with flexibility
18 provisions outlined in Public Law 107-116, and in the education
19 flexibility partnership act of 1999, Public Law 106-25.

20 ~~————(4) From the allocation in subsection (1), there is allocated~~
21 ~~an amount not to exceed \$185,000.00 for the implementation of a~~
22 ~~kindergarten readiness assessment pilot project in 2016-2017. The~~
23 ~~funding would be allocated to an intermediate district located in a~~
24 ~~prosperity region with 2 or more subregions to participate in the~~
25 ~~Maryland Ohio pilot and cover the cost of a contract with a~~
26 ~~university for implementation of version 1.75 of the kindergarten~~
27 ~~readiness assessment tool. The kindergarten readiness assessment~~

1 ~~pilot shall assess an estimated 4,000 children, and the designated~~
2 ~~intermediate district shall work with other intermediate districts~~
3 ~~to implement the pilot project, engage with the office of great~~
4 ~~start and the department, and provide a report to the legislature~~
5 ~~on the efficacy and usefulness of a kindergarten readiness~~
6 ~~assessment. Allowable costs under this pilot program include those~~
7 ~~incurred in August and September 2016.~~

8 (4) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS
9 ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2017-2018 TO AN
10 INTERMEDIATE DISTRICT DESCRIBED IN THIS SUBSECTION TO IMPLEMENT A
11 MICHIGAN KINDERGARTEN ENTRY OBSERVATION TOOL IN 2017-2018. THE
12 FUNDING UNDER THIS SUBSECTION IS ALLOCATED TO AN INTERMEDIATE
13 DISTRICT IN PROSPERITY REGION 9 WITH AT LEAST 3,000 KINDERGARTEN
14 PUPILS ENROLLED IN ITS CONSTITUENT DISTRICTS TO CONTINUE
15 PARTICIPATION IN THE MARYLAND-OHIO PILOT AND COVER THE COSTS OF
16 IMPLEMENTING THE PILOT OBSERVATION TOOL, INCLUDING A CONTRACT WITH
17 A UNIVERSITY FOR IMPLEMENTATION OF THE PILOT OBSERVATION TOOL. THE
18 MICHIGAN KINDERGARTEN ENTRY OBSERVATION SHALL BE CONDUCTED IN ALL
19 KINDERGARTEN CLASSROOMS IN DISTRICTS LOCATED IN PROSPERITY REGIONS
20 4, 5, AND 9 IN THE 2017-2018 SCHOOL YEAR. A CONSTITUENT DISTRICT OF
21 AN INTERMEDIATE DISTRICT LOCATED WITHIN PROSPERITY REGION 4, 5, OR
22 9 SHALL ADMINISTER THE MARYLAND-OHIO TOOL WITHIN EACH KINDERGARTEN
23 CLASSROOM IN THE 2017-2018 SCHOOL YEAR TO EITHER THE FULL CENSUS OF
24 KINDERGARTEN PUPILS OR A REPRESENTATIVE SAMPLE OF NOT LESS THAN 35%
25 OF THE ENROLLED KINDERGARTEN PUPILS IN EACH CLASSROOM. THE
26 INTERMEDIATE DISTRICT RECEIVING THE FUNDING ALLOCATED UNDER THIS
27 SUBSECTION SHALL WORK WITH OTHER INTERMEDIATE DISTRICTS TO

1 IMPLEMENT THE MICHIGAN KINDERGARTEN ENTRY OBSERVATION, ENGAGE WITH
2 THE OFFICE OF GREAT START AND THE DEPARTMENT, AND PROVIDE A REPORT
3 TO THE LEGISLATURE ON THE DEMONSTRATED READINESS OF KINDERGARTEN
4 PUPILS WITHIN THE PARTICIPATING INTERMEDIATE DISTRICTS. THAT
5 INTERMEDIATE DISTRICT MAY SHARE THIS FUNDING WITH THE OTHER
6 AFFECTED INTERMEDIATE DISTRICTS AND DISTRICTS. ALLOWABLE COSTS
7 UNDER THIS SUBSECTION INCLUDE THOSE INCURRED IN JULY, AUGUST, AND
8 SEPTEMBER 2017 AS WELL AS THOSE INCURRED IN 2017-2018. AS USED IN
9 THIS SUBSECTION, "KINDERGARTEN" MAY INCLUDE A CLASSROOM FOR YOUNG
10 5-YEAR-OLDS, COMMONLY REFERRED TO AS "YOUNG 5S" OR "DEVELOPMENTAL
11 KINDERGARTEN".

12 (5) The department shall continue to make the kindergarten
13 entry assessment developed by the department and field tested in
14 2015-2016 available to districts in ~~2016-2017~~-2017-2018.

15 (6) The department may recommend, but may not require,
16 districts to allow pupils to use an external keyboard with tablet
17 devices for online M-STEP testing, including, but not limited to,
18 open-ended test items such as constructed response or equation
19 builder items.

20 (7) Notwithstanding section 17b, payments on behalf of
21 districts, intermediate districts, and other eligible entities
22 under this section shall be paid on a schedule determined by the
23 department.

24 (8) From the allocation in subsection (1), there is allocated
25 an amount not to exceed \$3,200,000.00 for the development or
26 selection of an online reporting tool to provide student-level
27 assessment data in a secure environment to educators, parents, and

1 pupils immediately after assessments are scored. The department and
2 the center shall ensure that any data collected by the online
3 reporting tool do not provide individually identifiable student
4 data to the federal government.

5 ~~—— (9) From the allocation in subsection (1), there is allocated~~
6 ~~an amount not to exceed \$5,600,000.00 for the purpose of~~
7 ~~implementing a summative assessment system pursuant to section~~
8 ~~104e.~~

9 (9) ~~(10)~~ As used in this section:

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

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

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

15 Sec. 104c. (1) In order to receive state aid under this
16 article, a district shall administer the state assessments
17 described in this section.

18 (2) For the purposes of this section, the department shall
19 develop for use in the spring of 2015-2016 the Michigan student
20 test of educational progress (M-STEP) assessments in English
21 language arts and mathematics. These assessments shall be aligned
22 to state standards.

23 (3) For the purposes of this section, the department shall
24 implement a summative assessment system that is proven to be valid
25 and reliable for administration to pupils as provided under this
26 subsection. The summative assessment system shall meet all of the
27 following requirements:

1 (a) The summative assessment system shall measure student
2 proficiency on the current state standards, shall measure student
3 growth for consecutive grade levels in which students are assessed
4 in the same subject area in both grade levels, and shall be capable
5 of measuring individual student performance.

