

HOUSE BILL No. 4316

March 10, 2015, Introduced by Rep. Pscholka and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled

"The state school aid act of 1979,"

by amending sections 6, 8b, 11, 11a, 11j, 11k, 11m, 11r, 15, 18, 18a, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22f, 22g, 22i, 23a, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 43, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 64b, 74, 81, 94, 94a, 95a, 98, 99, 99h, 102, 104, 104c, 107, 147, 147a, 147c, 152a, 163, 201, 206, 207a, 207b, 207c, 209, 210, 213, 217, 222, 225, 226, 229, 229a, 230, 236, 236b, 236c, 241, 242, 245, 246, 252, 254, 255, 256, 258, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, and 286 (MCL 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611r, 388.1615, 388.1618, 388.1618a, 388.1620, 388.1620d, 388.1620f, 388.1620g, 388.1621f, 388.1622a, 388.1622b, 388.1622d, 388.1622f, 388.1622g, 388.1622i, 388.1623a, 388.1624,

388.1624a, 388.1624c, 388.1625e, 388.1625f, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1639, 388.1639a, 388.1641, 388.1643, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1656, 388.1661a, 388.1662, 388.1664b, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699, 388.1699h, 388.1702, 388.1704, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1763, 388.1801, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810, 388.1813, 388.1817, 388.1822, 388.1825, 388.1826, 388.1829, 388.1829a, 388.1830, 388.1836, 388.1836b, 388.1836c, 388.1841, 388.1842, 388.1845, 388.1846, 388.1852, 388.1854, 388.1855, 388.1856, 388.1858, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, and 388.1886), sections 6, 8b, 11, 11a, 11j, 11k, 11m, 15, 20, 20d, 20f, 20g, 21f, 22a, 22b, 22d, 22f, 22g, 22i, 24, 24a, 24c, 25e, 25f, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 56, 61a, 62, 74, 81, 94, 94a, 98, 99, 99h, 104, 107, 147, 147a, 147c, 152a, 163, 201, 206, 209, 217, 225, 229, 229a, 230, 236, 236b, 236c, 241, 245, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 275, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended and sections 11r, 43, 64b, 95a, 104c, 207a, 207b, and 207c as added by 2014 PA 196, section 18 as amended by 2014 PA 476, section 18a as amended by 2004 PA 351, section 23a as added by 2012 PA 465, sections 102, 210, and 258 as amended by 2013 PA 60, sections 213, 222, 226, 242, 254, 255, and 286 as amended by 2012 PA 201, and by adding sections 31c, 35, 35a, 35b, 35c, 35d, 35e, 35f, 35g, 61b, 67, 103a, 103b, 103c, 215, and 260; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

ARTICLE I

2

Sec. 6. (1) "Center program" means a program operated by a district or by an

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intermediate district for special education pupils from several districts in programs

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (i) If operations begin before the pupil membership count day for the fiscal

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

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

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

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

25 (l) To be counted in membership, a pupil shall meet the minimum age requirement
26 to be eligible to attend school under section 1147 of the revised school code, MCL
27 380.1147, or shall be enrolled under subsection (3) of that section, and shall be less

1 than 20 years of age on September 1 of the school year except as follows:

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

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

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

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

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

12 (D) **IS CONSIDERED TO BE HOMELESS UNDER THE STEWART B. MCKINNEY HOMELESS**
13 **ASSISTANCE ACT, 42 USC 11302.**

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

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

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

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

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

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

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

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

9 (q) The number of class hours used to calculate full-time equated memberships
10 shall be consistent with section 101(3). In determining full-time equated memberships
11 for pupils who are enrolled in a postsecondary institution, a pupil shall not be
12 considered to be less than a full-time equated pupil solely because of the effect of
13 his or her postsecondary enrollment, including necessary travel time, on the number of
14 class hours provided by the district to the pupil.

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

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

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

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

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

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

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

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

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

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

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

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

25 (x) If a district's membership for a particular fiscal year, as otherwise
26 calculated under this subsection, would be less than 1,550 pupils and the district has
27 4.5 or fewer pupils per square mile, as determined by the department, and if the

1 district does not receive funding under section 22d(2), the district's membership
2 shall be considered to be the membership figure calculated under this subdivision. If
3 a district educates and counts in its membership pupils in grades 9 to 12 who reside
4 in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the
5 affected districts request the department to use the determination allowed under this
6 sentence, the department shall include the square mileage of both districts in
7 determining the number of pupils per square mile for each of the districts for the
8 purposes of this subdivision. The membership figure calculated under this subdivision
9 is the greater of the following:

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

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

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

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

1 (aa) For the first year in which a pupil is counted in membership on the pupil
2 membership count day in a middle college program, the membership is the average of the
3 full-time equated membership on the pupil membership count day and on the supplemental
4 count day for the current school year, as determined by the department.

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

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

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

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

27 (ii) The pupil meets the district's definition under section 23a of

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

6 **(EE) A PUPIL ENROLLED IN AN ONLINE COURSE UNDER SECTION 21F SHALL BE COUNTED IN**
7 **MEMBERSHIP IN THE PUPIL'S RESIDENT DISTRICT, REFERRED TO IN SECTION 21F AS THE PRIMARY**
8 **DISTRICT FOR THE ONLINE COURSE ENROLLMENT.**

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

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

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

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

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

21 (d) A pupil enrolled in a district other than the pupil's district of residence
22 under an intermediate district schools of choice pilot program as described in section
23 91a or former section 91 if the intermediate district and its constituent districts
24 have been exempted from section 105.

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

27 (f) A pupil who has made an official written complaint or whose parent or legal

1 guardian has made an official written complaint to law enforcement officials and to
2 school officials of the pupil's district of residence that the pupil has been the
3 victim of a criminal sexual assault or other serious assault, if the official
4 complaint either indicates that the assault occurred at school or that the assault was
5 committed by 1 or more other pupils enrolled in the school the pupil would otherwise
6 attend in the district of residence or by an employee of the district of residence. A
7 person who intentionally makes a false report of a crime to law enforcement officials
8 for the purposes of this subdivision is subject to section 411a of the Michigan penal
9 code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for that conduct.

10 As used in this subdivision:

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

14 (ii) "Serious assault" means an act that constitutes a felony violation of
15 chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90h, or that
16 constitutes an assault and infliction of serious or aggravated injury under section
17 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

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

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

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

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

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

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

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

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

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

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

17 (m) A pupil enrolled in a district other than the pupil's district of residence
18 who attends a United States Olympic education center.

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

21 (o) A pupil who enrolls in a district other than the pupil's district of
22 residence as a result of the pupil's school not making adequate yearly progress under
23 the no child left behind act of 2001, Public Law 107-110.

24 ~~(p) An online learning pupil enrolled in a district other than the pupil's~~
25 ~~district of residence as an eligible pupil under section 21f.~~

26 However, if a district educates pupils who reside in another district and if
27 the primary instructional site for those pupils is established by the educating

1 district after 2009-2010 and is located within the boundaries of that other district,
2 the educating district must have the approval of that other district to count those
3 pupils in membership.

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

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

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

12 (i) Fourth Wednesday in July.

13 (ii) First Wednesday in October.

14 (iii) Second Wednesday in February.

15 (iv) Fourth Wednesday in April.

16 (8) "Pupils in grades K to 12 actually enrolled and in regular daily
17 attendance" means pupils in grades K to 12 in attendance and receiving instruction in
18 all classes for which they are enrolled on the pupil membership count day or the
19 supplemental count day, as applicable. Except as otherwise provided in this
20 subsection, a pupil who is absent from any of the classes in which the pupil is
21 enrolled on the pupil membership count day or supplemental count day and who does not
22 attend each of those classes during the 10 consecutive school days immediately
23 following the pupil membership count day or supplemental count day, except for a pupil
24 who has been excused by the district, shall not be counted as 1.0 full-time equated
25 membership. A pupil who is excused from attendance on the pupil membership count day
26 or supplemental count day and who fails to attend each of the classes in which the
27 pupil is enrolled within 30 calendar days after the pupil membership count day or

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

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

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

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

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

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

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

27 (15) "Supplemental count day" means the day on which the supplemental pupil

1 count is conducted under section 6a.

