

**SUBSTITUTE FOR
HOUSE BILL NO. 5859**

A bill to establish a learning loss recovery grant program; to establish a learning loss recovery fund; to provide for certain grants; to prescribe conditions for the use of grant funds; to prescribe for the use of money in the learning loss recovery fund; to provide for the administration of the learning loss recovery grant program; to provide for the administration of the learning loss recovery fund; and to prescribe certain powers and duties of certain state officers, agencies, and departments.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 1. As used in this act:
- 2 (a) "As a result of the COVID-19 pandemic" includes, but is
- 3 not limited to, any of the following outcomes as a result of the
- 4 COVID-19 pandemic:



1 (i) Mandated school closures.

2 (ii) Voluntary school closures due to staff shortages.

3 (iii) Voluntary school closures due to staff preferences.

4 (iv) Voluntary school closures due to illness outbreaks.

5 (b) "Department" means the department of treasury.

6 (c) "Federal poverty guidelines" means that term as defined in
7 section 32d of the state school aid act of 1979, 1979 PA 94, MCL
8 388.1632d.

9 (d) "Fund" means the learning loss recovery fund created in
10 section 3(2).

11 (e) "Grant program" means the learning loss recovery grant
12 program created in section 3(1), but does not include grant
13 programs in other states referenced in section 3(19).

14 (f) "Marketplace" means the learning loss recovery marketplace
15 created in subsection (17).

16 (g) "Nonpublic school" means that term as defined in section 5
17 of the revised school code, 1976 PA 451, MCL 380.5.

18 (h) "Public school" means that term as defined in section 5 of
19 the revised school code, 1976 PA 451, MCL 380.5.

20 (i) "Public school academy" means that term as defined in
21 section 5 of the revised school code, 1976 PA 451, MCL 380.5.

22 Sec. 3. (1) The department shall create the learning loss
23 recovery grant program. From funding appropriated to the fund for
24 the grant program, the department shall distribute grants, as
25 provided in this act, to eligible students for the purpose of
26 recovering losses to learning for eligible students whose education
27 has been disrupted as a result of the COVID-19 pandemic.

28 (2) The learning loss recovery fund is created in the state
29 treasury. The state treasurer shall deposit money and other assets



1 received from any source into the fund. The state treasurer shall
2 direct the investment of money in the fund and credit interest and
3 earnings from the investments to the fund.

4 (3) The department is the administrator of the fund for audits
5 of the fund.

6 (4) The department shall expend money from the fund on
7 appropriation only for the following purposes:

8 (a) Making grant distributions as provided in this act.

9 (b) Contracting with a private vendor that will aid in the
10 administration of the grant program. However, only up to 2.5% of
11 the money in the fund may be used for the purpose described in this
12 subdivision.

13 (c) Paying reasonable expenses for staff services to
14 administer and enforce the requirements under this act related to
15 the grant program and the fund.

16 (5) By not later than 7 days after the effective date of this
17 act, the department shall issue a request for proposals for the
18 selection of a private vendor that will aid in the administration
19 of the grant program in accordance with this act. The department
20 shall select a vendor within a timeline that allows for compliance
21 with the deadlines otherwise included in this act.

22 (6) A student who, as of March 9, 2020, was enrolled in a
23 public school or nonpublic school and who, as of March 9, 2020, did
24 not receive a high school diploma or receive a high school
25 equivalency certificate, as that term is defined in section 4 of
26 the state school aid act of 1979, 1979 PA 94, MCL 388.1604, is an
27 eligible student under this act.

28 (7) Subject to subsection (11), to receive a grant through the
29 grant program, an eligible student must apply for the grant in a



1 form and manner developed, in consultation with the private vendor
2 selected under subsection (5), by the department. All of the
3 following apply to a grant application described in this
4 subsection:

5 (a) Grant applications may be submitted by the parent or legal
6 guardian of an eligible student. However, the eligible student is
7 considered the primary applicant even if his or her parent or legal
8 guardian submits the application as described in this subdivision.

9 (b) For purposes of an income portion of an application
10 described in this subsection, if an eligible student is a child for
11 whom his or her parents or legal guardians have a custodial,
12 noncustodial, or shared custody arrangement, both parents' or legal
13 guardians' incomes are applicable and must be listed separately in
14 the application and the department shall consider the average of
15 both incomes.

16 (c) For multihousehold applications, the eligible student
17 shall indicate his or her primary household on the application.

18 (d) For applications with only 1 household listed on the
19 application, the listed household is the primary household for
20 purposes of disbursement under this act.

21 (e) Applicable income information on the application must be
22 based on the 2020 tax year. The department shall define a list of
23 alternative forms of proof of income for applicants who do not have
24 access to or did not file a tax return for 2020, including, but not
25 limited to, any of the following alternative forms of proof:

26 (i) A tax statement from an earlier year.

27 (ii) Three or more recent paystubs.