6 (b) The summative assessments for English language arts and
7 mathematics shall be administered to all public school pupils in
8 grades 3 to 11, including those pupils as required by the federal
9 individuals with disabilities education act, Public Law 108-446,
10 and by title I of the federal ~~elementary and secondary education~~
11 ~~act~~. **EVERY STUDENT SUCCEEDS ACT (ESSA), PUBLIC LAW 114-95.**

12 (c) The summative assessments for science shall be
13 administered to all public school pupils in at least grades 4 and
14 7, including those pupils as required by the federal individuals
15 with disabilities education act, Public Law 108-446, and by title I
16 of the federal ~~elementary and secondary education act~~. **EVERY STUDENT**
17 **SUCCEEDS ACT (ESSA), PUBLIC LAW 114-95.**

18 (d) The summative assessments for social studies shall be
19 administered to all public school pupils in at least grades 5 and
20 8, including those pupils as required by the federal individuals
21 with disabilities education act, Public Law 108-446, and by title I
22 of the federal ~~elementary and secondary education act~~. **EVERY STUDENT**
23 **SUCCEEDS ACT (ESSA), PUBLIC LAW 114-95.**

24 (e) The content of the summative assessments shall be aligned
25 to state standards.

26 (f) The pool of questions for the summative assessments shall
27 be subject to a transparent review process for quality, bias, and

1 sensitive issues involving educator review and comment. The
2 department shall post samples from tests or retired tests featuring
3 questions from this pool for review by the public.

4 (g) The summative assessment system shall ensure that
5 students, parents, and teachers are provided with reports that
6 convey individual student proficiency and growth on the assessment
7 and that convey individual student domain-level performance in each
8 subject area, including representative questions, and individual
9 student performance in meeting state standards.

10 (h) The summative assessment system shall be capable of
11 providing, and the department shall ensure that students, parents,
12 teachers, administrators, and community members are provided with,
13 reports that convey aggregate student proficiency and growth data
14 by teacher, grade, school, and district.

15 (i) The summative assessment system shall ensure the
16 capability of reporting the available data to support educator
17 evaluations.

18 (j) The summative assessment system shall ensure that the
19 reports provided to districts containing individual student data
20 are available within 60 days after completion of the assessments.

21 (k) The summative assessment system shall ensure that access
22 to individually identifiable student data meets all of the
23 following:

24 (i) Is in compliance with 20 USC 1232g, commonly referred to
25 as the family educational rights and privacy act of 1974.

26 (ii) Except as may be provided for in an agreement with a
27 vendor to provide assessment services, as necessary to support

1 educator evaluations pursuant to subdivision (i), or for research
2 or program evaluation purposes, is available only to the student;
3 to the student's parent or legal guardian; and to a school
4 administrator or teacher, to the extent that he or she has a
5 legitimate educational interest.

6 (l) The summative assessment system shall ensure that the
7 assessments are pilot tested before statewide implementation.

8 (m) The summative assessment system shall ensure that
9 assessments are designed so that the maximum total combined length
10 of time that schools are required to set aside for a pupil to
11 answer all test questions on all assessments that are part of the
12 system for the pupil's grade level does not exceed that maximum
13 total combined length of time for the previous statewide assessment
14 system or 9 hours, whichever is less. This subdivision does not
15 limit the amount of time a district may allow a pupil to complete a
16 test.

17 (n) The total cost of executing the summative assessment
18 system statewide each year, including, but not limited to, the cost
19 of contracts for administration, scoring, and reporting, shall not
20 exceed an amount equal to 2 times the cost of executing the
21 previous statewide assessment after adjustment for inflation.

22 (4) Beginning in the 2015-2016 school year, the department
23 shall field test assessments in the fall and spring of each school
24 year to measure English language arts and mathematics in each of
25 grades K to 2 for full implementation when the assessments have
26 been successfully field tested. This full implementation shall
27 occur not later than the 2018-2019 school year. These assessments

1 are necessary to determine a pupil's proficiency level before grade
2 3.

3 (5) IN AN EFFORT TO ADD AND ADMINISTER STATEWIDE BENCHMARK
4 ASSESSMENTS IN ENGLISH LANGUAGE ARTS AND MATHEMATICS TO THE CURRENT
5 ASSESSMENT SYSTEM, THE DEPARTMENT SHALL BEGIN TO DEVELOP AND
6 IMPLEMENT PILOT PROGRAMS OR FIELD TESTING OF TEST CONTENT FOR THE
7 STATEWIDE USE OF BENCHMARK ASSESSMENTS FOR GRADES 3 TO 8 UP TO 3
8 TIMES PER YEAR BEGINNING IN THE 2018-2019 SCHOOL YEAR. THESE
9 BENCHMARK ASSESSMENTS SHALL BE FULLY ALIGNED TO THIS STATE'S STATE
10 CONTENT STANDARDS FOR ENGLISH LANGUAGE ARTS AND MATHEMATICS AND MAY
11 BE COMPUTER-ADAPTIVE IN NATURE.

12 (6) ~~(5)~~—This section does not prohibit districts from adopting
13 interim assessments.

14 (7) ~~(6)~~—As used in this section, "English language arts" means
15 that term as defined in section 104b.

16 Sec. 104d. (1) From the state school aid fund money
17 appropriated in section 11, there is allocated for ~~2016–2017–2017–~~
18 ~~2018~~ an amount not to exceed ~~\$4,000,000.00~~ ~~–\$5,000,000.00~~ for
19 providing reimbursement to districts that purchase a computer-
20 adaptive test, or that purchase 1 or more diagnostic tools,
21 screening tools, or benchmark assessments for pupils in grades K to
22 3 that are intended to increase reading proficiency by grade 4.

23 (2) In order to receive reimbursement under this section for
24 the purchase of a computer-adaptive test, the computer-adaptive
25 test must provide for at least all of the following:

26 (a) Internet-delivered, standards-based assessment using a
27 computer-adaptive model to target the instructional level of each

1 pupil.

2 (b) Unlimited testing opportunities throughout the ~~2016-2017~~
3 **2017-2018** school year.

4 (c) Valid and reliable diagnostic assessment data.

5 (d) Adjustment of testing difficulty based on previous answers
6 to test questions.

7 (e) Immediate feedback to pupils and teachers.

8 (3) In order to receive reimbursement under this section for
9 the purchase of 1 or more diagnostic tools or screening tools for
10 pupils in grades K to 3, each of the tools must meet all of the
11 following:

12 (a) Be reliable.

13 (b) Be valid.

14 (c) Be useful. As used in this subdivision, "useful" means
15 that a tool is easy to administer and requires a short time to
16 complete and that results are linked to intervention.

17 (4) In order to receive funding under this section for the
18 purchase of 1 or more benchmark assessments for pupils in grades K
19 to 3, each of the benchmark assessments must meet all of the
20 following:

21 (a) Be aligned to the state standards of this state.

22 (b) Complement this state's summative assessment system.

23 (c) Be administered at least once a year before the
24 administration of any summative assessment to monitor pupil
25 progress.

26 (d) Provide information on pupil achievement with regard to
27 learning the content required in a given year or grade span.