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

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

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

14 (19) "Textbook" means a book, electronic book, or other instructional print or
15 electronic resource that is selected and approved by the governing board of a district
16 or, for an achievement school, by the chancellor of the achievement authority and that
17 contains a presentation of principles of a subject, or that is a literary work
18 relevant to the study of a subject required for the use of classroom pupils, or
19 another type of course material that forms the basis of classroom instruction.

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

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

27 (2) If the department does not assign a district code to a public school

1 academy within the 30-day period described in subsection (1), the district code the
 2 department shall use to make payments under this article to the newly authorized
 3 public school academy shall be a number that is equivalent to the sum of the last
 4 district code assigned to a public school academy located in the same county as the
 5 newly authorized public school academy plus 1. However, if there is not an existing
 6 public school academy located in the same county as the newly authorized public school
 7 academy, then the district code the department shall use to make payments under this
 8 article to the newly authorized public school academy shall be a 5-digit number that
 9 has the county code in which the public school academy is located as its first 2
 10 digits, 9 as its third digit, 0 as its fourth digit, and 1 as its fifth digit. If the
 11 number of public school academies in a county grows to exceed 100, the third digit in
 12 this 5-digit number shall then be 7 for the public school academies in excess of 100.

13 **(3) FOR EACH SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL AUTHORIZED BY A SCHOOL**
 14 **DISTRICT, INTERMEDIATE SCHOOL DISTRICT, COMMUNITY COLLEGE OR OTHER NON-STATEWIDE**
 15 **AUTHORIZING ENTITY UNDER THE REVISED SCHOOL CODE AND IS ELIGIBLE TO RECEIVE FUNDING**
 16 **UNDER THIS ARTICLE, THE DEPARTMENT SHALL ASSIGN A DISTRICT CODE THAT INCLUDES THE**
 17 **COUNTY CODE IN WHICH THE AUTHORIZING BODY IS LOCATED AS THE FIRST TWO DIGITS.**

18 Sec. 11. (1) For the fiscal year ending September 30, ~~2014,~~ 2016 there is
 19 appropriated for the public schools of this state and certain other state purposes
 20 relating to education the sum of ~~\$11,200,232,300.00~~ \$12,137,294,700.00 from the state
 21 school aid fund, ~~the sum of \$156,000,000.00 from the MPSERS retirement obligation~~
 22 ~~reform reserve fund created under section 147b,~~ and the sum of \$149,900,000.00
 23 \$45,900,000.00 from the general fund. ~~For the fiscal year ending September 30, 2015,~~
 24 ~~there is appropriated for the public schools of this state and certain other state~~
 25 ~~purposes relating to education the sum of \$11,929,262,900.00 from the state school aid~~
 26 ~~fund, the sum of \$18,000,000.00 from the MPSERS retirement obligation reform reserve~~
 27 ~~fund created under section 147b, and the sum of \$114,900,000.00 from the general fund.~~

1 In addition, all other available federal funds are appropriated ~~each fiscal year~~ for
2 the fiscal year ending September 30, ~~2014 and for the fiscal year ending September 30,~~
3 ~~2015- 2016.~~

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

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

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

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

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

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

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

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

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

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

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

14 (7) For ~~2014-2015~~ 2015-2016, in addition to the appropriations in section 11,
15 there is appropriated from the school aid stabilization fund to the state school aid
16 fund the amount necessary to fully fund the allocations under this article.

17 Sec. 11j. From the appropriation in section 11, there is allocated an amount
18 not to exceed ~~\$126,000,000.00~~ \$143,000,000.00 for ~~2014-2015~~ 2015-2016 for payments to
19 the school loan bond redemption fund in the department of treasury on behalf of
20 districts and intermediate districts. Notwithstanding section 296 or any other
21 provision of this act, funds allocated under this section are not subject to proration
22 and shall be paid in full.

23 Sec. 11k. For ~~2014-2015~~ 2015-2016, there is appropriated from the general fund
24 to the school loan revolving fund an amount equal to the amount of school bond loans
25 assigned to the Michigan finance authority, not to exceed the total amount of school
26 bond loans held in reserve as long-term assets. As used in this section, "school loan
27 revolving fund" means that fund created in section 16c of the shared credit rating

1 act, 1985 PA 227, MCL 141.1066c.

2 Sec. 11m. From the appropriation in section 11, there is allocated for ~~2014-~~
3 ~~2015~~ 2015-2016 an amount not to exceed \$4,000,000.00 for fiscal year cash-flow
4 borrowing costs solely related to the state school aid fund established by section 11
5 of article IX of the state constitution of 1963.

6 Sec. 11r. (1) From the appropriation in section 11, there is allocated an
7 amount not to exceed ~~\$4,000,000.00~~ \$75,000,000.00 to be deposited into the distressed
8 districts ~~emergency grant~~ REHABILITATION fund created under this section for the
9 purpose of funding grants under this section. **FUNDS ARE INTENDED TO SUPPORT THE**
10 **REHABILITATION OF SCHOOL DISTRICTS EXPERIENCING SEVERE ACADEMIC AND FINANCIAL STRESS**
11 **IN ORDER TO MITIGATE THE IMPACT ON STUDENT LEARNING.**

12 (2) The distressed districts ~~emergency grant~~ REHABILITATION fund is created as
13 a separate account within the state school aid fund. The state treasurer may receive
14 money or other assets from any source for deposit into the distressed districts
15 ~~emergency grant~~ REHABILITATION fund. The state treasurer shall direct the investment
16 of the distressed districts ~~emergency grant~~ REHABILITATION fund and shall credit to
17 the distressed districts ~~emergency grant~~ REHABILITATION fund interest and earnings
18 from the fund.

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

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

24 ~~(b) The district is a receiving district under section 12 of the revised school~~
25 ~~code, MCL 380.12, and the district enrolls pupils who were previously enrolled in a~~
26 ~~district that was dissolved under section 12 of the revised school code, MCL 380.12,~~
27 ~~in the immediately preceding school year.~~

1 ~~(4) A district receiving funds under section 20g is not eligible to receive~~
2 ~~funds under this section.~~

3 ~~(5) The amount of a grant under this section shall be determined by the state~~
4 ~~treasurer after consultation with the superintendent of public instruction, but shall~~
5 ~~not exceed the estimated amount of remaining district costs in excess of available~~
6 ~~revenues, including, but not limited to, payroll, benefits, retirement system~~
7 ~~contributions, pupil transportation, food services, special education, building~~
8 ~~security, and other costs necessary to allow the district to operate schools directly~~
9 ~~and provide public education services until the end of the current school fiscal year.~~
10 ~~For a district that meets the eligibility criteria under subsection (3)(b), the amount~~
11 ~~of the grant shall be determined in the same manner as transition costs under section~~
12 ~~20g.~~

13 (3) ~~(6)~~ Before disbursing funds under this section, the state treasurer shall
14 notify the house and senate appropriations subcommittees on school aid and the house
15 and senate fiscal agencies. The notification shall include, but not be limited to, the
16 district receiving funds under this section, the amount of the funds awarded under
17 this section, an explanation of the district conditions that necessitate funding under
18 this section, and the intended use of funds disbursed under this section.

19 (4) ~~(7)~~ Money in the distressed districts ~~emergency grant~~ **REHABILITATION** fund
20 at the close of a fiscal year shall remain in the distressed districts ~~emergency grant~~
21 **REHABILITATION** fund and shall not lapse to the state school aid fund or to the general
22 fund.