28 (iii) Proof of enrollment in a social safety net program, such
29 as the Temporary Assistance for Needy Families program or the



1 Women, Infants, and Children program. For applicants whose income
2 is verified by proof of enrollment in a social safety net program,
3 the income for that applicant must be set to the highest amount
4 that would qualify the applicant for that benefit under current
5 law.

6 (8) Except as otherwise provided in this subsection and
7 subject to subsections (9), (10), (12), and (13), money in the fund
8 must be distributed through the grant program in 3 consecutive
9 funding rounds. Any money described in this subsection not
10 distributed due to lack of qualified applicants in a funding round
11 may be distributed in the next funding round following that round.
12 If money in the fund is not distributed due to lack of qualified
13 applicants in 3 funding rounds, the department may administer
14 additional funding rounds on a reasonable and similar timeline as
15 the 3 previous funding rounds.

16 (9) Not less than 40% of the money distributed in each funding
17 round described in subsection (8) must be awarded to applicants
18 living at or below the federal poverty guidelines.

19 (10) Except as otherwise provided in this act, money in the
20 fund must be distributed as follows:

21 (a) Except as otherwise provided in this subdivision, 50% of
22 the money must be distributed in round 1 described in subsection
23 (8), if the department has received a sufficient number of
24 applications from qualified applicants to distribute this
25 percentage of the money. If the department has not received a
26 sufficient number of applications from qualified applicants to
27 distribute the percentage of money required under this subdivision,
28 it may distribute the money at a percentage it determines is
29 appropriate.



1 (b) Except as otherwise provided in this subdivision, 25% of
2 the money must be distributed in round 2 described in subsection
3 (8), if the department has received a sufficient number of
4 applications from qualified applicants to distribute this
5 percentage of the money. If the department has not received a
6 sufficient number of applications from qualified applicants to
7 distribute the percentage of money required under this subdivision,
8 it may distribute the money at a percentage it determines is
9 appropriate.

10 (c) Except as otherwise provided in this subdivision, 25% of
11 the money must be distributed in round 3 described in subsection
12 (8), if the department has received a sufficient number of
13 applications from qualified applicants to distribute this
14 percentage of the money. If the department has not received a
15 sufficient number of applications from qualified applicants to
16 distribute the percentage of money required under this subdivision,
17 it may distribute the money at a percentage it determines is
18 appropriate.

19 (d) If 4 or more funding rounds are used by the department
20 under subsection (8), the department shall determine the percentage
21 of money in the fund that is to be distributed in the fourth and
22 all subsequent funding rounds, as applicable.

23 (11) Applications, as described in subsection (7), for grants
24 for each funding round described in subsection (8), must be open as
25 follows:

- 26 (a) June 1, 2022 to July 15, 2022 for round 1.
27 (b) July 16, 2022 to August 31, 2022 for round 2.
28 (c) September 1, 2022 to October 15, 2022 for round 3.
29 (d) If 4 or more funding rounds are used by the department



1 under subsection (8), the department shall determine the dates for
2 which applications for the fourth and all subsequent rounds will be
3 open, as applicable.

4 (12) Grants through the grant program must be distributed to
5 eligible students as follows:

6 (a) Grant disbursements for funding round 1 described in
7 subsection (8) must be distributed by not later than August 1,
8 2022.

9 (b) Grant disbursements for funding round 2 described in
10 subsection (8) must be distributed by not later than September 15,
11 2022.

12 (c) Grant disbursements for funding round 3 described in
13 subsection (8) must be distributed by not later than November 1,
14 2022.

15 (d) If 4 or more funding rounds are used by the department
16 under subsection (8), the department shall determine the dates of
17 distribution for grant disbursements for the fourth and all
18 subsequent funding rounds, as applicable.

19 (13) In distributing grants through the grant program, the
20 department shall, for distributions in each funding round described
21 in subsection (8), give higher priority in distribution to
22 applicants with a demonstrated academic deficiency. An academic
23 deficiency described in this subsection may be demonstrated through
24 a standardized testing score, a benchmark assessment score, a
25 report card, an official or unofficial transcript, a progress
26 report or printed record from an online grade portal, a letter of
27 academic recommendation from a teacher or school administrator, or
28 a comparison of any of these that applies for the period beginning
29 March 9, 2020 and ending on the opening of the funding round for



1 which the applicant is being considered that shows a decline in
2 academic achievement.

3 (14) The total amount of all grants awarded through the grant
4 program distributed to each eligible student under this act must
5 not exceed \$1,500.00.

6 (15) A grant awarded through the grant program must be
7 distributed via an electronic account that is assigned to the
8 primary household that is indicated on the application for a grant
9 under this act.

10 (16) A grant awarded through the grant program may only be
11 used to purchase educational supplies, opportunities, and
12 supportive services that a parent or legal guardian identifies to
13 be reasonably likely to help address a lost or disrupted
14 educational experience for his or her child who is an eligible
15 student, excluding tuition and expenses related to attendance at a
16 nonpublic school. All purchases made with a grant received from the
17 grant program must be made through the marketplace. The marketplace
18 must, to the extent possible, include access for all of the
19 following services:

20 (a) Tutoring.