1 (5) Reimbursement under this section shall be made to eligible
2 districts that purchase a computer-adaptive test or 1 or more
3 diagnostic tools, screening tools, or benchmark assessments
4 described in this section by October 15, ~~2016~~**2017** and shall be
5 made on an equal per-pupil basis according to the available
6 funding, based on the number of pupils for whom assessments were
7 purchased.

8 (6) In order to receive reimbursement under this section, a
9 district shall demonstrate to the satisfaction of the department
10 that each qualifying computer-adaptive test, diagnostic tool,
11 screening tool, or benchmark assessment was purchased by the
12 district by December 1, ~~2016~~**2017**.

13 Sec. 107. (1) From the appropriation in section 11, there is
14 allocated an amount not to exceed ~~\$25,000,000.00~~**\$27,500,000.00** for
15 ~~2016-2017~~**2017-2018** for adult education programs authorized under
16 this section. Except as otherwise provided under subsections ~~(14)~~
17 ~~and (15),~~**(14), (15), AND (19)**, funds allocated under this section
18 are restricted for adult education programs as authorized under
19 this section only. A recipient of funds under this section shall
20 not use those funds for any other purpose.

21 (2) To be eligible for funding under this section, an eligible
22 adult education provider shall employ certificated teachers and
23 qualified administrative staff and shall offer continuing education
24 opportunities for teachers to allow them to maintain certification.

25 (3) To be eligible to be a participant funded under this
26 section, an individual shall be enrolled in an adult basic
27 education program, an adult secondary education program, an adult

1 English as a second language program, a high school equivalency
2 test preparation program, or a high school completion program, that
3 meets the requirements of this section, and for which instruction
4 is provided, and shall meet either of the following:

5 (a) Has attained 20 years of age.

6 (b) Has attained 18 years of age and the individual's
7 graduating class has graduated.

8 (4) By April 1 of each fiscal year, the intermediate districts
9 within a prosperity region or subregion shall determine which
10 intermediate district will serve as the prosperity region's or
11 subregion's fiscal agent for the next fiscal year and shall notify
12 the department in a form and manner determined by the department.
13 The department shall approve or disapprove of the prosperity
14 region's or subregion's selected fiscal agent. From the funds
15 allocated under subsection (1), an amount as determined under this
16 subsection shall be allocated to each intermediate district serving
17 as a fiscal agent for adult education programs in each of the
18 prosperity regions or subregions identified by the department. An
19 intermediate district shall not use more than 5% of the funds
20 allocated under this subsection for administration costs for
21 serving as the fiscal agent. Beginning in 2014-2015, 67% of the
22 allocation provided to each intermediate district serving as a
23 fiscal agent shall be based on the proportion of total funding
24 formerly received by the adult education providers in that
25 prosperity region or subregion in 2013-2014, and 33% shall be
26 allocated based on the factors in subdivisions (a), (b), and (c).
27 For ~~2017-2018~~, **2018-2019**, 33% of the allocation provided to each

1 intermediate district serving as a fiscal agent shall be based upon
2 the proportion of total funding formerly received by the adult
3 education providers in that prosperity region in 2013-2014 and 67%
4 of the allocation shall be based upon the factors in subdivisions
5 (a), (b), and (c). Beginning in ~~2018-2019~~, **2019-2020**, 100% of the
6 allocation provided to each intermediate district serving as a
7 fiscal agent shall be based on the factors in subdivisions (a),
8 (b), and (c). The funding factors for this section are as follows:

9 (a) Sixty percent of this portion of the funding shall be
10 distributed based upon the proportion of the state population of
11 individuals between the ages of 18 and 24 that are not high school
12 graduates that resides in each of the prosperity regions or
13 subregions, as reported by the most recent 5-year estimates from
14 the American community survey (ACS) from the United States Census
15 Bureau.

16 (b) Thirty-five percent of this portion of the funding shall
17 be distributed based upon the proportion of the state population of
18 individuals age 25 or older who are not high school graduates that
19 resides in each of the prosperity regions or subregions, as
20 reported by the most recent 5-year estimates from the American
21 community survey (ACS) from the United States Census Bureau.

22 (c) Five percent of this portion of the funding shall be
23 distributed based upon the proportion of the state population of
24 individuals age 18 or older who lack basic English language
25 proficiency that resides in each of the prosperity regions or
26 subregions, as reported by the most recent 5-year estimates from
27 the American community survey (ACS) from the United States Census

1 Bureau.

2 (5) To be an eligible fiscal agent, an intermediate district
3 must agree to do the following in a form and manner determined by
4 the department:

5 (a) Distribute funds to adult education programs in a
6 prosperity region or subregion as described in this section.

7 (b) Collaborate with the talent district career council, which
8 is an advisory council of the workforce development boards located
9 in the prosperity region or subregion, or its successor, to develop
10 a regional strategy that aligns adult education programs and
11 services into an efficient and effective delivery system for adult
12 education learners, with special consideration for providing
13 contextualized learning and career pathways and addressing barriers
14 to education and employment.

15 (c) Collaborate with the talent district career council, which
16 is an advisory council of the workforce development boards located
17 in the prosperity region or subregion, or its successor, to create
18 a local process and criteria that will identify eligible adult
19 education providers to receive funds allocated under this section
20 based on location, demand for services, past performance, quality
21 indicators as identified by the department, and cost to provide
22 instructional services. The fiscal agent shall determine all local
23 processes, criteria, and provider determinations. However, the
24 local processes, criteria, and provider services must be approved
25 by the department before funds may be distributed to the fiscal
26 agent.

27 (d) Provide oversight to its adult education providers

1 throughout the program year to ensure compliance with the
2 requirements of this section.

3 (e) Report adult education program and participant data and
4 information as prescribed by the department.

5 (6) An adult basic education program, an adult secondary
6 education program, or an adult English as a second language program
7 operated on a year-round or school year basis may be funded under
8 this section, subject to all of the following:

9 (a) The program enrolls adults who are determined by a
10 department-approved assessment, in a form and manner prescribed by
11 the department, to be below twelfth grade level in reading or
12 mathematics, or both, or to lack basic English proficiency.

13 (b) The program tests individuals for eligibility under
14 subdivision (a) before enrollment and upon completion of the
15 program in compliance with the state-approved assessment policy.

16 (c) A participant in an adult basic education program is
17 eligible for reimbursement until 1 of the following occurs:

18 (i) The participant's reading and mathematics proficiency are
19 assessed at or above the ninth grade level.

20 (ii) The participant fails to show progress on 2 successive
21 assessments after having completed at least 450 hours of
22 instruction.

23 (d) A participant in an adult secondary education program is
24 eligible for reimbursement until 1 of the following occurs:

25 (i) The participant's reading and mathematics proficiency are
26 assessed above the twelfth grade level.