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

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

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

25 (3) If, based on an audit by the department or the department's designee or
26 because of new or updated information received by the department, the department
27 determines that the amount paid to a district or intermediate district under this

1 article for the current fiscal year or a prior fiscal year was incorrect, the
2 department shall make the appropriate deduction or payment in the district's or
3 intermediate district's allocation in the next apportionment after the adjustment is
4 finalized. The deduction or payment shall be calculated according to the law in effect
5 in the fiscal year in which the incorrect amount was paid. If the district does not
6 receive an allocation for the fiscal year or if the allocation is not sufficient to
7 pay the amount of any deduction, the amount of any deduction otherwise applicable
8 shall be satisfied from the proceeds of a loan to the district under the emergency
9 municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of
10 millage levied or pledged under section 1211 of the revised school code, MCL 380.1211,
11 as determined by the department.

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

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

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

23 Sec. 18. (1) Except as provided in another section of this article, each
24 district or other entity shall apply the money received by the district or entity
25 under this article to salaries and other compensation of teachers and other employees,
26 tuition, transportation, lighting, heating, ventilation, water service, the purchase
27 of textbooks, other supplies, and any other school operating expenditures defined in

1 section 7. However, not more than 20% of the total amount received by a district under
2 sections 22a and 22b or received by an intermediate district under section 81 may be
3 transferred by the board to either the capital projects fund or to the debt retirement
4 fund for debt service. The money shall not be applied or taken for a purpose other
5 than as provided in this section. The department shall determine the reasonableness of
6 expenditures and may withhold from a recipient of funds under this article the
7 apportionment otherwise due upon a violation by the recipient.

8 (2) **A DISTRICT OR INTERMEDIATE DISTRICT SHALL ADOPT AN ANNUAL BUDGET IN A**
9 **MANNER THAT COMPLIES WITH THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL**
10 **141.421 TO 141.440A.** Within 15 days after a board adopts its annual operating budget
11 for the following school fiscal year, or after a board adopts a subsequent revision to
12 that budget, the district shall make all of the following available through a link on
13 its website home page, or may make the information available through a link on its
14 intermediate district's website home page, in a form and manner prescribed by the
15 department:

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

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

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

21 (A) Salaries and wages.

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

24 (C) Retirement benefit costs.

25 (D) All other personnel costs.

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

1 (A) Instruction.

2 (B) Support services.

3 (C) Business and administration.

4 (D) Operations and maintenance.

5 (c) Links to all of the following:

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

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

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

13 (iv) The bids required under section 5 of the public employee health benefits
14 act, 2007 PA 106, MCL 124.75.

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

17 (vi) The district's written policy establishing specific categories of
18 reimbursable expenses, as described in section 1254(2) of the revised school code, MCL
19 380.1254.

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

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

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

1 (f) The annual amount spent on lobbying or lobbying services. As used in this
2 subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL
3 4.415.

4 (g) Any deficit elimination plan or enhanced deficit elimination plan the
5 district was required to submit under this article.

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

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

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

17 (4) For the purposes of determining the reasonableness of expenditures, whether
18 a district or intermediate district has received the proper amount of funds under this
19 article, and whether a violation of this article has occurred, all of the following
20 apply:

21 (a) The department shall require that each district and intermediate district
22 have an audit of the district's or intermediate district's financial and pupil
23 accounting records conducted at least annually, and at such other times as determined
24 by the department, at the expense of the district or intermediate district, as
25 applicable. The audits must be performed by a certified public accountant or by the
26 intermediate district superintendent, as may be required by the department, or in the
27 case of a district of the first class by a certified public accountant, the

1 intermediate superintendent, or the auditor general of the city. A district or
2 intermediate district shall retain these records for the current fiscal year and from
3 at least the 3 immediately preceding fiscal years.

4 (b) If a district operates in a single building with fewer than 700 full-time
5 equated pupils, if the district has stable membership, and if the error rate of the
6 immediately preceding 2 pupil accounting field audits of the district is less than 2%,
7 the district may have a pupil accounting field audit conducted biennially but must
8 continue to have desk audits for each pupil count. The auditor must document
9 compliance with the audit cycle in the pupil auditing manual. As used in this
10 subdivision, "stable membership" means that the district's membership for the current
11 fiscal year varies from the district's membership for the immediately preceding fiscal
12 year by less than 5%.

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

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

19 (e) All of the following shall be done not later than November 15, ~~2014~~ 2015
20 for reporting ~~2013-2014~~ 2014-2015 data during ~~2014-2015~~ 2015-2016, and not later than
21 ~~October 15~~ **NOVEMBER 1** for reporting the prior fiscal year data for all subsequent
22 fiscal years:

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

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

27 (iii) The intermediate district shall enter the pupil membership audit reports

1 for its constituent districts and for the intermediate district, for the pupil
2 membership count day and supplemental count day, in the Michigan student data system.

3 (f) The annual financial audit reports and pupil accounting procedures reports
4 shall be available to the public in compliance with the freedom of information act,
5 1976 PA 442, MCL 15.231 to 15.246.

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

11 (5) By November 15, ~~2014 2015~~ for ~~2014-2015~~ 2015-2016 and by ~~October 15~~
12 **NOVEMBER 1** for all subsequent fiscal years, each district and intermediate district
13 shall submit to the center, in a manner prescribed by the center, annual comprehensive
14 financial data consistent with accounting manuals and charts of accounts approved and
15 published by the department. For an intermediate district, the report shall also
16 contain the website address where the department can access the report required under
17 section 620 of the revised school code, MCL 380.620. The department shall ensure that
18 the prescribed Michigan public school accounting manual chart of accounts includes
19 standard conventions to distinguish expenditures by allowable fund function and
20 object. The functions shall include at minimum categories for instruction, pupil
21 support, instructional staff support, general administration, school administration,
22 business administration, transportation, facilities operation and maintenance,
23 facilities acquisition, and debt service; and shall include object classifications of
24 salary, benefits, including categories for active employee health expenditures,
25 purchased services, supplies, capital outlay, and other. Districts shall report the
26 required level of detail consistent with the manual as part of the comprehensive
27 annual financial report.

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

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

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

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

13 (10) If a district or intermediate district does not comply with subsections
14 (4), (5), (6), and (7), the department shall withhold all state school aid due to the
15 district or intermediate district under this article, beginning with the next payment
16 due to the district or intermediate district, until the district or intermediate
17 district complies with subsections (4), (5), (6), and (7). ~~However, the department~~
18 ~~shall not withhold the payment due on October 20 due to the operation of this~~
19 ~~subsection.~~ If the district or intermediate district does not comply with subsections
20 (4), (5), (6), and (7) by the end of the fiscal year, the district or intermediate
21 district forfeits the amount withheld.

22 **(11) IF A DISTRICT OR INTERMEDIATE DISTRICT DOES NOT COMPLY WITH SUBSECTION**
23 **(2), THE DEPARTMENT MAY WITHHOLD UP TO 10% OF THE STATE SCHOOL AID OTHERWISE PAYABLE**
24 **TO THE DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE, BEGINNING WITH THE NEXT**
25 **PAYMENT DUE TO THE DISTRICT OR INTERMEDIATE DISTRICT, UNTIL THE DISTRICT OR**
26 **INTERMEDIATE DISTRICT COMPLIES WITH SUBSECTION (2). IF THE DISTRICT OR INTERMEDIATE**
27 **DISTRICT DOES NOT COMPLY WITH SUBSECTION (2) BY THE END OF THE FISCAL YEAR, THE**

1 **DISTRICT OR INTERMEDIATE DISTRICT FORFEITS THE AMOUNT WITHHELD.**

2 (12) ~~(11)~~ Not later than November 1, ~~2014~~ 2015, if a district or intermediate
3 district offers online learning under section 21f, the district or intermediate
4 district shall submit to the department a report that details the per-pupil costs of
5 operating the online learning by vendor type. The report shall include at least all of
6 the following information concerning the operation of online learning for the school
7 fiscal year ending June 30, ~~2014~~ 2015:

8 (a) The name of the district operating the online learning and of each district
9 that enrolled students in the online learning.