21 (b) Enrollment as an eligible student in an eligible course
22 under the postsecondary enrollment options act, 1996 PA 160, MCL
23 388.511 to 388.524. As used in this subdivision, "eligible course"
24 and "eligible student" mean those terms as defined in section 3 of
25 the postsecondary enrollment options act, 1996 PA 160, MCL 388.513.

26 (c) Tuition or expenses related to trade courses, classes, or
27 apprenticeships.

28 (d) Software.

29 (e) Before- or after-school educational programs.



1 (f) Day camps for academics.

2 (g) Tuition at learning extension centers.

3 (h) Expenses related to establishing or administering learning
4 pods.

5 (i) Purchase of curricula and materials.

6 (j) Educational, learning, or study skills services.

7 (17) The private vendor selected under subsection (5) to aid
8 in the administration of the grant program shall establish an
9 online learning loss recovery marketplace for the purpose of
10 connecting grant recipients with eligible supplies, opportunities,
11 and services as described in subsection (16).

12 (18) Subject to subsection (19), all of the following apply to
13 the addition of vendors to the marketplace:

14 (a) The private vendor selected under subsection (5) to aid in
15 the administration of the grant program shall create a verification
16 process through which vendors whose products and services comply
17 with the requirements of this act are added to the marketplace.

18 (b) Vendors added to the marketplace must be vendors to which
19 all of the following apply:

20 (i) The vendor is capable of providing high-quality in-person
21 or virtual services and goods.

22 (ii) The vendor can provide proven applicable results with
23 valid and reliable data that the programs it offers, that may
24 include classroom experience, increase student proficiency in
25 subjects it offers.

26 (iii) The vendor has the capability to report to the department
27 the number of students served, costs to serve students, and results
28 from programs it offers on an annual basis.

29 (c) A vendor must apply for inclusion on the marketplace in a



1 form and manner developed, in consultation with the private vendor
2 chosen under subsection (5), by the department.

3 (d) The department shall thoroughly review applications
4 described in subdivision (c).

5 (e) The approval or denial of vendors for inclusion on the
6 marketplace must occur on a rolling basis. However, an approval or
7 denial for the inclusion of a vendor on the marketplace must be
8 completed in a timely manner.

9 (19) If a vendor has already been approved to provide services
10 through a substantially similar grant program in another state as
11 the grant program and, in the provision of those services, has
12 shown significant improvement in student achievement for a majority
13 of the students who used those services, that factor must be
14 considered as a significant factor for approval of that vendor's
15 addition to the marketplace.

16 (20) A recipient of a grant from the grant program shall use
17 the money as provided in this act within 12 months after the date
18 of the disbursement of the grant. Any money remaining in an
19 electronic account described in subsection (15) after the 12 months
20 must be redeposited into the fund and used for future rounds of
21 distribution under this act.

22 (21) The department shall not grant or deny an eligible
23 student money under this act solely because of the eligible
24 student's prior enrollment in a public school academy or nonpublic
25 school.

26 (22) By not later than January 30, 2023, and every January 30
27 each year thereafter, the department shall publish a review of the
28 fund and the grant program. The review must be made publicly
29 available on the department's website and submitted to the



1 governor, the senate majority leader, the speaker of the house of
2 representatives, the standing committees of the senate and house of
3 representatives with primary responsibility over issues pertaining
4 to the department of education, the appropriations committees of
5 the senate and house of representatives, and the appropriations
6 subcommittees of the senate and house of representatives with
7 primary responsibility over issues pertaining to the department of
8 education. The review must include, but is not limited to, all of
9 the following:

10 (a) The amount disbursed in each funding round under this act.

11 (b) The amount remaining in the fund as of the date of the
12 review.

13 (c) The number of students who received a grant through the
14 grant program and the number of hours through services under
15 subsection (16) that were received, as of the date of the review.

16 (d) The number of households that received grants through the
17 grant program as of the date of the review.

18 (e) The average number of grants approved through the grant
19 program, as of the date of the review, per household and a
20 breakdown of how many households received 1, 2, 3, or 4 or more
21 grants through the grant program.

22 (f) The administration costs associated with the grant program
23 and the fund.

24 (g) Whether the administration costs described in subdivision
25 (f) could be reduced by issuing a new request for proposals.

26 (h) Any other information that significantly impacts the
27 department's administration of the fund.

28 (i) A report concerning the information received by the
29 department under subsection (25).



1 (23) This act does not prohibit a teacher from operating a
2 business under an assumed name if he or she applies to be a vendor
3 on the marketplace.

4 (24) Each public school and nonpublic school shall notify
5 students enrolled in the public school or nonpublic school and all
6 teachers of the public school or nonpublic school of the grant
7 program.

8 (25) A vendor included on the marketplace shall report to the
9 department information as described in subsection (18) (b) (iii) and,
10 in its report, shall include results and data described in
11 subsection (18) (b) (ii) .