27 (ii) The participant fails to show progress on 2 successive

1 assessments after having at least 450 hours of instruction.

2 (e) A funding recipient enrolling a participant in an English
3 as a second language program is eligible for funding according to
4 subsection (9) until the participant meets 1 of the following:

5 (i) The participant is assessed as having attained basic
6 English proficiency as determined by a department-approved
7 assessment.

8 (ii) The participant fails to show progress on 2 successive
9 department-approved assessments after having completed at least 450
10 hours of instruction. The department shall provide information to a
11 funding recipient regarding appropriate assessment instruments for
12 this program.

13 (7) A high school equivalency test preparation program
14 operated on a year-round or school year basis may be funded under
15 this section, subject to all of the following:

16 (a) The program enrolls adults who do not have a high school
17 diploma or a high school equivalency certificate.

18 (b) The program shall administer a pre-test approved by the
19 department before enrolling an individual to determine the
20 individual's literacy levels, shall administer a high school
21 equivalency practice test to determine the individual's potential
22 for success on the high school equivalency test, and shall
23 administer a post-test upon completion of the program in compliance
24 with the state-approved assessment policy.

25 (c) A funding recipient shall receive funding according to
26 subsection (9) for a participant, and a participant may be enrolled
27 in the program until 1 of the following occurs:

1 (i) The participant achieves a high school equivalency
2 certificate.

3 (ii) The participant fails to show progress on 2 successive
4 department-approved assessments used to determine readiness to take
5 a high school equivalency test after having completed at least 450
6 hours of instruction.

7 (8) A high school completion program operated on a year-round
8 or school year basis may be funded under this section, subject to
9 all of the following:

10 (a) The program enrolls adults who do not have a high school
11 diploma.

12 (b) The program tests participants described in subdivision
13 (a) before enrollment and upon completion of the program in
14 compliance with the state-approved assessment policy.

15 (c) A funding recipient shall receive funding according to
16 subsection (9) for a participant in a course offered under this
17 subsection until 1 of the following occurs:

18 (i) The participant passes the course and earns a high school
19 diploma.

20 (ii) The participant fails to earn credit in 2 successive
21 semesters or terms in which the participant is enrolled after
22 having completed at least 900 hours of instruction.

23 (9) A funding recipient shall receive payments under this
24 section in accordance with all of the following:

25 (a) Statewide allocation criteria, including 3-year average
26 enrollments, census data, and local needs.

27 (b) Participant completion of the adult basic education

1 objectives by achieving an educational gain as determined by the
2 national reporting system levels; for achieving basic English
3 proficiency, as determined by the department; for achieving a high
4 school equivalency certificate or passage of 1 or more individual
5 high school equivalency tests; for attainment of a high school
6 diploma or passage of a course required for a participant to attain
7 a high school diploma; for enrollment in a postsecondary
8 institution, or for entry into or retention of employment, as
9 applicable.

10 (c) Participant completion of core indicators as identified in
11 the innovation and opportunity act.

12 (d) Allowable expenditures.

13 (10) A person who is not eligible to be a participant funded
14 under this section may receive adult education services upon the
15 payment of tuition. In addition, a person who is not eligible to be
16 served in a program under this section due to the program
17 limitations specified in subsection (6), (7), or (8) may continue
18 to receive adult education services in that program upon the
19 payment of tuition. The tuition level shall be determined by the
20 local or intermediate district conducting the program.

21 (11) An individual who is an inmate in a state correctional
22 facility shall not be counted as a participant under this section.

23 (12) A funding recipient shall not commingle money received
24 under this section or from another source for adult education
25 purposes with any other funds and shall establish a separate ledger
26 account for funds received under this section. This subsection does
27 not prohibit a district from using general funds of the district to

1 support an adult education or community education program.

2 (13) A funding recipient receiving funds under this section
3 may establish a sliding scale of tuition rates based upon a
4 participant's family income. A funding recipient may charge a
5 participant tuition to receive adult education services under this
6 section from that sliding scale of tuition rates on a uniform
7 basis. The amount of tuition charged per participant shall not
8 exceed the actual operating cost per participant minus any funds
9 received under this section per participant. A funding recipient
10 may not charge a participant tuition under this section if the
11 participant's income is at or below 200% of the federal poverty
12 guidelines published by the United States Department of Health and
13 Human Services.

14 (14) In order to receive funds under this section, a funding
15 recipient shall furnish to the department, in a form and manner
16 determined by the department, all information needed to administer
17 this program and meet federal reporting requirements; shall allow
18 the department or the department's designee to review all records
19 related to the program for which it receives funds; and shall
20 reimburse the state for all disallowances found in the review, as
21 determined by the department. In addition, a funding recipient
22 shall agree to pay to a career and technical education program
23 under section 61a the amount of funding received under this section
24 in the proportion of career and technical education coursework used
25 to satisfy adult basic education programming, as billed to the
26 funding recipient by programs operating under section 61a.

27 (15) From the amount appropriated in subsection (1), an amount

1 not to exceed \$500,000.00 shall be allocated for ~~2016-2017-2017-~~
2 **2018** to not more than 1 pilot program that is located in a
3 prosperity region with 2 or more subregions and that connects adult
4 education participants directly with employers by linking adult
5 education, career and technical skills, and workforce development.
6 To be eligible for funding under this subsection, a pilot program
7 shall provide a collaboration linking adult education programs
8 within the county, the area career/technical center, and local
9 employers, and shall meet the additional criteria in subsections
10 (16) and (17). Funding under this subsection for ~~2016-2017-2017-~~
11 **2018** is for the ~~second~~**THIRD** of 3 years of funding.

12 (16) A pilot program funded under subsection (15) shall
13 require adult education staff to work with Michigan works! agency
14 to identify a cohort of participants who are most prepared to
15 successfully enter the workforce. Participants identified under
16 this subsection shall be dually enrolled in adult education
17 programming and at least 1 technical course at the area
18 career/technical center.

19 (17) A pilot program funded under subsection (15) shall have
20 on staff an adult education navigator who will serve as a
21 caseworker for each participant identified under subsection (16).
22 The navigator shall work with adult education staff and potential
23 employers to design an educational program best suited to the
24 personal and employment needs of the participant, and shall work
25 with human service agencies or other entities to address any
26 barrier in the way of participant access.

27 (18) Not later than December 1, ~~2017,~~**2018**, the pilot program

1 funded under subsection (15) shall provide to the senate and house
2 appropriations subcommittees on school aid, ~~and to the senate and~~
3 house fiscal agencies, **AND TO THE STATE BUDGET DIRECTOR** a report
4 detailing number of participants, graduation rates, and a measure
5 of transitioning to employment.