10 (b) The total number of students enrolled in the online learning and the total
11 number of membership pupils enrolled in the online learning.

12 (c) For each pupil who is enrolled in a district other than the district
13 offering online learning, the name of that district.

14 (d) The district in which the pupil was enrolled before enrolling in the
15 district offering online learning.

16 (e) The number of participating students who had previously dropped out of
17 school.

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

20 (g) The total cost to enroll a student in the program. This cost shall be
21 reported on a per-pupil, per-course, per-semester or trimester basis by vendor type.
22 The total shall include costs broken down by cost for content development, content
23 licensing, training, online instruction and instructional support, personnel, hardware
24 and software, payment to each online learning provider, and other costs associated
25 with operating online learning.

26 (h) The name of each online education provider contracted by the district and
27 the state in which each online education provider is headquartered.

1 (13) ~~(12)~~ Not later than March 31, ~~2015~~ 2016, the department shall submit to
 2 the house and senate appropriations subcommittees on state school aid, the state
 3 budget director, and the house and senate fiscal agencies a report summarizing the per
 4 pupil costs by vendor type of online courses available under section 21f.

5 (14) ~~(13)~~ As used in subsections ~~(11) and~~ (12) **AND (13)**, "vendor type" means
 6 the following:

7 (a) Online courses provided by the Michigan virtual university.

8 (b) Online courses provided by a school of excellence that is a cyber school,
 9 as defined in section 551 of the revised school code, MCL 380.551.

10 (c) Online courses provided by third party vendors not affiliated with a
 11 Michigan public school.

12 (d) Online courses created and offered by a district or intermediate district.

13 Sec. 18a. Grant funds awarded and allotted to a district, intermediate
 14 district, or other entity, unless otherwise specified in this ~~act~~ **ARTICLE**, shall be
 15 expended by the grant recipient before the end of the ~~school~~ fiscal year immediately
 16 following the fiscal year in which the funds are received. If a grant recipient does
 17 not expend the funds received under this ~~act~~ **ARTICLE** before the end of the fiscal year
 18 in which the funds are received, the grant recipient shall submit a report to the
 19 department not later than November 1 after the fiscal year in which the funds are
 20 received indicating whether it expects to expend those funds during the fiscal year in
 21 which the report is submitted. A recipient of a grant shall return any unexpended
 22 grant funds to the department in the manner prescribed by the department not later
 23 than September 30 after the fiscal year in which the funds are received.

24 Sec. 20. (1) For ~~2014-2015~~ 2015-2016, both of the following apply:

25 (a) The basic foundation allowance is ~~\$8,099.00~~ **\$8,174.00**.

26 (b) The minimum foundation allowance is ~~\$7,126.00~~ **\$7,326.00**.

27 (2) The amount of each district's foundation allowance shall be calculated as

1 provided in this section, using a basic foundation allowance in the amount specified
2 in subsection (1).

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

7 (a) Except as otherwise provided in this subdivision, for a district that had a
8 foundation allowance for the immediately preceding state fiscal year that was equal to
9 the minimum foundation allowance for the immediately preceding state fiscal year, but
10 less than the basic foundation allowance for the immediately preceding state fiscal
11 year, the district shall receive a foundation allowance in an amount equal to the sum
12 of the district's foundation allowance for the immediately preceding state fiscal year
13 plus the difference between twice the dollar amount of the adjustment from the
14 immediately preceding state fiscal year to the current state fiscal year made in the
15 basic foundation allowance and [(the difference between the basic foundation allowance
16 for the current state fiscal year and basic foundation allowance for the immediately
17 preceding state fiscal year minus \$10.00) times (the difference between the district's
18 foundation allowance for the immediately preceding state fiscal year and the minimum
19 foundation allowance for the immediately preceding state fiscal year) divided by the
20 difference between the basic foundation allowance for the current state fiscal year
21 and the minimum foundation allowance for the immediately preceding state fiscal year].
22 However, the foundation allowance for a district that had less than the basic
23 foundation allowance for the immediately preceding state fiscal year shall not exceed
24 the basic foundation allowance for the current state fiscal year. For the purposes of
25 this subdivision, for ~~2014-2015~~ 2015-2016, the minimum foundation allowance for the
26 immediately preceding state fiscal year shall be considered to be ~~\$7,076.00~~ \$7,251.00.
27 For ~~2014-2015~~ 2015-2016, for a district that had a foundation allowance for the

1 immediately preceding state fiscal year that was at least equal to the minimum
2 foundation allowance for the immediately preceding state fiscal year but less than the
3 basic foundation allowance for the immediately preceding state fiscal year, the
4 district shall receive a foundation allowance in an amount equal to the district's
5 foundation allowance for ~~2013-2014~~ 2014-2015 plus ~~\$50.00~~ \$75.00.

6 (b) Except as otherwise provided in this subsection, for a district that in the
7 immediately preceding state fiscal year had a foundation allowance in an amount equal
8 to the amount of the basic foundation allowance for the immediately preceding state
9 fiscal year, the district shall receive a foundation allowance for ~~2014-2015~~ 2015-2016
10 in an amount equal to the basic foundation allowance for ~~2014-2015~~ 2015-2016.

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

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

25 (e) For a district that received a payment under section 22c as that section
26 was in effect for ~~2013-2014~~ 2014-2015, the district's ~~2013-2014~~ 2014-2015 foundation
27 allowance shall be considered to have been an amount equal to the sum of the

1 district's actual ~~2013-2014~~ 2014-2015 foundation allowance as otherwise calculated
2 under this section plus the per pupil amount of the district's equity payment for
3 ~~2013-2014~~ 2014-2015 under section 22c as that section was in effect for ~~2013-2014~~
4 2014-2015.

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

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

1 of the foundation allowance of the pupil's district of residence or the foundation
2 allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8
3 district who is enrolled in another district in a grade not offered by the pupil's
4 district of residence, the allocation calculated under this section shall be based on
5 the foundation allowance of the educating district if the educating district's
6 foundation allowance is greater than the foundation allowance of the pupil's district
7 of residence.

8 (6) Except as otherwise provided in this subsection, for pupils in membership,
9 other than special education pupils, in a public school academy, the allocation
10 calculated under this section is an amount per membership pupil other than special
11 education pupils in the public school academy equal to the foundation allowance of the
12 district in which the public school academy is located or the state maximum public
13 school academy allocation, whichever is less. **FOR PUPILS IN MEMBERSHIP, OTHER THAN**
14 **SPECIAL EDUCATION PUPILS, IN A PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL AUTHORIZED**
15 **BY A SCHOOL DISTRICT, THE ALLOCATION CALCULATED UNDER THIS SECTION IS AN AMOUNT PER**
16 **MEMBERSHIP PUPIL OTHER THAN SPECIAL EDUCATION PUPILS IN THE PUBLIC SCHOOL ACADEMY THAT**
17 **IS A CYBER SCHOOL EQUAL TO THE FOUNDATION ALLOWANCE OF THE DISTRICT THAT AUTHORIZED**
18 **THE PUBLIC SCHOOL ACADEMY THAT IS A CYBER SCHOOL OR THE STATE MAXIMUM PUBLIC SCHOOL**
19 **ACADEMY ALLOCATION, WHICHEVER IS LESS.** However, a public school academy that had an
20 allocation under this subsection before 2009-2010 that was equal to the sum of the
21 local school operating revenue per membership pupil other than special education
22 pupils for the district in which the public school academy is located and the state
23 portion of that district's foundation allowance shall not have that allocation reduced
24 as a result of the 2010 amendment to this subsection. Notwithstanding section 101, for
25 a public school academy that begins operations after the pupil membership count day,
26 the amount per membership pupil calculated under this subsection shall be adjusted by
27 multiplying that amount per membership pupil by the number of hours of pupil

1 instruction provided by the public school academy after it begins operations, as
2 determined by the department, divided by the minimum number of hours of pupil
3 instruction required under section 101(3). The result of this calculation shall not
4 exceed the amount per membership pupil otherwise calculated under this subsection.

