

**SUBSTITUTE FOR  
SENATE BILL NO. 377**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 11, 20, 22b, 22d, 25f, 25g, 31a, 35a, 236,  
251, and 252 (MCL 388.1611, 388.1620, 388.1622b, 388.1622d,  
388.1625f, 388.1625g, 388.1631a, 388.1635a, 388.1836, 388.1851, and  
388.1852), sections 11, 20, 22b, 31a, and 35a as amended by 2019 PA  
58, sections 22d, 25f, 25g, and 252 as amended by 2018 PA 265, and  
sections 236 and 251 as amended by 2019 PA 62, and by adding  
sections 35c, 54e, and 97.

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

1       Sec. 11. (1) ~~For the fiscal year ending September 30, 2019,~~  
2 ~~there is appropriated for the public schools of this state and~~  
3 ~~certain other state purposes relating to education the sum of~~



~~1 \$12,845,140,200.00 from the state school aid fund, the sum of~~  
~~2 \$87,920,000.00 from the general fund, an amount not to exceed~~  
~~3 \$72,200,000.00 from the community district education trust fund~~  
~~4 created under section 12 of the Michigan trust fund act, 2000 PA~~  
~~5 489, MCL 12.262, an amount not to exceed \$30,000,000.00 from the~~  
~~6 MPERS retirement obligation reform reserve fund, an amount not to~~  
~~7 exceed \$30,000,000.00 from the school mental health and support~~  
~~8 services fund created under section 31m, and an amount not to~~  
~~9 exceed \$100.00 from the water emergency reserve fund. For the~~  
10 fiscal year ending September 30, 2020, there is appropriated for  
11 the public schools of this state and certain other state purposes  
12 relating to education the sum of ~~\$13,293,465,000.00~~  
13 **\$13,287,765,000.00** from the state school aid fund, the sum of  
14 ~~\$75,000,000.00~~ **\$62,620,000.00** from the general fund, an amount not  
15 to exceed \$75,400,000.00 from the community district education  
16 trust fund created under section 12 of the Michigan trust fund act,  
17 2000 PA 489, MCL 12.262, an amount not to exceed \$1,900,000.00 from  
18 the MPERS retirement obligation reform reserve fund, ~~an amount not~~  
19 ~~to exceed \$40,000,000.00 from the talent investment fund created~~  
20 ~~under section 8a of the higher education loan authority act, 1975~~  
21 ~~PA 222, MCL 390.1158a,~~ and an amount not to exceed \$100.00 from the  
22 water emergency reserve fund. In addition, all available federal  
23 funds are appropriated ~~each fiscal year for the fiscal years~~ **year**  
24 ending ~~September 30, 2019 and~~ September 30, 2020.

25 (2) The appropriations under this section are allocated as  
26 provided in this article. Money appropriated under this section  
27 from the general fund must be expended to fund the purposes of this  
28 article before the expenditure of money appropriated under this  
29 section from the state school aid fund.



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

4 Sec. 20. (1) For 2019-2020, both of the following apply:

5 (a) The target foundation allowance, formerly known as the  
6 basic foundation allowance, is \$8,529.00.

7 (b) The minimum foundation allowance is \$8,111.00.

8 (2) The department shall calculate the amount of each  
9 district's foundation allowance as provided in this section, using  
10 a target foundation allowance in the amount specified in subsection  
11 (1). For the purpose of these calculations, a reference to the  
12 target foundation allowance for a preceding fiscal year is  
13 equivalent to a reference to the "basic" foundation allowance for  
14 that fiscal year.

15 (3) Except as otherwise provided in this section, the  
16 department shall calculate the amount of a district's foundation  
17 allowance as follows, using in all calculations the total amount of  
18 the district's foundation allowance as calculated before any  
19 proration:

20 (a) Except as otherwise provided in this subdivision, for a  
21 district that had a foundation allowance for the immediately  
22 preceding fiscal year that was at least equal to the minimum  
23 foundation allowance for the immediately preceding fiscal year, but  
24 less than the target foundation allowance for the immediately  
25 preceding fiscal year, the district receives a foundation allowance  
26 in an amount equal to the sum of the district's foundation  
27 allowance for the immediately preceding fiscal year plus the  
28 difference between twice the dollar amount of the adjustment from  
29 the immediately preceding fiscal year to the current fiscal year



1 made in the target foundation allowance and [(the difference  
2 between the target foundation allowance for the current fiscal year  
3 and target foundation allowance for the immediately preceding  
4 fiscal year minus \$40.00) times (the difference between the  
5 district's foundation allowance for the immediately preceding  
6 fiscal year and the minimum foundation allowance for the  
7 immediately preceding fiscal year) divided by the difference  
8 between the target foundation allowance for the current fiscal year  
9 and the minimum foundation allowance for the immediately preceding  
10 fiscal year.] However, the foundation allowance for a district that  
11 had less than the target foundation allowance for the immediately  
12 preceding fiscal year must not exceed the target foundation  
13 allowance for the current fiscal year.

14 (b) Except as otherwise provided in this subsection, for a  
15 district that in the immediately preceding fiscal year had a  
16 foundation allowance in an amount equal to the amount of the target  
17 foundation allowance for the immediately preceding fiscal year, the  
18 district receives a foundation allowance for 2019-2020 in an amount  
19 equal to the target foundation allowance for 2019-2020.

20 (c) For a district that had a foundation allowance for the  
21 immediately preceding fiscal year that was greater than the target  
22 foundation allowance for the immediately preceding fiscal year, the  
23 district's foundation allowance is an amount equal to the sum of  
24 the district's foundation allowance for the immediately preceding  
25 fiscal year plus the lesser of the increase in the target  
26 foundation allowance for the current fiscal year, as compared to  
27 the immediately preceding fiscal year, or the product of the  
28 district's foundation allowance for the immediately preceding  
29 fiscal year times the percentage increase in the United States



1 Consumer Price Index in the calendar year ending in the immediately  
2 preceding fiscal year as reported by the May revenue estimating  
3 conference conducted under section 367b of the management and  
4 budget act, 1984 PA 431, MCL 18.1367b.

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

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



1 geographic area of the dissolved district. For a community  
 2 district, if school operating taxes continue to be levied by a  
 3 qualifying school district under section 12b of the revised school  
 4 code, MCL 380.12b, with the same geographic area as the community  
 5 district, the taxable value per membership pupil of property in the  
 6 community district to be used for the purposes of this subsection  
 7 does not include the taxable value of property within the  
 8 geographic area of the community district.

9 (5) The allocation calculated under this section for a pupil  
 10 is based on the foundation allowance of the pupil's district of  
 11 residence. For a pupil enrolled pursuant to section 105 or 105c in  
 12 a district other than the pupil's district of residence, the  
 13 allocation calculated under this section is based on the lesser of  
 14 the foundation allowance of the pupil's district of residence or  
 15 the foundation allowance of the educating district. For a pupil in  
 16 membership in a K-5, K-6, or K-8 district who is enrolled in  
 17 another district in a grade not offered by the pupil's district of  
 18 residence, the allocation calculated under this section is based on  
 19 the foundation allowance of the educating district if the educating  
 20 district's foundation allowance is greater than the foundation  
 21 allowance of the pupil's district of residence.

22 (6) Except as otherwise provided in this subsection, for  
 23 pupils in membership, other than special education pupils, in a  
 24 public school academy, the allocation calculated under this section  
 25 is an amount per membership pupil other than special education  
 26 pupils in the public school academy equal to the foundation  
 27 allowance of the district in which the public school academy is  
 28 located or the state maximum public school academy allocation,  
 29 whichever is less. Except as otherwise provided in this subsection,



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

24 (7) Except as otherwise provided in this subsection, for  
25 pupils in membership, other than special education pupils, in a  
26 community district, the allocation calculated under this section is  
27 an amount per membership pupil other than special education pupils  
28 in the community district equal to the foundation allowance of the  
29 qualifying school district, as described in section 12b of the



1 revised school code, MCL 380.12b, that is located within the same  
2 geographic area as the community district.

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

16 (9) The department shall round each fraction used in making  
17 calculations under this section to the fourth decimal place and  
18 shall round the dollar amount of an increase in the target  
19 foundation allowance to the nearest whole dollar.

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

23 (11) To assist the legislature in determining the target  
24 foundation allowance for the subsequent fiscal year, each revenue  
25 estimating conference conducted under section 367b of the  
26 management and budget act, 1984 PA 431, MCL 18.1367b, must  
27 calculate a pupil membership factor, a revenue adjustment factor,  
28 and an index as follows:

29 (a) The pupil membership factor is computed by dividing the





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

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

28 (c) The index is calculated by multiplying the pupil  
29 membership factor by the revenue adjustment factor. If a consensus



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

6 (12) Payments to districts and public school academies are not  
7 made under this section. Rather, the calculations under this  
8 section are used to determine the amount of state payments under  
9 section 22b.

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

15 (14) For the purposes of section 1211 of the revised school  
16 code, MCL 380.1211, the basic foundation allowance under this  
17 section is considered to be the target foundation allowance under  
18 this section.

19 (15) As used in this section:

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

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

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



1 (d) "Current fiscal year" means the fiscal year for which a  
2 particular calculation is made.