6 ~~— (19) The department shall develop an application process for a~~
7 ~~pilot program to be funded under subsection (15) and shall award~~
8 ~~funding not later than October 1, 2016. Funding allocated under~~
9 ~~subsection (15) may be paid on a schedule other than that specified~~
10 ~~under section 17b.~~

11 (19) FROM THE AMOUNT APPROPRIATED IN SUBSECTION (1), AN AMOUNT
12 NOT TO EXCEED \$2,500,000.00 SHALL BE ALLOCATED FOR 2017-2018 FOR
13 GRANTS TO NOT MORE THAN 5 PILOT PROGRAMS THAT ARE ADDITIONAL TO THE
14 PILOT PROGRAM FUNDED UNDER SUBSECTION (15) TO CONNECT ADULT
15 EDUCATION PARTICIPANTS WITH EMPLOYERS AS PROVIDED UNDER THIS
16 SUBSECTION. THE GRANT TO EACH ELIGIBLE PILOT PROGRAM SHALL BE
17 \$500,000.00. TO RECEIVE FUNDING UNDER THIS SUBSECTION, AN ELIGIBLE
18 PILOT PROGRAM SHALL SATISFY ALL OF THE FOLLOWING:

19 (A) MEETS 1 OF THE FOLLOWING:

20 (i) IS LOCATED IN PROSPERITY REGION 1C.

21 (ii) IS LOCATED IN PROSPERITY REGION 2 AND BORDERS PROSPERITY
22 REGION 4.

23 (iii) IS LOCATED IN PROSPERITY REGION 4A AND BORDERS
24 PROSPERITY REGION 5.

25 (iv) IS LOCATED IN PROSPERITY REGION 5 AND BORDERS LAKE HURON.

26 (v) IS LOCATED IN PROSPERITY REGION 9 AND BORDERS A
27 NEIGHBORING STATE.

1 (B) BEGINS OPERATIONS AT THE START OF THE 2017-2018 SCHOOL
2 YEAR.

3 (C) REPLICATES THE PILOT PROGRAM FUNDED UNDER SUBSECTION (15).

4 (D) MEETS THE REQUIREMENTS UNDER SUBSECTIONS (15), (16), AND
5 (17) FOR A PILOT PROGRAM FUNDED UNDER SUBSECTION (15).

6 (20) NOT LATER THAN DECEMBER 1, 2018, A PILOT PROGRAM FUNDED
7 UNDER SUBSECTION (19) SHALL PROVIDE A REPORT TO THE SENATE AND
8 HOUSE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID, TO THE SENATE AND
9 HOUSE FISCAL AGENCIES, AND TO THE STATE BUDGET DIRECTOR IDENTIFYING
10 THE NUMBER OF PARTICIPANTS, GRADUATION RATES, AND A MEASURE OF
11 TRANSITION TO EMPLOYMENT.

12 (21) ~~(20)~~—The department shall approve at least 3 high school
13 equivalency tests and determine whether a high school equivalency
14 certificate meets the requisite standards for high school
15 equivalency in this state.

16 (22) ~~(21)~~—As used in this section:

17 (a) "Career pathway" means a combination of rigorous and high-
18 quality education, training, and other services that comply with
19 all of the following:

20 (i) Aligns with the skill needs of industries in the economy
21 of this state or in the regional economy involved.

22 (ii) Prepares an individual to be successful in any of a full
23 range of secondary or postsecondary education options, including
24 apprenticeships registered under the act of August 16, 1937
25 (commonly known as the "national apprenticeship act"), 29 USC 50 et
26 seq.

27 (iii) Includes counseling to support an individual in

1 achieving the individual's education and career goals.

2 (iv) Includes, as appropriate, education offered concurrently
3 with and in the same context as workforce preparation activities
4 and training for a specific occupation or occupational cluster.

5 (v) Organizes education, training, and other services to meet
6 the particular needs of an individual in a manner that accelerates
7 the educational and career advancement of the individual to the
8 extent practicable.

9 (vi) Enables an individual to attain a secondary school
10 diploma or its recognized equivalent, and at least 1 recognized
11 postsecondary credential.

12 (vii) Helps an individual enter or advance within a specific
13 occupation or occupational cluster.

14 (b) "Department" means the department of talent and economic
15 development.

16 (c) "Eligible adult education provider" means a district,
17 intermediate district, a consortium of districts, a consortium of
18 intermediate districts, or a consortium of districts and
19 intermediate districts that is identified as part of the local
20 process described in subsection (5) (c) and approved by the
21 department.

22 Sec. 147. (1) The allocation for ~~2016-2017~~ **2017-2018** for the
23 public school employees' retirement system pursuant to the public
24 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
25 to 38.1408, shall be made using the individual projected benefit
26 entry age normal cost method of valuation and risk assumptions
27 adopted by the public school employees retirement board and the

1 department of technology, management, and budget.

2 (2) The annual level percentage of payroll contribution rates
3 for the ~~2016-2017-2017-2018~~ fiscal year, as determined by the
4 retirement system, are estimated as follows:

5 (a) For public school employees who first worked for a public
6 school reporting unit before July 1, 2010 and who are enrolled in
7 the health premium subsidy, the annual level percentage of payroll
8 contribution rate is estimated at ~~36.64%,~~ **36.88%**, with ~~24.94%~~
9 **25.56%** paid directly by the employer.

10 (b) For public school employees who first worked for a public
11 school reporting unit on or after July 1, 2010 and who are enrolled
12 in the health premium subsidy, the annual level percentage of
13 payroll contribution rate is estimated at ~~36.01%,~~ **35.60%**, with
14 ~~24.31%~~ **24.28%** paid directly by the employer.

15 (c) For public school employees who first worked for a public
16 school reporting unit on or after July 1, 2010 and who participate
17 in the personal healthcare fund, the annual level percentage of
18 payroll contribution rate is estimated at ~~35.79%,~~ **35.35%**, with
19 ~~24.09%~~ **24.03%** paid directly by the employer.

20 (d) For public school employees who first worked for a public
21 school reporting unit on or after September 4, 2012, who elect
22 defined contribution, and who participate in the personal
23 healthcare fund, the annual level percentage of payroll
24 contribution rate is estimated at ~~32.66%,~~ **32.28%**, with 20.96% paid
25 directly by the employer.

26 (e) For public school employees who first worked for a public
27 school reporting unit before July 1, 2010, who elect defined

1 contribution, and who are enrolled in the health premium subsidy,
2 the annual level percentage of payroll contribution rate is
3 estimated at ~~32.88%~~, **32.53%**, with ~~21.18%~~ **21.21%** paid directly by
4 the employer.

5 (f) For public school employees who first worked for a public
6 school reporting unit before July 1, 2010, who elect defined
7 contribution, and who participate in the personal healthcare fund,
8 the annual level percentage of payroll contribution rate is
9 estimated at ~~32.66%~~, **32.28%**, with 20.96% paid directly by the
10 employer.