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

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

1 effective date of the consolidation or annexation shall be the lesser of the sum of
2 the average of the foundation allowances of each of the original or affected
3 districts, calculated as provided in this section, weighted as to the percentage of
4 pupils in total membership in the resulting district who reside in the geographic area
5 of each of the original or affected districts plus \$100.00 or the highest foundation
6 allowance among the original or affected districts. This subsection does not apply to
7 a receiving district unless there is a subsequent consolidation or annexation that
8 affects the district.

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

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

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

20 (a) The pupil membership factor shall be computed by dividing the estimated
21 membership in the school year ending in the current state fiscal year, excluding
22 intermediate district membership, by the estimated membership for the school year
23 ending in the subsequent state fiscal year, excluding intermediate district
24 membership. If a consensus membership factor is not determined at the revenue
25 estimating conference, the principals of the revenue estimating conference shall
26 report their estimates to the house and senate subcommittees responsible for school
27 aid appropriations not later than 7 days after the conclusion of the revenue

1 conference.

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

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

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

26 (13) If an amendment to section 2 of article VIII of the state constitution of
27 1963 allowing state aid to some or all nonpublic schools is approved by the voters of

1 this state, each foundation allowance or per pupil payment calculation under this
2 section may be reduced.

3 (14) As used in this section:

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

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

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

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

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

17 (f) "Immediately preceding state fiscal year" means the state fiscal year
18 immediately preceding the current state fiscal year.

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

1 (h) "Local school operating revenue" means school operating taxes levied under
2 section 1211 of the revised school code, MCL 380.1211. For a receiving district, if
3 school operating taxes are to be levied on behalf of a dissolved district that has
4 been attached in whole or in part to the receiving district to satisfy debt
5 obligations of the dissolved district under section 12 of the revised school code, MCL
6 380.12, local school operating revenue does not include school operating taxes levied
7 within the geographic area of the dissolved district.

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

11 (j) "Maximum public school academy allocation", except as otherwise provided in
12 this subdivision, means the maximum per-pupil allocation as calculated by adding the
13 highest per-pupil allocation among all public school academies for the immediately
14 preceding state fiscal year plus the difference between twice the amount of the
15 difference between the basic foundation allowance for the current state fiscal year
16 and the basic foundation for the immediately preceding state fiscal year and [(the
17 amount of the difference between the basic foundation allowance for the current state
18 fiscal year and the basic foundation for the immediately preceding state fiscal year
19 minus \$10.00) times (the difference between the highest per-pupil allocation among all
20 public school academies for the immediately preceding state fiscal year and the
21 minimum foundation allowance for the immediately preceding state fiscal year) divided
22 by the difference between the basic foundation allowance for the current state fiscal
23 year and the minimum foundation allowance for the immediately preceding state fiscal
24 year]. For the purposes of this subdivision, for ~~2014-2015, the minimum foundation~~
25 ~~allowance for the immediately preceding state fiscal year shall be considered to be~~
26 ~~\$7,076.00. For 2014-2015~~ 2015-2016, the maximum public school academy allocation is
27 ~~\$7,218.00~~ \$7,326.00.

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

3 (l) "Nonexempt property" means property that is not a principal residence,
4 qualified agricultural property, qualified forest property, supportive housing
5 property, industrial personal property, or commercial personal property.

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

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

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

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

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

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

1 Sec. 20d. In making the final determination required under former section 20a
2 of a district's combined state and local revenue per membership pupil in 1993-94 and
3 in making calculations under section 20 for ~~2014-2015~~ 2015-2016, the department and
4 the department of treasury shall comply with all of the following:

5 (a) For a district that had combined state and local revenue per membership
6 pupil in the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal
7 agent for a state board designated area vocational education center in the 1993-94
8 school year, total state school aid received by or paid on behalf of the district
9 pursuant to this act in 1993-94 shall exclude payments made under former section 146
10 and under section 147 on behalf of the district's employees who provided direct
11 services to the area vocational education center. Not later than June 30, 1996, the
12 department shall make an adjustment under this subdivision to the district's combined
13 state and local revenue per membership pupil in the 1994-95 state fiscal year and the
14 department of treasury shall make a final certification of the number of mills that
15 may be levied by the district under section 1211 of the revised school code, MCL
16 380.1211, as a result of the adjustment under this subdivision.

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

1 for 1993-94 included resident pupils attending the center program and excluded
2 nonresident pupils attending the center program.

3 Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an
4 amount not to exceed \$6,000,000.00 for ~~2014-2015~~ 2015-2016 for payments to eligible
5 districts under this section. A district is eligible for funding under this section if
6 the district received a payment under this section as it was in effect for 2013-2014.
7 A district was eligible for funding in 2013-2014 if the sum of the following was less
8 than \$5.00:

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

11 (b) The district's equity payment per membership pupil under section 22c for
12 2013-2014.

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

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

20 (3) If the allocation under subsection (1) is insufficient to fully fund
21 payments as otherwise calculated under this section, the department shall prorate
22 payments under this section on an equal per-pupil basis.

23 Sec. 20g. (1) From the money appropriated under section 11, there is allocated
24 an amount not to exceed \$2,200,000.00 for ~~2014-2015~~ 2015-2016 for grants to eligible
25 districts that first received payments under this section in 2013-2014 for transition
26 costs related to the enrollment of pupils who were previously enrolled in a district
27 that was dissolved under section 12 of the revised school code, MCL 380.12, allocated

1 as provided under subsection (3). Payments under this section shall continue for a
2 total of 4 fiscal years following the dissolution of a district, after which the
3 payments shall cease.

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

6 (3) The amount allocated to each eligible district under this section is an
7 amount equal to the product of the number of membership pupils enrolled in the
8 eligible district who were previously enrolled in the dissolved school district in the
9 school year immediately preceding the dissolution, or who reside in the geographic
10 area of the dissolved school district and are entering kindergarten, times 10.0% of
11 the lesser of the foundation allowance of the eligible district as calculated under
12 section 20 or the basic foundation allowance under section 20(1).

13 (4) As used in this section, "dissolved school district" means a school
14 district that has been declared dissolved under section 12 of the revised school code,
15 1976 PA 451, MCL 380.12.

16 Sec. 21f. (1) A pupil enrolled in a district in any of grades 6 to 12 is
17 eligible to enroll in an online course as provided for in this section.

18 (2) With the consent of the pupil's parent or legal guardian, a district shall
19 enroll an eligible pupil in up to 2 online courses as requested by the pupil during an
20 academic term, semester, or trimester. Unless the pupil is newly enrolled in the
21 **PRIMARY** district, the request for online course enrollment must be made in the
22 academic term, semester, trimester, or summer preceding the enrollment. A district may
23 not establish additional requirements that would prohibit a pupil from taking an
24 online course. If a pupil has demonstrated previous success with online courses and
25 the school leadership and the pupil's parent or legal guardian determine that it is in
26 the best interest of the pupil, a pupil may be enrolled in more than 2 online courses
27 in a specific academic term, semester, or trimester. Consent of the pupil's parent or

1 legal guardian is not required if the pupil is at least age 18 or is an emancipated
2 minor.

3 (3) An eligible pupil may enroll in an online course published in the pupil's
4 ~~educating~~ **PRIMARY** district's catalog of online courses described in subsection (7)(a)
5 or the statewide catalog of online courses maintained by the Michigan virtual
6 university pursuant to section 98.