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

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

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

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

29 (i) "Local school operating revenue per membership pupil"



1 means a district's local school operating revenue divided by the  
2 district's membership excluding special education pupils.

3 (j) "Maximum public school academy allocation", except as  
4 otherwise provided in this subdivision, means the maximum per-pupil  
5 allocation **as calculated by adding the highest per-pupil allocation**  
6 **among all public school academies for the immediately preceding**  
7 **fiscal year plus the difference between twice the amount of the**  
8 **difference between the target foundation allowance for the current**  
9 **fiscal year and the target foundation allowance for the immediately**  
10 **preceding fiscal year and [(the amount of the difference between**  
11 **the target foundation allowance for the current fiscal year and the**  
12 **target foundation allowance for the immediately preceding fiscal**  
13 **year minus \$40.00) times (the difference between the highest per-**  
14 **pupil allocation among all public school academies for the**  
15 **immediately preceding fiscal year and the minimum foundation**  
16 **allowance for the immediately preceding fiscal year) divided by the**  
17 **difference between the target foundation allowance for the current**  
18 **fiscal year and the minimum foundation allowance for the**  
19 **immediately preceding fiscal year.] For the purposes of this**  
20 **subdivision, for 2019-2020, the maximum public school academy**  
21 **allocation is \$8,111.00.**

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

25 (l) "Nonexempt property" means property that is not a principal  
26 residence, qualified agricultural property, qualified forest  
27 property, supportive housing property, industrial personal  
28 property, commercial personal property, or property occupied by a  
29 public school academy.



1 (m) "Principal residence", "qualified agricultural property",  
 2 "qualified forest property", "supportive housing property",  
 3 "industrial personal property", and "commercial personal property"  
 4 mean those terms as defined in section 1211 of the revised school  
 5 code, MCL 380.1211.

6 (n) "Receiving district" means a district to which all or part  
 7 of the territory of a dissolved district is attached under section  
 8 12 of the revised school code, MCL 380.12.

9 (o) "School operating purposes" means the purposes included in  
 10 the operation costs of the district as prescribed in sections 7 and  
 11 18 and purposes authorized under section 1211 of the revised school  
 12 code, MCL 380.1211.

13 (p) "School operating taxes" means local ad valorem property  
 14 taxes levied under section 1211 of the revised school code, MCL  
 15 380.1211, and retained for school operating purposes.

16 (q) "Target foundation allowance for the immediately preceding  
 17 fiscal year" means, for 2019-2020 only, the basic foundation  
 18 allowance in effect for the 2018-2019 fiscal year.

19 (r) "Tax increment financing acts" means ~~1975 PA 197, MCL~~  
 20 ~~125.1651 to 125.1681, the tax increment finance authority act, 1980~~  
 21 ~~PA 450, MCL 125.1801 to 125.1830, the local development financing~~  
 22 ~~act, 1986 PA 281, MCL 125.2151 to 125.2174, **parts 2, 3, 4, and 6 of**~~  
 23 ~~**the recodified tax increment financing act, 2018 PA 57, MCL**~~  
 24 ~~**125.4201 to 125.4420 and 125.4602 to 125.4629, or**~~ the brownfield  
 25 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.  
 26 ~~, or the corridor improvement authority act, 2005 PA 280, MCL~~  
 27 ~~125.2871 to 125.2899.~~

28 (s) "Taxable value per membership pupil" means taxable value,  
 29 as certified by the county treasurer and reported to the



1 department, for the calendar year ending in the current state  
 2 fiscal year divided by the district's membership excluding special  
 3 education pupils for the school year ending in the current state  
 4 fiscal year.

5       Sec. 22b. (1) For discretionary nonmandated payments to  
 6 districts under this section, ~~there is allocated for 2018-2019 an~~  
 7 ~~amount not to exceed \$4,217,800,000.00 from the state school aid~~  
 8 ~~fund and general fund appropriations in section 11 and an amount~~  
 9 ~~not to exceed \$72,200,000.00 from the community district education~~  
 10 ~~trust fund appropriation in section 11, and there is allocated for~~  
 11 2019-2020 an amount not to exceed \$4,480,600,000.00 from the state  
 12 school aid fund and general fund appropriations in section 11 and  
 13 an amount not to exceed \$75,400,000.00 from the community district  
 14 education trust fund appropriation in section 11.

15       (2) Subject to subsection (3) and section 296, the allocation  
 16 to a district under this section is an amount equal to the sum of  
 17 the amounts calculated under sections 20, 51a(2), 51a(3), and  
 18 51a(11), minus the sum of the allocations to the district under  
 19 sections 22a and 51c. For a community district, the allocation as  
 20 otherwise calculated under this section is increased by an amount  
 21 equal to the amount of local school operating tax revenue that  
 22 would otherwise be due to the community district if not for the  
 23 operation of section 386 of the revised school code, MCL 380.386,  
 24 and this increase must be paid from the community district  
 25 education trust fund allocation in subsection (1) in order to  
 26 offset the absence of local school operating revenue in a community  
 27 district in the funding of the state portion of the foundation  
 28 allowance under section 20(4).

29       (3) In order to receive an allocation under subsection (1),



1 each district ~~shall~~**must** do all of the following:

2 (a) Comply with section 1280b of the revised school code, MCL  
3 380.1280b.

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

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

9 (d) Comply with section 1230g of the revised school code, MCL  
10 380.1230g.

11 (e) Comply with section 21f.

12 (f) For a district or public school academy that has entered  
13 into a partnership agreement with the department, comply with  
14 section 22p.

15 (g) For a district or public school academy that offers  
16 kindergarten, comply with section 104(4).

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

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

27 (6) From the allocation in subsection (1), the department  
28 shall pay up to \$1,000,000.00 in litigation costs incurred by this  
29 state associated with lawsuits filed by 1 or more districts or



1 intermediate districts against this state. If the allocation under  
2 this section is insufficient to fully fund all payments required  
3 under this section, the payments under this subsection must be made  
4 in full before any proration of remaining payments under this  
5 section.

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

21 (8) If the local claims review board or a court of competent  
22 jurisdiction makes a final determination that this state is in  
23 violation of section 29 of article IX of the state constitution of  
24 1963 regarding state payments to districts, the state budget  
25 director shall use work project funds under subsection (7) or  
26 allocate from the discretionary funds for nonmandated payments  
27 under this section the amount as may be necessary to satisfy the  
28 amount owed to districts before making any payments to districts  
29 under subsection (2).





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

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

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



1 payments to districts if the amount or allocation of reimbursed  
 2 funds is challenged in the lawsuit. As used in this subsection,  
 3 "title XIX" means title XIX of the social security act, 42 USC 1396  
 4 to 1396w-5.

5 Sec. 22d. (1) From the ~~appropriation in~~ **state school aid fund**  
 6 **money appropriated under** section 11, an amount not to exceed  
 7 ~~\$6,000,000.00~~ **\$7,000,000.00** is allocated for ~~2018-2019~~ **2019-2020**  
 8 for supplemental payments to rural districts under this section.

9 (2) From the allocation under subsection (1), there is  
 10 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed  
 11 \$957,300.00 for payments under this subsection to districts that  
 12 meet all of the following:

13 (a) Operates grades K to 12.

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

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

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

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

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



1 funding under subsection (2) to the eligible districts based on  
 2 those financial needs. The intermediate superintendents shall  
 3 submit the spending plan to the superintendent of public  
 4 instruction for approval. Upon approval by the superintendent of  
 5 public instruction, the amounts specified for each eligible  
 6 district under the spending plan are allocated under subsection (2)  
 7 and ~~shall~~**must** be paid to the eligible districts in the same manner  
 8 as payments under section 22b.

9 (4) Subject to subsection (6), from the allocation in  
 10 subsection (1), there is allocated for ~~2018-2019~~**2019-2020** an  
 11 amount not to exceed ~~\$5,042,700.00~~**\$6,042,700.00** for payments under  
 12 this subsection to districts that have ~~7.7 or fewer~~ **than 10.0**  
 13 pupils per square mile as determined by the department.

14 (5) The funds allocated under subsection (4) ~~shall be~~**are**  
 15 allocated ~~on an equal per pupil basis~~**as follows:**

16 (a) An amount equal to \$5,200,000.00 is allocated to districts  
 17 with fewer than 8.0 pupils per square mile, as determined by the  
 18 department, on an equal per-pupil basis.

19 (b) The balance of the funding under subsection (4) is  
 20 allocated as follows:

21 (i) For districts with at least 8.0 but fewer than 9.0 pupils  
 22 per square mile, as determined by the department, the allocation is  
 23 an amount per pupil equal to 75% of the per-pupil amount allocated  
 24 to districts under subdivision (a).

25 (ii) For districts with at least 9.0 but fewer than 10.0 pupils  
 26 per square mile, as determined by the department, the allocation is  
 27 an amount per pupil equal to 50% of the per-pupil amount allocated  
 28 to districts under subdivision (a).

29 (c) If the total funding allocated under subdivision (b) is



1 not sufficient to fully fund payments as calculated under that  
 2 subdivision, the department shall prorate payments to districts  
 3 under subdivision (b) on an equal per-pupil basis.