11 (g) For public school employees who first worked for a public
12 school reporting unit before July 1, 2010 and who participate in
13 the personal healthcare fund, the annual level percentage of
14 payroll contribution rate is estimated at ~~36.42%~~, **36.63%**, with
15 ~~24.72%~~ **25.31%** paid directly by the employer.

16 (3) In addition to the employer payments described in
17 subsection (2), the employer shall pay the applicable contributions
18 to the Tier 2 plan, as determined by the public school employees
19 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408.

20 (4) The contribution rates in subsection (2) reflect an
21 amortization period of ~~22~~ **21** years for ~~2016-2017~~. **2017-2018**. The
22 public school employees' retirement system board shall notify each
23 district and intermediate district by February 28 of each fiscal
24 year of the estimated contribution rate for the next fiscal year.

25 Sec. 147a. ~~From the appropriation in section 11, there is~~
26 ~~allocated for 2016-2017 an amount not to exceed \$100,000,000.00 for~~
27 ~~payments to participating districts. A district that receives money~~

1 ~~under this section shall use that money solely for the purpose of~~
2 ~~offsetting a portion of the retirement contributions owed by the~~
3 ~~district for the fiscal year in which it is received. The amount~~
4 ~~allocated to each participating district under this section shall~~
5 ~~be based on each participating district's percentage of the total~~
6 ~~statewide payroll for all participating districts for the~~
7 ~~immediately preceding fiscal year. As used in this section,~~
8 ~~"participating district" means a district that is a reporting unit~~
9 ~~of the Michigan public school employees' retirement system under~~
10 ~~the public school employees retirement act of 1979, 1980 PA 300,~~
11 ~~MCL 38.1301 to 38.1408, and that reports employees to the Michigan~~
12 ~~public school employees' retirement system for the applicable~~
13 ~~fiscal year.~~ FROM THE STATE SCHOOL AID FUND MONEY APPROPRIATED UNDER
14 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
15 \$48,940,000.00 FOR 2017-2018 FOR PAYMENTS TO PARTICIPATING ENTITIES
16 AND FROM THE GENERAL FUND MONEY APPROPRIATED UNDER SECTION 11,
17 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$29,000.00 FOR 2017-2018
18 FOR PAYMENTS TO PARTICIPATING DISTRICT LIBRARIES. THE AMOUNT
19 ALLOCATED TO EACH PARTICIPATING ENTITY UNDER THIS SECTION SHALL BE
20 BASED ON EACH PARTICIPATING ENTITY'S PERCENTAGE OF THE TOTAL
21 STATEWIDE PAYROLL FOR THAT TYPE OF PARTICIPATING ENTITY FOR THE
22 IMMEDIATELY PRECEDING FISCAL YEAR. A PARTICIPATING ENTITY THAT
23 RECEIVES MONEY UNDER THIS SECTION SHALL USE THAT MONEY SOLELY FOR
24 THE PURPOSE OF OFFSETTING A PORTION OF THE NORMAL COST CONTRIBUTION
25 RATE. AS USED IN THIS SECTION:
26 (A) "DISTRICT LIBRARY" MEANS A DISTRICT LIBRARY ESTABLISHED
27 UNDER THE DISTRICT LIBRARY ESTABLISHMENT ACT, 1989 PA 24, MCL

1 397.171 TO 397.196.

2 (B) "PARTICIPATING ENTITY" MEANS A DISTRICT, INTERMEDIATE
3 DISTRICT, OR DISTRICT LIBRARY THAT IS A REPORTING UNIT OF THE
4 MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE
5 PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL
6 38.1301 TO 38.1408, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN
7 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE APPLICABLE
8 FISCAL YEAR.

9 Sec. 147c. (1) From the appropriation in section 11, there is
10 allocated for ~~2016-2017-2017-2018~~ an amount not to exceed
11 ~~\$982,200,000.00~~ **\$960,130,000.00** from the state school aid fund for
12 payments to districts and intermediate districts that are
13 participating entities of the Michigan public school employees'
14 retirement system. In addition, from the general fund money
15 appropriated in section 11, there is allocated for ~~2016-2017-2017-~~
16 **2018** an amount not to exceed ~~\$600,000.00~~ **\$654,000.00** for payments
17 to district libraries that are participating entities of the
18 Michigan public school employees' retirement system.

19 (2) For ~~2016-2017,~~ **2017-2018**, the amounts allocated under
20 subsection (1) are estimated to provide an average MPSERS rate cap
21 per pupil amount of ~~\$660.00~~ **\$640.00** and are estimated to provide a
22 rate cap per pupil for districts ranging between ~~\$5.00~~ and
23 ~~\$3,100.00~~ **\$4.00 AND \$3,020.00**.

24 (3) Payments made under this section shall be equal to the
25 difference between the unfunded actuarial accrued liability
26 contribution rate as calculated pursuant to section 41 of the
27 public school employees retirement act of 1979, 1980 PA 300, MCL

1 38.1341, as calculated without taking into account the maximum
2 employer rate of 20.96% included in section 41 of the public school
3 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
4 maximum employer rate of 20.96% included in section 41 of the
5 public school employees retirement act of 1979, 1980 PA 300, MCL
6 38.1341.

7 (4) The amount allocated to each participating entity under
8 this section shall be based on each participating entity's
9 proportion of the total covered payroll for the immediately
10 preceding fiscal year for the same type of participating entities.
11 A participating entity that receives funds under this section shall
12 use the funds solely for the purpose of retirement contributions as
13 specified in subsection (5).

14 (5) Each participating entity receiving funds under this
15 section shall forward an amount equal to the amount allocated under
16 subsection (4) to the retirement system in a form, manner, and time
17 frame determined by the retirement system.

18 (6) Funds allocated under this section should be considered
19 when comparing a district's growth in total state aid funding from
20 1 fiscal year to the next.

21 (7) Not later than December 20, ~~2016~~, **2017**, the department
22 shall publish and post on its website an estimated MPERS rate cap
23 per pupil for each district.

24 (8) As used in this section:

25 **(A) "DISTRICT LIBRARY" MEANS A DISTRICT LIBRARY ESTABLISHED**
26 **UNDER THE DISTRICT LIBRARY ESTABLISHMENT ACT, 1989 PA 24, MCL**
27 **397.171 TO 397.196.**

1 (B) ~~(a)~~—"MPSERS rate cap per pupil" means an amount equal to
2 the quotient of the district's payment under this section divided
3 by the district's pupils in membership.

4 (C) ~~(b)~~—"Participating entity" means a district, intermediate
5 district, or district library that is a reporting unit of the
6 Michigan public school employees' retirement system under the
7 public school employees retirement act of 1979, 1980 PA 300, MCL
8 38.1301 to 38.1437, and that reports employees to the Michigan
9 public school employees' retirement system for the applicable
10 fiscal year.