7 (4) A **PROVIDING** district **OR COMMUNITY COLLEGE** shall determine whether or not it
8 has capacity to accept applications for enrollment from nonresident applicants in
9 online courses and may use that limit as the reason for refusal to enroll an
10 applicant. If the number of nonresident applicants eligible for acceptance in an
11 online course does not exceed the capacity of the **PROVIDING** district **OR COMMUNITY**
12 **COLLEGE** to provide the online course, the **PROVIDING** district **OR COMMUNITY COLLEGE**
13 shall accept for enrollment all of the nonresident applicants eligible for acceptance.
14 If the number of nonresident applicants exceeds the **PROVIDING** district's **OR COMMUNITY**
15 **COLLEGE'S** capacity to provide the online course, the **PROVIDING** district **OR COMMUNITY**
16 **COLLEGE** shall use a random draw system, subject to the need to abide by state and
17 federal antidiscrimination laws and court orders.

18 (5) A **PRIMARY** district may deny a pupil enrollment in an online course if any
19 of the following apply, as determined by the district:

20 (a) The pupil has previously gained the credits provided from the completion of
21 the online course.

22 (b) The online course is not capable of generating academic credit.

23 (c) The online course is inconsistent with the remaining graduation
24 requirements or career interests of the pupil.

25 (d) The pupil does not possess the prerequisite knowledge and skills to be
26 successful in the online course or has demonstrated failure in previous online
27 coursework in the same subject.

1 (e) The online course is of insufficient quality or rigor. A district that
2 denies a pupil enrollment for this reason shall make a reasonable effort to assist the
3 pupil to find an alternative course in the same or a similar subject that is of
4 acceptable rigor and quality.

5 (f) The cost of the online course exceeds the amount identified in subsection
6 ~~(8)~~ (10), unless the pupil's parent or legal guardian agrees to pay the cost that
7 exceeds this amount.

8 (g) The online course enrollment request does not occur within the same
9 timelines established by the **PRIMARY** district for enrollment and schedule changes for
10 regular courses.

11 (6) If a pupil is denied enrollment in an online course by a **PRIMARY** district,
12 the pupil may appeal the denial by submitting a letter to the superintendent of the
13 intermediate district in which the pupil's ~~educating~~ **PRIMARY** district is located. The
14 letter of appeal shall include the reason provided by the **PRIMARY** district for not
15 enrolling the pupil and the reason why the pupil is claiming that the enrollment
16 should be approved. The intermediate district superintendent or designee shall respond
17 to the appeal within 5 days after it is received. If the intermediate district
18 superintendent or designee determines that the denial of enrollment does not meet 1 or
19 more of the reasons specified in subsection (5), the **PRIMARY** district shall allow the
20 pupil to enroll in the online course.

21 (7) To ~~offer or~~ provide an online course under this section, a **THE PROVIDING**
22 district or intermediate district shall do all of the following:

23 (a) Provide the Michigan virtual university with the course syllabus in a form
24 and method prescribed by the Michigan virtual university for inclusion in a statewide
25 online course catalog. The district or intermediate district shall also provide on its
26 publicly accessible website a link to the course syllabi for all of the online courses
27 offered by the district or intermediate district and a link to the statewide catalog

1 of online courses maintained by the Michigan virtual university.

2 (B) ASSIGN TO EACH PUPIL A TEACHER OF RECORD AND PROVIDE THE PRIMARY DISTRICT
3 WITH THE PERSONAL IDENTIFICATION CODE FOR THE TEACHER OF RECORD.

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

6 (D) ~~(e)~~ Not later than October 1, ~~2014~~ 2015, provide the Michigan virtual
7 university with the number of enrollments in each online course the district or
8 intermediate district ~~offered~~ PROVIDED to pupils pursuant to this section in the
9 immediately preceding school year, and the number of enrollments in which the pupil
10 earned 60% or more of the total course points for each online course.

11 (8) TO PROVIDE AN ONLINE COURSE UNDER THIS SECTION, A COMMUNITY COLLEGE SHALL
12 DO ALL OF THE FOLLOWING:

13 (A) PROVIDE THE MICHIGAN VIRTUAL UNIVERSITY WITH THE COURSE SYLLABUS IN A FORM
14 AND METHOD PRESCRIBED BY THE MICHIGAN VIRTUAL UNIVERSITY FOR INCLUSION IN A STATEWIDE
15 ONLINE COURSE CATALOG.

16 (B) OFFER THE ONLINE COURSE ON AN OPEN ENTRY AND EXIT METHOD, OR ALIGNED TO A
17 SEMESTER, TRIMESTER, OR ACCELERATED ACADEMIC TERM FORMAT.

18 (C) OFFER ONLINE COURSES UNDER THIS SECTION THAT CAN GENERATE POSTSECONDARY
19 CREDIT.

20 (D) BEGINNING WITH OCTOBER 1, 2016, AND EACH YEAR THEREAFTER, PROVIDE THE
21 MICHIGAN VIRTUAL UNIVERSITY WITH THE NUMBER OF ENROLLMENTS IN EACH ONLINE COURSE THE
22 COMMUNITY COLLEGE PROVIDED TO PUPILS PURSUANT TO THIS SECTION IN THE IMMEDIATELY
23 PRECEDING SCHOOL YEAR, AND THE NUMBER OF ENROLLMENTS IN WHICH THE PUPIL EARNED 60% OR
24 MORE OF THE TOTAL COURSE POINTS FOR EACH ONLINE COURSE.

25 (E) ONLINE COURSES MADE AVAILABLE UNDER THIS SECTION BY A COMMUNITY COLLEGE
26 REQUIRE AN INSTRUCTOR EMPLOYED BY OR CONTRACTED THROUGH THE COMMUNITY COLLEGE.

27 (9) THE PRIMARY DISTRICT MUST ASSIGN TO EACH PUPIL A MENTOR TO MONITOR THE

1 PUPIL'S PROGRESS DURING THE ONLINE COURSE AND SUPPLY THE PROVIDING DISTRICT WITH THE
2 MENTOR'S CONTACT INFORMATION.

3 (10) ~~(8)~~ For a pupil enrolled in 1 or more online courses published in the
4 pupil's ~~educating~~ PRIMARY district's catalog of online courses under subsection (7) or
5 in the statewide catalog of online courses maintained by the Michigan virtual
6 university, the PRIMARY district shall use foundation allowance or per pupil funds
7 calculated under section 20 to pay for the expenses associated with the online course
8 or courses. ~~The district shall pay 80% of the cost of the online course upon~~
9 ~~enrollment and 20% upon completion as determined by the district.~~ A district is not
10 required to pay toward the cost of an online course an amount that exceeds ~~8.33%~~ 6.66%
11 of the minimum foundation allowance for the current fiscal year as calculated under
12 section 20.

13 (11) ~~(9)~~ An online learning pupil shall have the same rights and access to
14 technology in his or her primary district's school facilities as all other pupils
15 enrolled in the pupil's primary district.

16 (12) ~~(10)~~ If a pupil successfully completes an online course, as determined by
17 the pupil's primary district, the pupil's primary district shall grant appropriate
18 academic credit for completion of the course and shall count that credit toward
19 completion of graduation and subject area requirements. A pupil's school record and
20 transcript shall identify the online course title as it appears in the online course
21 syllabus.

22 (13) ~~(11)~~ The enrollment of a pupil in 1 or more online courses shall not
23 result in a pupil being counted as more than 1.0 full-time equivalent pupils under
24 this article.

25 (14) ~~(12)~~ The portion of the full-time equated pupil membership for which a
26 pupil is enrolled in 1 or more online courses under this section shall not be
27 transferred under the pupil transfer process under section 25e.

1 (15) ~~(13)~~ As used in this section:

2 (A) "MENTOR" MEANS A PROFESSIONAL EMPLOYEE OF THE PRIMARY DISTRICT WHO MONITORS
3 THE PUPIL'S PROGRESS, ENSURES THE PUPIL HAS ACCESS TO NEEDED TECHNOLOGY, IS AVAILABLE
4 FOR ASSISTANCE, AND ENSURES ACCESS TO THE TEACHER OF RECORD. THE ON-SITE MENTOR MAY
5 ALSO SERVE AS THE TEACHER OF RECORD IF THEY MEET THE DEFINED REQUIREMENTS.