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

6 Sec. 25f. (1) From the state school aid fund money  
 7 appropriated in section 11, there is allocated an amount not to  
 8 exceed \$1,600,000.00 ~~each fiscal year for 2017-2018 and for 2018-~~  
 9 ~~2019~~ **for 2019-2020** for payments to strict discipline academies  
 10 established under sections 1311b to 1311m of the revised school  
 11 code, MCL 380.1311b to 380.1311m, as provided under this section.

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

16 (3) The total amount allocated to a strict discipline academy  
 17 under this section ~~shall~~ **must** first be distributed as the lesser of  
 18 the strict discipline academy's added cost or the department's  
 19 approved per-pupil allocation for the strict discipline academy.  
 20 Any funds remaining after the first distribution ~~shall~~ **must** be  
 21 distributed by prorating on an equal per-pupil membership basis,  
 22 not to exceed a strict discipline academy's added cost. However,  
 23 the sum of the amounts received by a strict discipline academy  
 24 under this section and under section 24 ~~shall~~ **must** not exceed the  
 25 product of the strict discipline academy's per-pupil allocation  
 26 calculated under section 20 multiplied by the strict discipline  
 27 academy's full-time equated membership. The department shall  
 28 allocate funds to strict discipline academies under this section on  
 29 a monthly basis. For the purposes of this subsection:



1 (a) "Added cost" means 100% of the added cost each fiscal year  
 2 for educating all pupils enrolled and in regular daily attendance  
 3 at a strict discipline academy. Added cost ~~shall~~**must** be computed  
 4 by deducting all other revenue received under this article for  
 5 pupils described in this subsection from total costs, as approved  
 6 by the department, in whole or in part, for educating those pupils  
 7 in a strict discipline academy. The department shall include all  
 8 costs including, but not limited to, educational costs, insurance,  
 9 management fees, technology costs, legal fees, auditing fees,  
 10 interest, pupil accounting costs, and any other administrative  
 11 costs necessary to operate the program or to comply with statutory  
 12 requirements. Costs reimbursed by federal funds are not included.

13 (b) "Department's approved per-pupil allocation" for a strict  
 14 discipline academy ~~shall be~~**is** determined by dividing the total  
 15 amount allocated under this subsection for a fiscal year by the  
 16 full-time equated membership total for all pupils approved by the  
 17 department to be funded under this subsection for that fiscal year  
 18 for the strict discipline academy.

19 (4) Special education pupils funded under section 53a ~~shall~~  
 20 ~~not be~~**are not** funded under this section.

21 (5) If the funds allocated under this section are insufficient  
 22 to fully fund the adjustments under subsection (3), **the department**  
 23 **shall prorate** payments under this section ~~shall be prorated~~ on an  
 24 equal per-pupil basis.

25 (6) ~~Payments~~**The department shall make payments** to districts  
 26 under this section ~~shall be made~~ according to the payment schedule  
 27 under section 17b.

28 Sec. 25g. (1) From the state school aid fund money  
 29 appropriated in section 11, there is allocated an amount not to



1 exceed \$750,000.00 for ~~2018-2019~~ **2019-2020** for the purposes of this  
 2 section. ~~If~~ **Except as otherwise provided in this section, if** the  
 3 operation of the special membership counting provisions under  
 4 section 6(4) (dd) and the other membership counting provisions under  
 5 section 6(4) result in a pupil being counted as more than 1.0 FTE  
 6 in a fiscal year, then the payment made for the pupil under  
 7 sections 22a and 22b ~~shall~~ **must** not be based on more than 1.0 FTE  
 8 for that pupil, and that portion of the FTE that exceeds 1.0 ~~shall~~  
 9 ~~be~~ **is** paid under this section in an amount equal to that portion  
 10 multiplied by the educating district's foundation allowance or per-  
 11 pupil payment calculated under section 20.

12 (2) Special education pupils funded under section 53a ~~shall~~  
 13 ~~not be~~ **are not** funded under this section.

14 (3) If the funds allocated under this section are insufficient  
 15 to fully fund the adjustments under subsection (1), **the department**  
 16 **shall prorate** payments under this section ~~shall be prorated~~ on an  
 17 equal per-pupil basis.

18 (4) ~~Payments~~ **The department shall make payments** to districts  
 19 under this section ~~shall be made~~ according to the payment schedule  
 20 under section 17b.

21 Sec. 31a. (1) From the state school aid fund money  
 22 appropriated in section 11, there is allocated for 2019-2020 an  
 23 amount not to exceed \$535,150,000.00 for payments to eligible  
 24 districts and eligible public school academies for the purposes of  
 25 ensuring that pupils are proficient in English language arts by the  
 26 end of grade 3, that pupils are proficient in mathematics by the  
 27 end of grade 8, that pupils are attending school regularly, that  
 28 high school graduates are career and college ready, and for the  
 29 purposes under subsections (7) and (8).



1           (2) For a district that has combined state and local revenue  
 2 per membership pupil under section 20 that is greater than the  
 3 target foundation allowance under section 20 for the current fiscal  
 4 year **and that, for the immediately preceding fiscal year, had**  
 5 **combined state and local revenue per membership pupil under section**  
 6 **20 that was greater than the basic foundation allowance under**  
 7 **section 20 that was in effect for the 2018-2019 fiscal year,** the  
 8 allocation under this section is an amount equal to 30% of the  
 9 allocation for which it would otherwise be eligible under this  
 10 section before any proration under subsection (14). **If a district**  
 11 **has combined state and local revenue per membership pupil under**  
 12 **section 20 that is greater than the target foundation allowance**  
 13 **under section 20 for the current fiscal year, but for the**  
 14 **immediately preceding fiscal year had combined state and local**  
 15 **revenue per membership pupil under section 20 that was less than**  
 16 **the basic foundation allowance under section 20 that was in effect**  
 17 **for the 2018-2019 fiscal year, the district shall receive an amount**  
 18 **per pupil equal to 11.5% of the statewide weighted average**  
 19 **foundation allowance, as applied under subsection (4), and before**  
 20 **any proration under subsection (14).**

21           (3) For a district or public school academy to be eligible to  
 22 receive funding under this section, other than funding under  
 23 subsection (7) or (8), the district or public school academy, for  
 24 grades K to 12, shall comply with the requirements under section  
 25 1280f of the revised school code, MCL 380.1280f, and shall use  
 26 resources to address early literacy and numeracy, and for at least  
 27 grades K to 12 or, if the district or public school academy does  
 28 not operate all of grades K to 12, for all of the grades it  
 29 operates, must implement a multi-tiered system of supports that is



1 an evidence based framework that uses data driven problem solving  
 2 to integrate academic and behavioral instruction and that uses  
 3 intervention delivered to all pupils in varying intensities based  
 4 on pupil needs. The multi-tiered system of supports described in  
 5 this subsection must provide at least all of the following  
 6 essential components:

7 (a) Team-based leadership.

8 (b) A tiered delivery system.

9 (c) Selection and implementation of instruction,  
 10 interventions, and supports.

11 (d) A comprehensive screening and assessment system.

12 (e) Continuous data-based decision making.

13 (4) From the funds allocated under subsection (1), there is  
 14 allocated for 2019-2020 an amount not to exceed \$510,000,000.00 to  
 15 continue a weighted foundation per pupil payment for districts and  
 16 public school academies enrolling economically disadvantaged  
 17 pupils. The department shall pay under this section to each  
 18 eligible district or eligible public school academy an amount per  
 19 pupil equal to 11.5% of the statewide weighted average foundation  
 20 allowance for the following, as applicable:

21 (a) Except as otherwise provided under subdivision (b) or (c),  
 22 the greater of the following:

23 (i) The number of membership pupils in the district or public  
 24 school academy who are determined to be economically disadvantaged,  
 25 as reported to the center in the form and manner prescribed by the  
 26 center not later than the fifth Wednesday after the pupil  
 27 membership count day of the immediately preceding fiscal year.

28 (ii) If the district or public school academy is in the  
 29 community eligibility program, the number of pupils determined to





1 be eligible based on the product of the identified student  
 2 percentage ~~reported for community eligibility provision status~~  
 3 multiplied by the total number of membership pupils in the district  
 4 or public school academy, as reported to the center in the form and  
 5 manner prescribed by the center not later than the fifth Wednesday  
 6 after the pupil membership count day of the immediately preceding  
 7 fiscal year. This subparagraph only applies to ~~a~~**an eligible**  
 8 district or **eligible** public school academy for the fiscal year  
 9 immediately following the first fiscal year in which it is in the  
 10 community eligibility program. **As used in this subparagraph,**  
 11 **"identified student percentage" means the quotient of the number of**  
 12 **membership pupils in an eligible district or eligible public school**  
 13 **academy who are determined to be economically disadvantaged, as**  
 14 **reported to the center in a form and manner prescribed by the**  
 15 **center, not later than the fifth Wednesday after the pupil**  
 16 **membership count day in the fiscal year preceding the first fiscal**  
 17 **year in which the eligible district or eligible public school**  
 18 **academy is in the community eligibility program, divided by the**  
 19 **pupils counted in membership in an eligible district or eligible**  
 20 **public school academy on the pupil membership count day in the**  
 21 **fiscal year preceding the first fiscal year in which the eligible**  
 22 **district or eligible public school academy is in the community**  
 23 **eligibility program.**

24 (b) If the district or public school academy began operations  
 25 as a district or public school academy after the pupil membership  
 26 count day of the immediately preceding school year, the number of  
 27 membership pupils in the district or public school academy who are  
 28 determined to be economically disadvantaged, as reported to the  
 29 center in the form and manner prescribed by the center not later



1 than the fifth Wednesday after the pupil membership count day of  
2 the current fiscal year.