11 (D) ~~(c)~~—"Retirement board" means the board that administers
12 the retirement system under the public school employees retirement
13 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

14 (E) ~~(d)~~—"Retirement system" means the Michigan public school
15 employees' retirement system under the public school employees
16 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

17 Sec. 152a. (1) As required by the court in the consolidated
18 cases known as Adair v State of Michigan, ~~Michigan supreme court~~
19 ~~docket nos. 137424 and 137453, 486 MICH 468 (2010)~~, from the state
20 school aid fund money appropriated in section 11 there is allocated
21 for ~~2016-2017-2017-2018~~ an amount not to exceed \$38,000,500.00 to
22 be used solely for the purpose of paying necessary costs related to
23 the state-mandated collection, maintenance, and reporting of data
24 to this state.

25 (2) From the allocation in subsection (1), the department
26 shall make payments to districts and intermediate districts in an
27 equal amount per-pupil based on the total number of pupils in

1 membership in each district and intermediate district. The
2 department shall not make any adjustment to these payments after
3 the final installment payment under section 17b is made.

4 Sec. 152b. (1) From the general fund money appropriated under
5 section 11, there is allocated an amount not to exceed
6 \$2,500,000.00 for ~~2016-2017-2017-2018~~ to reimburse costs incurred
7 by nonpublic schools ~~as identified in the nonpublic school mandate~~
8 ~~report published by the department on November 25, 2014 and under~~
9 ~~subsection (2).~~ **IN COMPLYING WITH A HEALTH, SAFETY, OR WELFARE**
10 **REQUIREMENT MANDATED BY STATE LAW.**

11 (2) By January 1, ~~2017, 2018~~, the department shall publish a
12 form containing ~~the requirements identified in the report under~~
13 ~~subsection (1).~~ **EACH HEALTH, SAFETY, OR WELFARE REQUIREMENT WITH**
14 **WHICH A NONPUBLIC SCHOOL MUST COMPLY AND A REFERENCE TO THE**
15 **RELEVANT SECTION OF THE MICHIGAN COMPILED LAWS OR THE MICHIGAN**
16 **ADMINISTRATIVE CODE, OR BOTH, FOR EACH MANDATED REQUIREMENT.** The
17 department shall include other **HEALTH, SAFETY, OR WELFARE**
18 ~~requirements on the form that were enacted into law after~~
19 ~~publication of the report.~~ **APPLICABLE TO NONPUBLIC SCHOOLS AND**
20 **MANDATED BY STATE LAW THAT ARE ENACTED INTO LAW AFTER OCTOBER 1,**
21 **2017.** The form shall be posted on the department's website in
22 electronic form.

23 (3) By ~~June 15, 2017, JUNE 30, 2018~~, a nonpublic school
24 seeking reimbursement under subsection (1) of costs incurred **IN**
25 **COMPLYING WITH A HEALTH, SAFETY, OR WELFARE REQUIREMENT MANDATED BY**
26 **STATE LAW** during the ~~2016-2017-2017-2018~~ school year shall submit
27 the form described in subsection (2) to the department. This

1 section does not require **OR OTHERWISE MANDATE** a nonpublic school to
2 submit a form described in subsection (2). A nonpublic school is
3 not eligible for reimbursement under this section unless the
4 nonpublic school submits the form described in subsection (2) in a
5 timely manner.

6 (4) By August 15, ~~2017,~~ **2018**, the department shall distribute
7 funds to nonpublic schools that submit a completed form described
8 under subsection (2) in a timely manner. The superintendent shall
9 determine the amount of funds to be paid to each nonpublic school
10 in an amount that does not exceed the nonpublic school's actual
11 cost to comply with requirements **DESCRIBED** under subsections (1)
12 ~~and (2).~~ **TO (3)**. The superintendent shall calculate a nonpublic
13 school's actual cost in accordance with this section.

14 (5) If the funds allocated under this section are insufficient
15 to fully fund payments as otherwise calculated under this section,
16 the department shall distribute funds under this section on a
17 prorated or other equitable basis as determined by the
18 superintendent.

19 (6) The department has the authority to review the records of
20 a nonpublic school submitting a form described in subsection (2)
21 only for the limited purpose of verifying the nonpublic school's
22 compliance with this section. If a nonpublic school does not allow
23 the department to review records under this subsection for this
24 limited purpose, the nonpublic school is not eligible for
25 reimbursement under this section.

26 (7) The funds appropriated under this section are for purposes
27 related to education, are considered to be incidental to the

1 operation of a nonpublic school, are noninstructional in character,
2 and are intended for the public purpose of ensuring the health,
3 safety, and welfare of the children in nonpublic schools and to
4 reimburse nonpublic schools for costs described in this section.

5 (8) Funds allocated under this section are not intended to aid
6 or maintain any nonpublic school, support the attendance of any
7 student at a nonpublic school, employ any person at a nonpublic
8 school, support the attendance of any student at any location where
9 instruction is offered to a nonpublic school student, or support
10 the employment of any person at any location where instruction is
11 offered to a nonpublic school student.

12 (9) For purposes of this section, "actual cost" means the
13 hourly wage for the employee or employees performing ~~the reported~~**A**
14 task or tasks **REQUIRED TO COMPLY WITH A SECTION OF THE MICHIGAN**
15 **COMPILED LAWS OR THE MICHIGAN ADMINISTRATIVE CODE IDENTIFIED BY THE**
16 **DEPARTMENT UNDER SUBSECTION (2)** and is to be calculated in
17 accordance with the form published by the department under
18 subsection (2), which shall include a detailed itemization of cost.
19 The nonpublic school shall not charge more than the hourly wage of
20 its lowest-paid employee capable of performing ~~the reported~~**A**
21 **SPECIFIC** task regardless of whether that individual is available
22 and regardless of who actually performs ~~the reported~~**A SPECIFIC**
23 task. Labor costs under this subsection shall be estimated and
24 charged in increments of 15 minutes or more, with all partial time
25 increments rounded down. When calculating costs under subsection
26 (4), fee components shall be itemized in a manner that expresses
27 both the hourly wage and the number of hours charged. The nonpublic

1 school may not charge any applicable labor charge amount to cover
2 or partially cover the cost of health or fringe benefits. A
3 nonpublic school shall not charge any overtime wages in the
4 calculation of labor costs.

5 (10) FOR THE PURPOSES OF THIS SECTION, THE COST INCURRED BY A
6 NONPUBLIC SCHOOL FOR TAKING DAILY STUDENT ATTENDANCE IS CONSIDERED
7 A COST INCURRED BY THE NONPUBLIC SCHOOL IN COMPLYING WITH A HEALTH,
8 SAFETY, OR WELFARE REQUIREMENT MANDATED BY STATE LAW.