6 (B) ~~(a)~~ "Online course" means a course of study that is capable of generating a
7 credit or a grade, that is provided in an interactive internet-connected learning
8 environment, in which pupils are separated from their teachers by time or location, or
9 both, and in which a teacher who holds a valid Michigan teaching certificate **FOR**
10 **COURSES PROVIDED BY A DISTRICT OR INTERMEDIATE DISTRICT** is responsible for **PROVIDING**
11 **INSTRUCTION**, determining appropriate instructional methods for each pupil, diagnosing
12 learning needs, assessing pupil learning, prescribing intervention strategies,
13 reporting outcomes, and evaluating the effects of instruction and support strategies.

14 (C) ~~(b)~~ "Online course syllabus" means a document that includes all of the
15 following:

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

17 (ii) The online course content outline.

18 (iii) The online course required assessments.

19 (iv) The online course prerequisites.

20 (v) Expectations for actual instructor contact time with the online learning
21 pupil and other pupil-to-instructor communications.

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

23 (vii) The online course learning outcomes and objectives.

24 (viii) The name of the institution or organization providing the online
25 content.

26 (ix) The name of the institution or organization providing the online
27 instructor.

1 (x) The course titles assigned by the district or intermediate district and the
2 course titles and course codes from the national center for education statistics
3 (NCES) school codes for the exchange of data (SCED).

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

6 (xii) The results of the online course quality review using the guidelines and
7 model review process published by the Michigan virtual university.

8 (D) ~~(e)~~ "Online learning pupil" means a pupil enrolled in 1 or more online
9 courses.

10 (E) ~~(d)~~ "Primary district" means the district that enrolls the pupil and
11 reports the pupil as a full-time equated pupil for pupil membership purposes.

12 (F) "PROVIDING DISTRICT" MEANS THE DISTRICT, INTERMEDIATE DISTRICT, OR
13 COMMUNITY COLLEGE THAT THE PRIMARY DISTRICT PAYS TO PROVIDE THE ONLINE COURSE.

14 (G) "TEACHER OF RECORD" MEANS A MICHIGAN CERTIFIED TEACHER WHO, WHERE
15 APPLICABLE, IS ENDORSED IN CONTENT AREA AND GRADE. THE TEACHER OF RECORD IS
16 RESPONSIBLE FOR PROVIDING INSTRUCTION, DETERMINING INSTRUCTIONAL METHODS FOR EACH
17 PUPIL, DIAGNOSING LEARNING NEEDS, ASSESSING PUPIL LEARNING, PRESCRIBING INTERVENTION
18 STRATEGIES, REPORTING OUTCOMES, AND EVALUATING THE EFFECTS OF INSTRUCTION AND SUPPORT
19 STRATEGIES.

20 Sec. 22a. (1) From the appropriation in section 11, there is allocated an
21 amount not to exceed ~~\$5,393,000,000.00~~ \$5,277,000,000.00 for 2014-2015 2015-2016 for
22 payments to districts and qualifying public school academies to guarantee each
23 district and qualifying public school academy an amount equal to its 1994-95 total
24 state and local per pupil revenue for school operating purposes under section 11 of
25 article IX of the state constitution of 1963. Pursuant to section 11 of article IX of
26 the state constitution of 1963, this guarantee does not apply to a district in a year
27 in which the district levies a millage rate for school district operating purposes

1 less than it levied in 1994. However, subsection (2) applies to calculating the
2 payments under this section. Funds allocated under this section that are not expended
3 in the state fiscal year for which they were allocated, as determined by the
4 department, may be used to supplement the allocations under sections 22b and 51c in
5 order to fully fund those calculated allocations for the same fiscal year.

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

10 (a) Except as otherwise provided in this subsection, the state portion of a
11 district's 1994-95 foundation allowance is an amount equal to the district's 1994-95
12 foundation allowance or \$6,500.00, whichever is less, minus the difference between the
13 sum of the product of the taxable value per membership pupil of all property in the
14 district that is nonexempt property times the district's certified mills and, for a
15 district with certified mills exceeding 12, the product of the taxable value per
16 membership pupil of property in the district that is commercial personal property
17 times the certified mills minus 12 mills and the quotient of the ad valorem property
18 tax revenue of the district captured under tax increment financing acts divided by the
19 district's membership. For a district that has a millage reduction required under
20 section 31 of article IX of the state constitution of 1963, the state portion of the
21 district's foundation allowance shall be calculated as if that reduction did not
22 occur. For a receiving district, if school operating taxes are to be levied on behalf
23 of a dissolved district that has been attached in whole or in part to the receiving
24 district to satisfy debt obligations of the dissolved district under section 12 of the
25 revised school code, MCL 380.12, taxable value per membership pupil of all property in
26 the receiving district that is nonexempt property and taxable value per membership
27 pupil of property in the receiving district that is commercial personal property do

1 not include property within the geographic area of the dissolved district; ad valorem
2 property tax revenue of the receiving district captured under tax increment financing
3 acts does not include ad valorem property tax revenue captured within the geographic
4 boundaries of the dissolved district under tax increment financing acts; and certified
5 mills do not include the certified mills of the dissolved district.

6 (b) For a district that had a 1994-95 foundation allowance greater than
7 \$6,500.00, the state payment under this subsection shall be the sum of the amount
8 calculated under subdivision (a) plus the amount calculated under this subdivision.
9 The amount calculated under this subdivision shall be equal to the difference between
10 the district's 1994-95 foundation allowance minus \$6,500.00 and the current year hold
11 harmless school operating taxes per pupil. If the result of the calculation under
12 subdivision (a) is negative, the negative amount shall be an offset against any state
13 payment calculated under this subdivision. If the result of a calculation under this
14 subdivision is negative, there shall not be a state payment or a deduction under this
15 subdivision. The taxable values per membership pupil used in the calculations under
16 this subdivision are as adjusted by ad valorem property tax revenue captured under tax
17 increment financing acts divided by the district's membership. For a receiving
18 district, if school operating taxes are to be levied on behalf of a dissolved district
19 that has been attached in whole or in part to the receiving district to satisfy debt
20 obligations of the dissolved district under section 12 of the revised school code, MCL
21 380.12, ad valorem property tax revenue captured under tax increment financing acts do
22 not include ad valorem property tax revenue captured within the geographic boundaries
23 of the dissolved district under tax increment financing acts.

24 (3) Beginning in 2003-2004, for pupils in membership in a qualifying public
25 school academy, there is allocated under this section to the authorizing body that is
26 the fiscal agent for the qualifying public school academy for forwarding to the
27 qualifying public school academy an amount equal to the 1994-95 per pupil payment to

1 the qualifying public school academy under section 20.

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

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

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

20 (7) As used in this section:

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

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

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

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

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

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

25 (g) "Homestead", "qualified agricultural property", "qualified forest
26 property", "supportive housing property", "industrial personal property", and
27 "commercial personal property" mean those terms as defined in section 1211 of the

1 revised school code, MCL 380.1211.

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

4 (i) "Nonexempt property" means property that is not a principal residence,
5 qualified agricultural property, qualified forest property, supportive housing
6 property, industrial personal property, or commercial personal property.