3 (c) If the district or public school academy began operations  
4 as a district or public school academy after the pupil membership  
5 count day of the current fiscal year, the number of membership  
6 pupils in the district or public school academy who are determined  
7 to be economically disadvantaged, as reported to the center in the  
8 form and manner prescribed by the center not later than the fifth  
9 Wednesday after the supplemental count day of the current fiscal  
10 year.

11 (5) Except as otherwise provided in this section, a district  
12 or public school academy receiving funding under this section shall  
13 use that money only to provide instructional programs and direct  
14 noninstructional services, including, but not limited to, medical,  
15 mental health, or counseling services, for at-risk pupils; for  
16 school health clinics; and for the purposes of subsection (6), (7),  
17 or (8). In addition, a district that is a school district of the  
18 first class or a district or public school academy in which at  
19 least 50% of the pupils in membership were determined to be  
20 economically disadvantaged in the immediately preceding state  
21 fiscal year, as determined and reported as described in subsection  
22 (4), may use not more than 20% of the funds it receives under this  
23 section for school security that aligns to the needs assessment and  
24 the multi-tiered system of supports model. A district or public  
25 school academy shall not use any of that money for administrative  
26 costs. The instruction or direct noninstructional services provided  
27 under this section may be conducted before or after regular school  
28 hours or by adding extra school days to the school year.

29 (6) A district or public school academy that receives funds



1 under this section and that operates a school breakfast program  
2 under section 1272a of the revised school code, MCL 380.1272a,  
3 shall use from the funds received under this section an amount, not  
4 to exceed \$10.00 per pupil for whom the district or public school  
5 academy receives funds under this section, necessary to pay for  
6 costs associated with the operation of the school breakfast  
7 program.

8 (7) From the funds allocated under subsection (1), there is  
9 allocated for 2019-2020 an amount not to exceed \$8,000,000.00 to  
10 support primary health care services provided to children and  
11 adolescents up to age 21. These funds must be expended in a form  
12 and manner determined jointly by the department and the department  
13 of health and human services. If any funds allocated under this  
14 subsection are not used for the purposes of this subsection for the  
15 fiscal year in which they are allocated, those unused funds must be  
16 used that fiscal year to avoid or minimize any proration that would  
17 otherwise be required under subsection (14) for that fiscal year.

18 (8) From the funds allocated under subsection (1), there is  
19 allocated for 2019-2020 an amount not to exceed \$5,150,000.00 for  
20 the state portion of the hearing and vision screenings as described  
21 in section 9301 of the public health code, 1978 PA 368, MCL  
22 333.9301. A local public health department shall pay at least 50%  
23 of the total cost of the screenings. The frequency of the  
24 screenings must be as required under R 325.13091 to R 325.13096 and  
25 R 325.3271 to R 325.3276 of the Michigan Administrative Code. Funds  
26 must be awarded in a form and manner approved jointly by the  
27 department and the department of health and human services.  
28 Notwithstanding section 17b, the department shall make payments to  
29 eligible entities under this subsection on a schedule determined by



1 the department.

2 (9) Each district or public school academy receiving funds  
3 under this section shall submit to the department by July 15 of  
4 each fiscal year a report, in the form and manner prescribed by the  
5 department, that includes a brief description of each program  
6 conducted or services performed by the district or public school  
7 academy using funds under this section, the amount of funds under  
8 this section allocated to each of those programs or services, the  
9 total number of at risk pupils served by each of those programs or  
10 services, and the data necessary for the department and the  
11 department of health and human services to verify matching funds  
12 for the temporary assistance for needy families program. In  
13 prescribing the form and manner of the report, the department shall  
14 ensure that districts are allowed to expend funds received under  
15 this section on any activities that are permissible under this  
16 section. If a district or public school academy does not comply  
17 with this subsection, the department shall withhold an amount equal  
18 to the August payment due under this section until the district or  
19 public school academy complies with this subsection. If the  
20 district or public school academy does not comply with this  
21 subsection by the end of the fiscal year, the withheld funds are  
22 forfeited to the school aid fund.

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

29 (11) Subject to subsections (6), (7), and (8), for schools in



1 which more than 40% of pupils are identified as at-risk, a district  
 2 or public school academy may use the funds it receives under this  
 3 section to implement tier 1, evidence-based practices in schoolwide  
 4 reforms that are guided by the district's comprehensive needs  
 5 assessment and are included in the district improvement plan.  
 6 Schoolwide reforms must include parent and community supports,  
 7 activities, and services, that may include the pathways to  
 8 potential program created by the department of health and human  
 9 services or the communities in schools program. As used in this  
 10 subsection, "tier 1, evidence-based practices" means research based  
 11 instruction and classroom interventions that are available to all  
 12 learners and effectively meet the needs of most pupils.

13 (12) A district or public school academy that receives funds  
 14 under this section may use up to 7.5% of those funds to provide  
 15 research based professional development and to implement a coaching  
 16 model that supports the multi-tiered system of supports framework.  
 17 Professional development may be provided to district and school  
 18 leadership and teachers and must be aligned to professional  
 19 learning standards; integrated into district, school building, and  
 20 classroom practices; and solely related to the following:

21 (a) Implementing the multi-tiered system of supports required  
 22 in subsection (3) with fidelity and utilizing the data from that  
 23 system to inform curriculum and instruction.

24 (b) Implementing section 1280f of the revised school code, MCL  
 25 380.1280f, as required under subsection (3), with fidelity.

26 (13) A district or public school academy that receives funds  
 27 under this section may use funds received under this section to  
 28 support instructional or behavioral coaches. Funds used for this  
 29 purpose are not subject to the cap under subsection (12).



1 (14) If necessary, and before any proration required under  
2 section 296, the department shall prorate payments under this  
3 section, except payments under subsection (7), (8), or (16), by  
4 reducing the amount of the allocation as otherwise calculated under  
5 this section by an equal percentage per district.

6 (15) If a district is dissolved pursuant to section 12 of the  
7 revised school code, MCL 380.12, the intermediate district to which  
8 the dissolved school district was constituent shall determine the  
9 estimated number of pupils that are economically disadvantaged and  
10 that are enrolled in each of the other districts within the  
11 intermediate district and provide that estimate to the department  
12 for the purposes of distributing funds under this section within 60  
13 days after the school district is declared dissolved.

14 (16) From the funds allocated under subsection (1), there is  
15 allocated for 2019-2020 an amount not to exceed \$12,000,000.00 for  
16 payments to districts and public school academies that otherwise  
17 received an allocation under this subsection for 2018-2019 and  
18 whose allocation under this section for 2018-2019, excluding any  
19 payments under subsection (7) or (8), would have been more than the  
20 district's or public school academy's allocation under this section  
21 for 2019-2020 as calculated under subsection (4) only and as  
22 adjusted under subsection (14). The allocation for each district or  
23 public school academy under this subsection is an amount equal to  
24 its allocation under this section for 2018-2019 minus its  
25 allocation as otherwise calculated under subsection (4) for 2019-  
26 2020, as adjusted by subsection (14), using in those calculations  
27 the 2017-2018 number of pupils determined to be economically  
28 disadvantaged. However, if the allocation as otherwise calculated  
29 under this subsection would have been less than \$0.00, the



1 allocation under this subsection is \$0.00. If necessary, and before  
 2 any proration required under section 296, the department shall  
 3 prorate payments under this subsection by reducing the amount of  
 4 the allocation as otherwise calculated under this subsection by an  
 5 equal percentage per district or public school academy.

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

9 (18) The department shall collaborate with the department of  
 10 health and human services to prioritize assigning Pathways to  
 11 Potential Success coaches to elementary schools that have a high  
 12 percentage of pupils in grades K to 3 who are not proficient in  
 13 English language arts, based upon state assessments for pupils in  
 14 those grades.

15 (19) As used in this section:

16 (a) "At-risk pupil" means a pupil in grades K to 12 for whom  
 17 the district has documentation that the pupil meets any of the  
 18 following criteria:

19 (i) The pupil is economically disadvantaged.

20 (ii) The pupil is an English language learner.

21 (iii) The pupil is chronically absent as defined by and reported  
 22 to the center.

23 (iv) The pupil is a victim of child abuse or neglect.

24 (v) The pupil is a pregnant teenager or teenage parent.

25 (vi) The pupil has a family history of school failure,  
 26 incarceration, or substance abuse.

27 (vii) The pupil is an immigrant who has immigrated within the  
 28 immediately preceding 3 years.

29 (viii) The pupil did not complete high school in 4 years and is



1 still continuing in school as identified in the Michigan cohort  
2 graduation and dropout report.