9 SEC. 160. IF A DISTRICT OR INTERMEDIATE DISTRICT REQUESTS THE
10 SUPERINTENDENT TO GRANT A WAIVER FOR THE DISTRICT OR INTERMEDIATE
11 DISTRICT FROM THE REQUIREMENTS OF SECTION 1284B OF THE REVISED
12 SCHOOL CODE, MCL 380.1284B, THAT DISTRICT OR INTERMEDIATE DISTRICT
13 SHALL USE A PORTION OF ITS FUNDING UNDER THIS ARTICLE TO CONDUCT A
14 JOINT PUBLIC HEARING WITH THE DEPARTMENT TO BE HELD BEFORE THE
15 WAIVER IS GRANTED AT A LOCATION WITHIN THE DISTRICT OR INTERMEDIATE
16 DISTRICT.

17 Sec. 166b. (1) This act does not prohibit a parent or legal
18 guardian of a minor who is enrolled in any of grades kindergarten
19 to 12 in a nonpublic school or who is being home-schooled from also
20 enrolling the minor in a district, public school academy, or
21 intermediate district in any curricular offering that is provided
22 by the district, public school academy, or intermediate district at
23 a public school site and is available to pupils in the minor's
24 grade level or age group, subject to compliance with the same
25 requirements that apply to a full-time pupil's participation in the
26 offering. However, state school aid shall be provided under this
27 act for a minor enrolled as described in this subsection only for

1 curricular offerings that are offered to full-time pupils in the
2 minor's grade level or age group during regularly scheduled school
3 hours.

4 (2) This act does not prohibit a parent or legal guardian of a
5 minor who is enrolled in any of grades kindergarten to 12 in a
6 nonpublic school or who resides within the district and is being
7 home-schooled from also enrolling the minor in the district in a
8 curricular offering being provided by the district at the nonpublic
9 school site. However, state school aid shall be provided under this
10 act for a minor enrolled as described in this subsection only if
11 all of the following apply:

12 (a) Either of the following:

13 (i) The nonpublic school site is located, or the nonpublic
14 students are educated, within the geographic boundaries of the
15 district.

16 (ii) If the nonpublic school has submitted a written request
17 to the district in which the nonpublic school is located for the
18 district to provide certain instruction under this subsection for a
19 school year and the district does not agree to provide some or all
20 of that instruction by May 1 immediately preceding that school year
21 or, if the request is submitted after March 1 immediately preceding
22 that school year, within 60 days after the nonpublic school submits
23 the request, the instruction is instead provided by an eligible
24 other district. This subparagraph does not require a nonpublic
25 school to submit more than 1 request to the district in which the
26 nonpublic school is located for that district to provide
27 instruction under this subsection, and does not require a nonpublic

1 school to submit an additional request to the district in which the
2 nonpublic school is located for that district to provide additional
3 instruction under this subsection beyond the instruction requested
4 in the original request, before having the instruction provided by
5 an eligible other district. A public school academy that is located
6 in the district in which the nonpublic school is located or in an
7 eligible other district also may provide instruction under this
8 subparagraph under the same conditions as an eligible other
9 district. As used in this subparagraph, "eligible other district"
10 means a district that is located in the same intermediate district
11 as the district in which the nonpublic school is located or is
12 located in an intermediate district that is contiguous to that
13 intermediate district.

14 (b) The nonpublic school is registered with the department as
15 a nonpublic school and meets all state reporting requirements for
16 nonpublic schools.

17 (c) The instruction is scheduled to occur during the regular
18 school day.

19 (d) The instruction is provided directly by a certified
20 teacher at the district or public school academy or at an
21 intermediate district.

22 (e) The curricular offering is also available to full-time
23 pupils in the minor's grade level or age group in the district or
24 public school academy during the regular school day at a public
25 school site.

26 (f) The curricular offering is restricted to nonessential
27 elective courses for pupils in grades kindergarten to 12.

1 (3) ~~A-SUBJECT TO SECTION 6(4)(II),~~ A minor enrolled as
2 described in this section is a part-time pupil for purposes of
3 state school aid under this act.

4 (4) A district that receives a written request to provide
5 instruction under subsection (2) shall reply to the request in
6 writing by May 1 immediately preceding the applicable school year
7 or, if the request is made after March 1 immediately preceding that
8 school year, within 60 days after the nonpublic school submits the
9 request. The written reply shall specify whether the district
10 agrees to provide or does not agree to provide the instruction for
11 each portion of instruction included in the request.

12 ~~—— (5) The department shall establish a workgroup consisting of~~
13 ~~staff from the department, staff from the center, pupil accounting~~
14 ~~staff from districts and intermediate districts, other applicable~~
15 ~~staff from districts and intermediate districts, representatives~~
16 ~~from nonpublic schools, and representatives from home schools to~~
17 ~~examine the issue of providing a uniform definition of nonessential~~
18 ~~elective courses, and also to provide a uniform definition of a~~
19 ~~part time pupil for the purposes of this section.~~

20 Enacting section 1. In accordance with section 30 of article
21 IX of the state constitution of 1963, total state spending from
22 state sources on state school aid under article I of the state
23 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as
24 amended by 2016 PA 249 and this amendatory act, for fiscal year
25 2016-2017 is estimated at \$12,327,769,400.00, and state
26 appropriations for school aid to be paid to local units of
27 government for fiscal year 2016-2017 are estimated at

Senate Bill No. 149 as amended May 3, 2017

1 \$12,164,569,600.00. In accordance with section 30 of article IX of
2 the state constitution of 1963, total state spending from state
3 sources on school aid under article I of the state school aid act
4 of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this
5 amendatory act, for fiscal year 2017-2018 is estimated at
6 <<\$12,560,762,000.00>>, and state appropriations for school aid to be
7 paid to local units of government for fiscal year 2017-2018 are
8 estimated at <<\$12,414,642,500.00>>.

9 Enacting section 2. Sections 11o, 11r, 20g, 21g, 31c, 31h, and
10 63 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611o,
11 388.1611r, 388.1620g, 388.1621g, 388.1631c, 388.1631h, and
12 388.1663, are repealed effective October 1, 2017.

13 Enacting section 3. (1) Except as otherwise provided in
14 subsection (2), this amendatory act takes effect October 1, 2017.

15 (2) Sections 11, 11m, 11r, 11s, 21, 22a, 22b, 22g, 26a, 31f,
16 39a, 51a, 51c, 51d, 56, and 62 of the state school aid act of 1979,
17 1979 PA 94, MCL 388.1611, 388.1611m, 388.1611r, 388.1611s,
18 388.1621, 388.1622a, 388.1622b, 388.1622g, 388.1626a, 388.1631f,
19 388.1639a, 388.1651a, 388.1651c, 388.1651d, 388.1656, and 388.1662,
20 as amended by this amendatory act, and section 99c of the state
21 school aid act of 1979, MCL 388.1699c, as added by this amendatory
22 act, take effect upon enactment of this amendatory act.