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

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

11 (b) "Economically disadvantaged" means a pupil who has been  
12 determined eligible for free or reduced-price meals as determined  
13 under the Richard B. Russell national school lunch act, 42 USC 1751  
14 to 1769j; who is in a household receiving supplemental nutrition  
15 assistance program or temporary assistance for needy families  
16 assistance; or who is homeless, migrant, or in foster care, as  
17 reported to the center.

18 (c) "English language learner" means limited English  
19 proficient pupils who speak a language other than English as their  
20 primary language and have difficulty speaking, reading, writing, or  
21 understanding English as reported to the center.

22 (d) "Statewide weighted average foundation allowance" means  
23 the number that is calculated by adding together the result of each  
24 district's or public school academy's foundation allowance, not to  
25 exceed the target foundation allowance for the current fiscal year,  
26 or per-pupil payment calculated under section 20 multiplied by the  
27 number of pupils in membership in that district or public school  
28 academy, and then dividing that total by the statewide number of  
29 pupils in membership.





1           Sec. 35a. (1) From the appropriations in section 11, there is  
 2 allocated for 2019-2020 for the purposes of this section an amount  
 3 not to exceed ~~\$57,200,000.00~~ **\$57,400,000.00** from the state school  
 4 aid fund. The superintendent shall designate staff or contracted  
 5 employees funded under this section as critical shortage. Programs  
 6 funded under this section are intended to ensure that this state  
 7 will be a top 10 state in grade 4 reading proficiency by 2025  
 8 according to the National Assessment of Educational Progress  
 9 (NAEP).

10           (2) A district that receives funds under subsection (5) may  
 11 spend up to 5% of those funds for professional development for  
 12 educators in a department-approved research-based training program  
 13 related to current state literacy standards for pupils in grades K  
 14 to 3. The professional development must also include training in  
 15 the use of screening and diagnostic tools, progress monitoring, and  
 16 intervention methods used to address barriers to learning and  
 17 delays in learning that are diagnosed through the use of these  
 18 tools.

19           (3) A district that receives funds under subsection (5) may  
 20 use up to 5% of those funds to administer department-approved  
 21 screening and diagnostic tools to monitor the development of early  
 22 literacy and early reading skills of pupils in grades K to 3 and to  
 23 support research-based professional development for educators in  
 24 administering screening and diagnostic tools and in data  
 25 interpretation of the results obtained through the use of those  
 26 tools for the purpose of implementing a multi-tiered system of  
 27 support to improve reading proficiency among pupils in grades K to  
 28 3. A department-approved screening and diagnostic tool administered  
 29 by a district using funding under this section must include all of



1 the following components: phonemic awareness, phonics, fluency, and  
 2 comprehension. Further, all of the following sub-skills must be  
 3 assessed within each of these components:

4 (a) Phonemic awareness - segmentation, blending, and sound  
 5 manipulation (deletion and substitution).

6 (b) Phonics - decoding (reading) and encoding (spelling).

7 (c) Fluency - reading rate, accuracy, and expression.

8 (d) Comprehension - making meaning of text.

9 (4) From the ~~allocations~~**allocation** under subsection (1),  
 10 there is allocated an amount not to exceed ~~\$21,000,000.00~~  
 11 **\$31,500,000.00** for 2019-2020 for the purpose of providing early  
 12 literacy coaches at intermediate districts to assist teachers in  
 13 developing and implementing instructional strategies for pupils in  
 14 grades K to 3 so that pupils are reading at grade level by the end  
 15 of grade 3. All of the following apply to funding under this  
 16 subsection:

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

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

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

28 (iii) The use of data from diagnostic tools to determine the  
 29 necessary additional supports and interventions needed by



1 individual pupils in grades K to 3 in order to be reading at grade  
2 level.

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

9 (i) The department shall award each intermediate district grant  
10 funding to support the cost of 1 early literacy coach in an equal  
11 amount per early literacy coach, not to exceed  
12 ~~\$75,000.00.~~ **\$112,500.00.**

13 (ii) After distribution of the grant funding under subparagraph  
14 (i), the department shall distribute the remainder of grant funding  
15 for additional early literacy coaches in an amount not to exceed  
16 ~~\$75,000.00.~~ **\$112,500.00** per early literacy coach. The number of  
17 funded early literacy coaches for each intermediate district is  
18 based on the percentage of the total statewide number of pupils in  
19 grades K to 3 who meet the income eligibility standards for the  
20 federal free and reduced-price lunch programs who are enrolled in  
21 districts in the intermediate district. ~~For each additional early~~  
22 ~~literacy coach funded under this subparagraph, the department shall~~  
23 ~~not make an award to an intermediate district under this~~  
24 ~~subparagraph in an amount that is less than the amount necessary to~~  
25 ~~pay 1/2 of the total cost of that additional early literacy coach.~~

26 (c) If an intermediate district that receives funding under  
27 this subsection uses an assessment tool that screens for signs of  
28 dyslexia, the intermediate district shall use the assessment  
29 results from that assessment tool to identify pupils who



1 demonstrate signs of dyslexia.

2 (5) From the ~~allocations~~**allocation** under subsection (1),  
 3 there is allocated an amount not to exceed \$19,900,000.00 for 2019-  
 4 2020 to districts that provide additional instructional time to  
 5 those pupils in grades K to 3 who have been identified by using  
 6 department-approved screening and diagnostic tools as needing  
 7 additional supports and interventions in order to be reading at  
 8 grade level by the end of grade 3. Additional instructional time  
 9 may be provided before, during, and after regular school hours or  
 10 as part of a year-round balanced school calendar. All of the  
 11 following apply to funding under this subsection:

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

15 (i) Implemented a multi-tiered system of support instructional  
 16 delivery model that is an evidence-based model that uses data-  
 17 driven problem solving to integrate academic and behavioral  
 18 instruction and that uses intervention delivered to all pupils in  
 19 varying intensities based on pupil needs. The multi-tiered system  
 20 of supports must provide at least all of the following essential  
 21 components:

22 (A) Team-based leadership.

23 (B) A tiered delivery system.

24 (C) Selection and implementation of instruction,  
 25 interventions, and supports.

26 (D) A comprehensive screening and assessment system.

27 (E) Continuous data-based decision making.

28 (ii) Used department-approved research-based diagnostic tools  
 29 to identify individual pupils in need of additional instructional



1 time.

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

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

9 (v) Complied with the requirements under section 1280f of the  
10 revised school code, MCL 380.1280f.

11 (b) The department shall distribute funding allocated under  
12 this subsection to eligible districts on an equal per-first-grade-  
13 pupil basis.

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

18 (6) Not later than September 1, of each year, a district that  
19 receives funding under subsection (4), (5), or ~~(11)~~, **(9)**, in  
20 conjunction with the Michigan data hub network, if possible, shall  
21 provide to the department a report that includes at least both of  
22 the following, in a form and manner prescribed by the department:

23 (a) For pupils in grades K to 3, the pupils, schools, and  
24 grades served with funds under this section and the categories of  
25 services provided.

26 (b) For pupils in grades K to 3, pupil proficiency and growth  
27 data that allows analysis both in the aggregate and by each of the  
28 following subgroups, as applicable:

29 (i) School.



- 1           (ii) Grade level.  
 2           (iii) Gender.  
 3           (iv) Race.  
 4           (v) Ethnicity.  
 5           (vi) Economically disadvantaged status.  
 6           (vii) Disability.  
 7           (viii) Pupils identified as having reading deficiencies.

8           **(7)** ~~(8) From the state school aid fund money allocated~~  
 9 **allocation** under subsection (1), there is allocated an amount not  
 10 to exceed \$1,000,000.00 for 2019-2020 to an intermediate district  
 11 in which the combined total number of pupils in membership of all  
 12 of its constituent districts is the fewest among all intermediate  
 13 districts. All of the following apply to the funding under this  
 14 subsection:

15           (a) Funding under this subsection must be used by the  
 16 intermediate district, in partnership with an association that  
 17 represents intermediate district administrators in this state, to  
 18 implement both of the following:

- 19           (i) Literacy essentials teacher and principal training modules.  
 20           (ii) Face-to-face and online professional learning of literacy  
 21 essentials teacher and principal training modules for literacy  
 22 coaches, principals, and teachers.

23           (b) Not later than September 1 of each year, the intermediate  
 24 district described in this subsection, in consultation with grant  
 25 recipients, shall submit a report to the chairs of the senate and  
 26 house appropriations subcommittees on state school aid and the  
 27 chairs of the senate and house standing committees responsible for  
 28 education legislation. The report described under this subdivision



1 must include student achievement results in English language arts  
 2 and survey results with feedback from parents and teachers  
 3 regarding the initiatives implemented under this subsection.

4 (8) ~~(10)~~—If a district or intermediate district expends any  
 5 funding received under subsection (4) or (5) for professional  
 6 development in research-based effective reading instruction, the  
 7 district or intermediate district shall select a professional  
 8 development program from the list described under subdivision (a).  
 9 All of the following apply to the requirement under this  
 10 subsection:

11 (a) The department shall issue a request for proposals for  
 12 professional development programs in research-based effective  
 13 reading instruction to develop an initial approved list of  
 14 professional development programs in research-based effective  
 15 reading instruction. The department shall complete and make the  
 16 initial approved list public not later than December 1, 2019. After  
 17 December 1, 2019, the department shall determine if it will, on a  
 18 rolling basis, approve any new proposals submitted for addition to  
 19 its initial approved list.

20 (b) To be included as an approved professional development  
 21 program in research-based effective reading instruction under  
 22 subdivision (a), an applicant must demonstrate to the department in  
 23 writing the program's competency in all of the following topics:

24 (i) Understanding of phonemic awareness, phonics, fluency,  
 25 vocabulary, and comprehension.

26 (ii) Appropriate use of assessments and differentiated  
 27 instruction.

28 (iii) Selection of appropriate instructional materials.

29 (iv) Application of research-based instructional practices.



1 (c) As used in this subsection, "effective reading  
2 instruction" means reading instruction scientifically proven to  
3 result in improvement in pupil reading skills.

4 (9) From the allocation under subsection (1), there is  
5 allocated for 2019-2020 only an amount not to exceed \$5,000,000.00  
6 for a summer school reading program for grade 3 pupils who did not  
7 score at least proficient on the English language arts portion of  
8 the Michigan student test of educational progress (M-STEP) and for  
9 pupils in grades K to 2 who are not reading at grade level. All of  
10 the following apply to the funding allocated under this subsection:

11 (a) To be eligible for funding under this subsection, a  
12 district must apply in a form and manner prescribed by the  
13 department by not later than January 15, 2020.

14 (b) The department shall award funding under this subsection  
15 not later than March 15, 2020.

16 (c) The amount of funding to each eligible district is equal  
17 to the product of the quotient of \$5,000,000.00 divided by the sum  
18 of the number of pupils determined by the department to have scored  
19 less than proficient on the English language arts portion of the  
20 2019 grade 3 Michigan student test of educational progress (M-STEP)  
21 among all of the districts that apply and are eligible for funding  
22 for a summer school reading program under this subsection,  
23 multiplied by the number of pupils in the eligible district  
24 determined by the department to have scored less than proficient on  
25 the English language arts portion of the 2019 grade 3 Michigan  
26 student test of educational progress (M-STEP).

27 (d) A district that is awarded funding under this subsection  
28 must prioritize its summer school reading program toward grade 3  
29 pupils who scored less than proficient on the English language arts





1 portion of the Michigan student test of educational progress (M-  
 2 STEP), but may extend the program to any pupil in grades K to 2 who  
 3 is not reading at grade level if the program has capacity.

4 (10) ~~(12)~~ Notwithstanding section 17b, the department shall  
 5 make payments made under subsections (7) ~~, (8), (9), and (11)~~ (9)  
 6 on a schedule determined by the department.

7 Sec. 35c. (1) From the state school aid fund money  
 8 appropriated under section 11, there is allocated an amount not to  
 9 exceed \$300,000.00 for 2019-2020 only for a grant to be distributed  
 10 by the department to 1 eligible district to create a pilot program  
 11 to use a multisensory structured reading instruction professional  
 12 development program to improve reading proficiency rates.

13 (2) A district is eligible for a grant under this section if  
 14 all of the following apply to the district:

15 (a) The district partners with a multisensory structured  
 16 reading instruction professional development program that meets all  
 17 of the following:

18 (i) Is based in Michigan.

19 (ii) Has 20 or more years of experience in reading instruction.

20 (iii) Has trained at least 100,000 teachers in reading  
 21 instruction.

22 (iv) Has at least 25 training instructors with at least a  
 23 master's degree who are certified on the Knowledge and Practice  
 24 Examination for Effective Reading Instruction through the Center  
 25 for Effective Reading Instruction.

26 (v) Provides training in more than 40 states.

27 (vi) Offers graduate-level credits through a regionally  
 28 accredited university.

29 (b) The district partners with the program described in



1 subdivision (a) to provide multisensory structured reading  
2 instruction professional development for staff in grades K to 3  
3 general education or grades K to 12 special education, or both.

4 (c) The total combined membership of the constituent districts  
5 of the intermediate district in which the district is located is at  
6 least 200,000. As used in this subdivision, "constituent district"  
7 means a district located within the intermediate district.

8 (d) The district is located in prosperity region 10.

9 (e) The total pupil membership of the district is at least  
10 13,000 but not more than 15,000.

11 (3) A district may expend grant funds awarded under this  
12 section, in collaboration with the multisensory structured reading  
13 instruction professional development program described in  
14 subsection (2), for the following purposes:

15 (a) Professional development, including training staff in the  
16 multisensory, sequential, systematic education approach used by the  
17 program.

18 (b) Multisensory, sequential, systematic education approach  
19 teaching materials for pupils in grades K to 3 general education or  
20 K to 12 special education, or both.

21 (4) Not later than December 1, 2021, a district that receives  
22 grant funds under this section shall report to the house and senate  
23 appropriations subcommittees on school aid, the house and senate  
24 fiscal agencies, and the state budget director on all of the  
25 following for the grant funds awarded under this section:

26 (a) The number of staff trained.

27 (b) The number of general education and special education  
28 pupils served, including the number of pupils identified as having  
29 an early literacy delay or reading deficiency.



1 (c) The number of hours of added instructional time provided  
2 to the pupils served.

3 (d) Pupil reading proficiency and growth data of pupils served  
4 as necessary to evaluate the effectiveness of the program.

5 Sec. 54e. (1) From the general fund money appropriated under  
6 section 11, there is allocated for 2019-2020 only an amount not to  
7 exceed \$350,000.00 for a pilot program to train at least 60 early  
8 on providers in the components of evidence-based parent-implemented  
9 models of intervention for the treatment of autism. To receive  
10 funding under this section, a program provider must agree to use  
11 the funds for training in these components for early on providers  
12 using an evidence-based program to conduct the training and may  
13 receive the funding in the form and manner prescribed by the  
14 department. The department shall ensure that early on providers in  
15 multiple intermediate districts are provided with training under  
16 this section and shall include early on providers in intermediate  
17 districts based on interest in the program and need for the  
18 training.

19 (2) The department shall conduct a survey of intermediate  
20 districts in the pilot program described under this section after  
21 implementation of the parent-implemented model of intervention  
22 pilot program to measure the impact of the program. The department  
23 shall report the findings from the survey to the legislature. The  
24 department may use existing vendors to conduct this data  
25 collection. The department may use not more than 10% of the  
26 allocation under this section for administration and management of  
27 the pilot program.

28 (3) As used in this section, "parent-implemented model of  
29 intervention" means a model in which parents directly use



1 individualized developmentally appropriate intervention practices  
2 with their children to increase the social abilities of children  
3 with autism.

4 (4) Notwithstanding section 17b, the department shall make  
5 payments under this section on a schedule determined by the  
6 department.

7 Sec. 97. (1) For 2019-2020 only, from the state school aid  
8 fund money appropriated under section 11, there is allocated an  
9 amount not to exceed \$10,000,000.00 for competitive grants to  
10 public schools, districts, and intermediate districts to purchase  
11 technology equipment, upgrade hardening measures, or conduct school  
12 building safety assessments to improve the safety and security of  
13 school buildings, pupils, and school staff with the goal of  
14 creating a safer school environment through equipment and  
15 technology enhancements. The department of state police, grants and  
16 community services division, shall administer the grant program  
17 described in this subsection. All grants under this subsection must  
18 be funded on a reimbursement-only basis. Grants under this  
19 subsection must not exceed \$50,000.00 for each public school and  
20 \$250,000.00 for each district or intermediate district.

21 (2) All of the following apply to the application process for  
22 funding under subsection (1):

23 (a) A public school, district, or intermediate district shall  
24 submit an application for funding under subsection (1) directly to  
25 the department of state police, grants and community services  
26 division.

27 (b) An application from a district or intermediate district  
28 under this subsection must be for 1 or more buildings that have  
29 some or all of pre-K to grade 12 classrooms and pupils.



1 (c) An applicant may submit only 1 application.

2 (d) An individual public school may submit its own application  
3 but must not also be included in its district's application if the  
4 district submits an application under this subsection.

5 (e) The department of state police shall award grants to  
6 applicants based on eligibility, the project description, and  
7 whether the project reflects the highest security need of the  
8 applicant within grant funding constraints, the budget narrative,  
9 the budget, project goals, objectives, and performance measures.

10 (f) The department of state police shall give priority to all  
11 of the following applicants:

12 (i) Applicants seeking funding for projects that involve  
13 multiple agencies working in partnership.

14 (ii) Applicants seeking funding for proposals that seek to  
15 secure exterior access points of school buildings.

16 (iii) Applicants that did not receive a school safety grant in  
17 the past.

18 (iv) Applicants that did not receive a grant under section 1001  
19 of article XX of 2018 PA 207 or under section 115 of 2018 PA 618.

20 (g) To be awarded a grant, an applicant must demonstrate proof  
21 that the public school, district, or intermediate district has an  
22 emergency operation plan that had been updated after August 1, 2017  
23 to align with the state emergency operations plan guidance and  
24 statewide school safety information policy developed under section  
25 1308 of the revised school code, MCL 380.1308.

26 (h) The department of state police shall issue grant guidance  
27 and application materials, including required performance measures,  
28 not later than February 1, 2020.

29 (3) The department of state police shall not award funding



1 under subsection (1) to a public school, district, or intermediate  
2 district in relation to the same school building more than once. If  
3 a district submits an application under subsection (2) relating to  
4 a school building and a public school within that district also  
5 submits an application for funding in relation to that same school  
6 building, the department of state police shall not allocate funding  
7 under subsection (1) twice for that school building. If a public  
8 school, district, or intermediate district submits more than 1  
9 application, the department of state police shall first consider  
10 the most recent application submitted in considering funding under  
11 subsection (1).

12 (4) Eligible expenses for reimbursement under subsection (1)  
13 must be consistent with the recommendations of the school safety  
14 task force created by Executive Order No. 2018-5. The department of  
15 state police shall list the eligible expenses in the grant guidance  
16 and application materials described under subsection (2). The  
17 following items are not eligible expenses for which grant funds  
18 under subsection (1) may be applied:

19 (a) Weapons, including tasers.

20 (b) Personal body armor for routine use.

21 (c) Construction of new facilities.

22 (d) Costs in applying for the grant, such as consultants and  
23 grant writers.

24 (e) Expenses incurred before the date of the award or after  
25 the end of the performance period of the grant award.

26 (f) Personnel costs or operation costs related to a capital  
27 improvement.

28 (g) Indirect costs or indirect administrative expenses.

29 (h) Travel.



1 (i) Contributions or donations.

2 (j) Management or administrative training and conferences,  
3 except as otherwise preapproved by the department of state police.

4 (k) Management studies or research and development.

5 (l) Memberships and dues, except for a specific requirement of  
6 the project that has been preapproved by the department of state  
7 police.

8 (m) Vehicles, watercraft, or aircraft, including unmanned or  
9 remotely piloted aircraft and vehicles.

10 (n) Service contracts and training beyond the performance  
11 period of the grant award.

12 (o) Food, refreshments, and snacks.

13 (5) A grantee under section 1001 of article XX of 2018 PA 207  
14 that is a public school, district, or intermediate district or a  
15 grantee under section 115 of 2018 PA 618 that is a public school,  
16 district, or intermediate district is not prohibited from applying  
17 for, and receiving, a grant award under this section.

18 (6) The department of state police shall begin issuing awards  
19 for grants under subsection (1) not later than May 1, 2020. A  
20 project that is awarded a grant under this program must be  
21 completed by July 1, 2021.

22 (7) The department of state police shall report on grant  
23 activities under this section, including available performance  
24 outcomes as identified in individual grant agreements, to the  
25 senate and house appropriations subcommittees on state police, the  
26 senate and house fiscal agencies, and the state budget office by  
27 August 1, 2021.

28 (8) The funds allocated for school safety grants under this  
29 section for 2019-2020 are a work project appropriation, and any



1 unexpended funds for 2019-2020 do not lapse to the state school aid  
 2 fund and are carried forward into 2020-2021. The purpose of the  
 3 work project is to continue promoting safer school environments.  
 4 The estimated completion date of the work project is July 1, 2021.

5 Sec. 236. (1) Subject to the conditions set forth in this  
 6 article, the amounts listed in this section are appropriated for  
 7 higher education for the fiscal year ending September 30, 2020,  
 8 from the funds indicated in this section. The following is a  
 9 summary of the appropriations in this section:

10 (a) The gross appropriation is ~~\$1,685,545,000.00.~~  
 11 **\$1,691,395,000.00.** After deducting total interdepartmental grants  
 12 and intradepartmental transfers in the amount of \$0.00, the  
 13 adjusted gross appropriation is  
 14 ~~\$1,685,545,000.00.~~ **\$1,691,395,000.00.**

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

17 (i) Total federal revenues, ~~\$128,026,400.00.~~ **\$134,026,400.00.**

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

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

20 (iv) Total other state restricted revenues, \$349,419,300.00.

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

22 ~~\$1,208,099,300.00.~~ **\$1,207,949,300.00.**

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

25 (a) The appropriation for Central Michigan University is  
 26 \$89,227,800.00, \$87,096,900.00 for operations, \$532,800.00 for  
 27 performance funding, and \$1,598,100.00 for costs incurred under the  
 28 North American Indian tuition waiver.

29 (b) The appropriation for Eastern Michigan University is





1 \$77,556,000.00, \$76,816,500.00 for operations, \$437,200.00 for  
2 performance funding, and \$302,300.00 for costs incurred under the  
3 North American Indian tuition waiver.

4 (c) The appropriation for Ferris State University is  
5 \$56,032,800.00, \$54,732,400.00 for operations, \$293,100.00 for  
6 performance funding, and \$1,007,300.00 for costs incurred under the  
7 North American Indian tuition waiver.

8 (d) The appropriation for Grand Valley State University is  
9 \$73,388,500.00, \$71,780,400.00 for operations, \$533,100.00 for  
10 performance funding, and \$1,075,000.00 for costs incurred under the  
11 North American Indian tuition waiver.

12 (e) The appropriation for Lake Superior State University is  
13 \$14,361,000.00, \$13,349,300.00 for operations, \$57,700.00 for  
14 performance funding, and \$954,000.00 for costs incurred under the  
15 North American Indian tuition waiver.

16 (f) The appropriation for Michigan State University is  
17 \$353,872,800.00, \$285,805,100.00 for operations, \$1,526,600.00 for  
18 performance funding, \$1,467,700.00 for costs incurred under the  
19 North American Indian tuition waiver, \$34,937,300.00 for MSU  
20 AgBioResearch, and \$30,136,100.00 for MSU Extension.

21 (g) The appropriation for Michigan Technological University is  
22 \$50,568,100.00, \$49,835,300.00 for operations, \$266,300.00 for  
23 performance funding, and \$466,500.00 for costs incurred under the  
24 North American Indian tuition waiver.

25 (h) The appropriation for Northern Michigan University is  
26 \$48,909,100.00, \$47,576,200.00 for operations, \$232,900.00 for  
27 performance funding, and \$1,100,000.00 for costs incurred under the  
28 North American Indian tuition waiver.

29 (i) The appropriation for Oakland University is \$53,432,500,



1 \$52,719,900.00 for operations, \$427,500.00 for performance funding,  
2 and \$285,100.00 for costs incurred under the North American Indian  
3 tuition waiver.

4 (j) The appropriation for Saginaw Valley State University is  
5 \$30,807,700.00, \$30,456,500.00 for operations, \$127,300.00 for  
6 performance funding, and \$223,900.00 for costs incurred under the  
7 North American Indian tuition waiver.

8 (k) The appropriation for University of Michigan - Ann Arbor  
9 is \$322,773,600.00, \$320,255,800.00 for operations, \$1,714,300.00  
10 for performance funding, and \$803,500.00 for costs incurred under  
11 the North American Indian tuition waiver.

12 (l) The appropriation for University of Michigan - Dearborn is  
13 \$26,327,200.00, \$25,986,400.00 for operations, \$180,600.00 for  
14 performance funding, and \$160,200.00 for costs incurred under the  
15 North American Indian tuition waiver.

16 (m) The appropriation for University of Michigan - Flint is  
17 \$23,893,200.00, \$23,493,800.00 for operations, \$122,400.00 for  
18 performance funding, and \$277,000.00 for costs incurred under the  
19 North American Indian tuition waiver.

20 (n) The appropriation for Wayne State University is  
21 \$203,413,900.00, \$202,112,700.00 for operations, \$884,000.00 for  
22 performance funding, and \$417,200.00 for costs incurred under the  
23 North American Indian tuition waiver.

24 (o) The appropriation for Western Michigan University is  
25 \$112,290,100.00, \$110,976,000.00 for operations, \$546,200.00 for  
26 performance funding, and \$767,900.00 for costs incurred under the  
27 North American Indian tuition waiver.

28 (3) The amount appropriated in subsection (2) for public  
29 universities is \$1,536,854,300.00, appropriated from the following:



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

2 (b) State general fund/general purpose money,  
3 \$1,193,686,000.00.

4 (4) The amount appropriated for Michigan public school  
5 employees' retirement system reimbursement is \$5,017,000.00,  
6 appropriated from the state school aid fund.

7 (5) The amount appropriated for state and regional programs is  
8 \$315,000.00, appropriated from general fund/general purpose money  
9 and allocated as follows:

10 (a) Higher education database modernization and conversion,  
11 \$200,000.00.

12 (b) Midwestern Higher Education Compact, \$115,000.00.

13 (6) The amount appropriated for the Martin Luther King, Jr. -  
14 Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated  
15 from general fund/general purpose money and allocated as follows:

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

17 (b) Michigan college/university partnership program,  
18 \$586,800.00.

19 (c) Morris Hood, Jr. educator development program,  
20 \$148,600.00.

21 (7) Subject to subsection (8), the amount appropriated for  
22 grants and financial aid is ~~\$139,283,200.00~~, **\$145,283,200.00**,  
23 allocated as follows:

24 (a) State competitive scholarships,  
25 ~~\$32,361,700.00~~. **\$38,361,700.00**.

26 **(b) Tuition grants, \$38,021,500.00.**

27 (c) Tuition incentive program, \$64,300,000.00.

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



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

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

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

7 (b) Federal revenues under the social security act, temporary  
8 assistance for needy families, ~~\$124,826,400.00.~~ **\$130,826,400.00.**

9 (c) State general fund/general purpose money, \$11,256,800.00.

10 (9) For fiscal year 2019-2020 only, in addition to the  
11 allocation under subsection (4), from the appropriations described  
12 in subsection (1), there is allocated an amount not to exceed  
13 \$1,234,000.00 for payments to participating public universities,  
14 appropriated from the state school aid fund. A university that  
15 receives money under this subsection shall use that money solely  
16 for the purpose of offsetting the normal cost contribution rate. As  
17 used in this subsection, "participating public universities" means  
18 public universities that are a reporting unit of the Michigan  
19 public school employees' retirement system under the public school  
20 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
21 38.1437, and that pay contributions to the Michigan public school  
22 employees' retirement system for the state fiscal year.

23 Sec. 251. (1) Payments of the amounts included in section 236  
24 for the state competitive scholarship program shall be distributed  
25 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

26 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the  
27 department of treasury shall determine an actual ~~maximum~~ state  
28 competitive scholarship award per student, which shall be ~~not less~~  
29 ~~than~~ \$1,000.00, that ensures that the aggregate payments for the



1 state competitive scholarship program do not exceed the  
2 appropriation contained in section 236 for the state competitive  
3 scholarship program. If the department determines that insufficient  
4 funds are available to establish a ~~maximum~~ award amount equal to  
5 ~~at least~~ \$1,000.00, the department shall immediately report to the  
6 house and senate appropriations subcommittees on higher education,  
7 the house and senate fiscal agencies, and the state budget director  
8 regarding the estimated amount of additional funds necessary to  
9 establish a \$1,000.00 ~~maximum~~ award amount.

10 (3) The department of treasury shall implement a proportional  
11 competitive scholarship ~~maximum~~ award level for recipients enrolled  
12 less than full-time in a given semester or term.

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

19 (5) If the department of treasury increases the ~~maximum~~ award  
20 per eligible student from that provided in the previous fiscal  
21 year, it shall not have the effect of reducing the number of  
22 eligible students receiving awards in relation to the total number  
23 of eligible applicants. Any increase in the ~~maximum~~ grant shall be  
24 proportional for all eligible students receiving awards.

25 (6) Veterans Administration benefits shall not be considered  
26 in determining eligibility for the award of scholarships under 1964  
27 PA 208, MCL 390.971 to 390.981.

28 ~~(7) Any unexpended and unencumbered funds remaining on~~  
29 ~~September 30, 2020 from the amounts appropriated in section 236 for~~



1 ~~the state competitive scholarship program for fiscal year 2019-2020~~  
 2 ~~do not lapse on September 30, 2020, but continue to be available~~  
 3 ~~for the expenditure for state competitive scholarships under a work~~  
 4 ~~project account.~~

5       Sec. 252. (1) The amounts appropriated in section 236 for the  
 6 state tuition grant program shall be distributed pursuant to 1966  
 7 PA 313, MCL 390.991 to 390.997a.

8       (2) Tuition grant awards shall be made to all eligible  
 9 Michigan residents enrolled in undergraduate degree programs who  
 10 are qualified and who apply ~~before~~ **by** March 1 of each year for the  
 11 next academic year.

12       (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and  
 13 subject to subsections ~~(7)~~ **(6)** and ~~(8)~~ **(7)**, the department of  
 14 treasury shall determine an actual ~~maximum~~ tuition grant award per  
 15 student, which shall be ~~no less than \$2,400.00,~~ **\$2,800.00**, that  
 16 ensures that the aggregate payments for the tuition grant program  
 17 do not exceed the appropriation contained in section 236 for the  
 18 state tuition grant program. If the department determines that  
 19 insufficient funds are available to establish a ~~maximum~~ **an** award  
 20 amount equal to ~~at least \$2,400.00,~~ **\$2,800.00**, the department shall  
 21 immediately report to the house and senate appropriations  
 22 subcommittees on higher education, the house and senate fiscal  
 23 agencies, and the state budget director regarding the estimated  
 24 amount of additional funds necessary to establish a ~~\$2,400.00~~  
 25 ~~maximum~~ **\$2,800.00** award amount. If the department determines that  
 26 sufficient funds are available to establish a ~~maximum~~ **an** award  
 27 amount equal to ~~at least \$2,400.00,~~ **\$2,800.00**, the department shall  
 28 immediately report to the house and senate appropriations  
 29 subcommittees on higher education, the house and senate fiscal



1 agencies, and the state budget director regarding the ~~maximum~~ award  
 2 amount established and the projected amount of any projected year-  
 3 end appropriation balance based on that ~~maximum~~ award amount. By  
 4 February 18 of each fiscal year, the department shall analyze the  
 5 status of award commitments, shall make any necessary adjustments,  
 6 and shall confirm that those award commitments will not exceed the  
 7 appropriation contained in section 236 for the tuition grant  
 8 program. The determination and actions shall be reported to the  
 9 state budget director and the house and senate fiscal agencies no  
 10 later than the final day of February of each year. If award  
 11 adjustments are necessary, the students shall be notified of the  
 12 adjustment by March 4 of each year.

13 ~~(4) Any unexpended and unencumbered funds remaining on~~  
 14 ~~September 30, 2019 from the amounts appropriated in section 236 for~~  
 15 ~~the tuition grant program for fiscal year 2018-2019 do not lapse on~~  
 16 ~~September 30, 2019, but continue to be available for expenditure~~  
 17 ~~for tuition grants provided in the 2019-2020 fiscal year under a~~  
 18 ~~work project account.~~

19 (4) ~~(5)~~ The department of treasury shall continue a  
 20 proportional tuition grant ~~maximum~~ award level for recipients  
 21 enrolled less than full-time in a given semester or term.

22 (5) ~~(6)~~ If the department of treasury increases the ~~maximum~~  
 23 award per eligible student from that provided in the previous  
 24 fiscal year, it shall not have the effect of reducing the number of  
 25 eligible students receiving awards in relation to the total number  
 26 of eligible applicants. Any increase in the ~~maximum~~ grant shall be  
 27 proportional for all eligible students receiving awards for that  
 28 fiscal year.

29 (6) ~~(7)~~ Except as provided in subsection (4), ~~the~~ **The**



1 department of treasury shall not award more than ~~\$4,200,000.00~~  
 2 **\$4,800,000.00** in tuition grants to eligible students enrolled in  
 3 the same independent nonprofit college or university in this state.  
 4 Any decrease in the ~~maximum~~ grant shall be proportional for all  
 5 eligible students enrolled in that college or university, as  
 6 determined by the department. The limit described in this  
 7 subsection does not apply to any other student financial aid  
 8 program or in combination with any other student financial aid  
 9 program.

10 (7) ~~(8)~~—The department of treasury shall not award tuition  
 11 grants to otherwise eligible students enrolled in an independent  
 12 college or university that does not report, in a form and manner  
 13 directed by and satisfactory to the department of treasury, by  
 14 October 31 of each year, all of the following:

15 (a) The number of students in the most recently completed  
 16 academic year who in any academic year received a state tuition  
 17 grant at the reporting institution and successfully completed a  
 18 program or graduated.

19 (b) The number of students in the most recently completed  
 20 academic year who in any academic year received a state tuition  
 21 grant at the reporting institution and took a remedial education  
 22 class.

23 (c) The number of students in the most recently completed  
 24 academic year who in any academic year received a Pell grant at the  
 25 reporting institution and successfully completed a program or  
 26 graduated.

27 (8) ~~(9)~~—By February 1 ~~, 2019,~~ **of each year**, each independent  
 28 college and university participating in the tuition grant program  
 29 shall report to the senate and house appropriations subcommittees





1 on higher education, the senate and house fiscal agencies, and the  
2 state budget director on its efforts to develop and implement  
3 sexual assault response training for the institution's title IX  
4 coordinator, campus law enforcement personnel, campus public safety  
5 personnel, and any other campus personnel charged with responding  
6 to on-campus incidents, including information on sexual assault  
7 response training materials and the status of implementing sexual  
8 assault response training for institutional personnel.

9 Enacting section 1. (1) In accordance with section 30 of  
10 article IX of the state constitution of 1963, total state spending  
11 on school aid under article I of the state school aid act of 1979,  
12 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2019 PA 58 and  
13 this amendatory act, from state sources for fiscal year 2019-2020  
14 is estimated at \$13,427,685,100.00 and state appropriations for  
15 school aid to be paid to local units of government for fiscal year  
16 2019-2020 are estimated at \$13,221,615,300.00.

17 (2) In accordance with section 30 of article IX of the state  
18 constitution of 1963, total state spending from state sources for  
19 higher education for fiscal year 2019-2020 under article III of the  
20 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1891,  
21 is estimated at \$1,557,368,600.00 and the amount of that state  
22 spending from state sources to be paid to local units of government  
23 for fiscal year 2019-2020 is estimated at \$0.00.