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

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

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

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

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

23 (i) For the number of mills by which the exemption from the levy of school
24 operating taxes on a homestead, qualified agricultural property, qualified forest
25 property, supportive housing property, industrial personal property, and commercial
26 personal property may be reduced as provided in section 1211 of the revised school
27 code, MCL 380.1211, the taxable value of homestead, qualified agricultural property,

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

8 (ii) For the number of mills of school operating taxes that may be levied on
9 all property as provided in section 1211(2) of the revised school code, MCL 380.1211,
10 the taxable value of all property for the calendar year ending in the current state
11 fiscal year. For a receiving district, if school operating taxes are to be levied on
12 behalf of a dissolved district that has been attached in whole or in part to the
13 receiving district to satisfy debt obligations of the dissolved district under section
14 12 of the revised school code, MCL 380.12, school operating taxes do not include
15 school operating taxes levied within the geographic area of the dissolved district.

16 Sec. 22b. (1) From the appropriation in section 11, there is allocated an
17 amount not to exceed ~~\$3,492,000,000.00~~ **\$3,662,000,000.00** for ~~2014-2015~~ **2015-2016** for
18 discretionary nonmandated payments to districts under this section. Funds allocated
19 under this section that are not expended in the state fiscal year for which they were
20 allocated, as determined by the department, may be used to supplement the allocations
21 under sections 22a and 51c in order to fully fund those calculated allocations for the
22 same fiscal year.

23 (2) Subject to subsection (3) and section 296, the allocation to a district
24 under this section shall be an amount equal to the sum of the amounts calculated under
25 sections 20, 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the
26 district under sections 22a and 51c.

27 (3) In order to receive an allocation under subsection (1), each district shall

1 do all of the following:

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

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

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

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

9 (e) Comply with section 21f.

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

14 (5) From the allocation in subsection (1), the department shall pay up to
15 \$1,000,000.00 in litigation costs incurred by this state related to commercial or
16 industrial property tax appeals, including, but not limited to, appeals of
17 classification, that impact revenues dedicated to the state school aid fund.

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

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

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

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

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

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

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

15 (12) Payments under this section are subject to section 25f.

16 Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed
17 \$2,584,600.00 is allocated for ~~2014-2015~~ 2015-2016 for supplemental payments to rural
18 districts under this section.

19 (2) From the allocation under subsection (1), there is allocated for ~~2014-2015~~
20 2015-2016 an amount not to exceed \$957,300.00 for payments under this subsection to
21 districts that meet all of the following:

22 (a) Operates grades K to 12.

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

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

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

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

2 (3) The amount of the additional funding to each eligible district under
3 subsection (2) shall be determined under a spending plan developed as provided in this
4 subsection and approved by the superintendent of public instruction. The spending plan
5 shall be developed cooperatively by the intermediate superintendents of each
6 intermediate district in which an eligible district is located. The intermediate
7 superintendents shall review the financial situation of each eligible district,
8 determine the minimum essential financial needs of each eligible district, and develop
9 and agree on a spending plan that distributes the available funding under subsection
10 (2) to the eligible districts based on those financial needs. The intermediate
11 superintendents shall submit the spending plan to the superintendent of public
12 instruction for approval. Upon approval by the superintendent of public instruction,
13 the amounts specified for each eligible district under the spending plan are allocated
14 under subsection (2) and shall be paid to the eligible districts in the same manner as
15 payments under section 22b.

16 (4) Subject to subsection (6), from the allocation in subsection (1), there is
17 allocated for ~~2014-2015~~ 2015-2016 an amount not to exceed \$1,627,300.00 for payments
18 under this subsection to districts that meet all of the following:

19 (a) The district has 5.0 or fewer pupils per square mile as determined by the
20 department.

21 (b) The district has a total square mileage greater than 200.0 or is 1 of 2
22 districts that have consolidated transportation services and have a combined total
23 square mileage greater than 200.0.

24 (5) The funds allocated under subsection (4) shall be allocated on an equal per
25 pupil basis.

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

1 Sec. 22f. (1) From the appropriation in section 11, there is allocated for
2 ~~2014-2015~~ 2015-2016 an amount not to exceed ~~\$75,000,000.00~~ \$30,000,000.00 to provide
3 incentive payments to districts that meet best practices under this section. **FUNDS**
4 **ALLOCATED UNDER THIS SECTION ARE INTENDED TO INCREASE THE FISCAL HEALTH OF DISTRICTS**
5 **STATEWIDE, TO DECREASE THE NUMBER OF DISTRICTS WITH ONGOING DEFICITS, TO INCREASE THE**
6 **NUMBER OF PUPILS READING AT GRADE LEVEL BY THE END OF GRADE 3, AND TO INCREASE THE**
7 **NUMBER OF STUDENTS WHO ARE COLLEGE AND CAREER READY UPON HIGH SCHOOL GRADUATION.**
8 Payments received under this section may be used for any purpose for which payments
9 under sections 22a and 22b may be used.

10 (2) The amount of the incentive payment under this section is an amount equal
11 to ~~\$50.00~~ \$20.00 per pupil. A district shall receive an incentive payment under this
12 section if the district satisfies ~~at least 7 of the following requirements not later~~
13 ~~than June 1, 2015.~~ **THE REQUIREMENTS OF BOTH FINANCIAL BEST PRACTICES AND ACADEMIC BEST**
14 **PRACTICES DESCRIBED BELOW NOT LATER THAN JUNE 1, 2016:**

15 (a) ~~If a district provides medical, pharmacy, dental, vision, disability, long-~~
16 ~~term care, or any other type of benefit that would constitute a health care services~~
17 ~~benefit, to employees and their dependents, the district is the policyholder for each~~
18 ~~of its insurance policies that covers 1 or more of these benefits. A district that~~
19 ~~does not directly employ its staff or a district with a voluntary employee beneficiary~~
20 ~~association that pays no more than the maximum per employee contribution amount and~~
21 ~~that contributes no more than the maximum employer contribution percentage of total~~
22 ~~annual costs for the medical benefit plans as described in sections 3 and 4 of the~~
23 ~~publicly funded health insurance contribution act, 2011 PA 152, MCL 15.563 and 15.564,~~
24 ~~is considered to have satisfied this requirement.~~

25 (b) ~~The district has obtained competitive bids on the provision of pupil~~
26 ~~transportation, food service, custodial, or 1 or more other noninstructional services~~
27 ~~for 2014-2015. In comparing competitive bids to the current costs of providing 1 or~~

1 ~~more of these services, a district shall exclude the unfunded accrued liability costs~~
2 ~~for retirement and other benefits from the district's current costs.~~

3 ~~(c) The district accepts applications for enrollment by nonresident applicants~~
4 ~~under section 105 or 105c. A public school academy is considered to have met this~~
5 ~~requirement.~~

6 ~~(d) The district offers online courses or blended learning opportunities to all~~
7 ~~eligible pupils. In order to satisfy this requirement, a district must make all~~
8 ~~eligible pupils and their parents or guardians aware of these opportunities and must~~
9 ~~publish an online course syllabus as described in section 21f for each online course~~
10 ~~that the district offers. For the purposes of this subdivision:~~

11 ~~(i) "Blended learning" means a hybrid instructional delivery model where pupils~~
12 ~~are provided content, instruction, and assessment in part at a supervised educational~~
13 ~~facility away from home where the pupil and a teacher with a valid Michigan teaching~~
14 ~~certificate are in the same physical location and in part through internet connected~~
15 ~~learning environments with some degree of pupil control over time, location, and pace~~
16 ~~of instruction.~~

17 ~~(ii) "Online course" means a course of study that is capable of generating a~~
18 ~~credit or a grade, that is provided in an interactive internet connected learning~~
19 ~~environment, in which pupils are separated from their teachers by time or location, or~~
20 ~~both, and in which a teacher with a valid Michigan teaching certificate is responsible~~
21 ~~for determining appropriate instructional methods for each pupil, diagnosing learning~~
22 ~~needs, assessing pupil learning, prescribing intervention strategies, reporting~~
23 ~~outcomes, and evaluating the effects of instruction and support strategies.~~

24 **(A) A DISTRICT IS CONSIDERED TO MEET THE REQUIREMENTS OF FINANCIAL BEST**
25 **PRACTICES BY COMPLETING AT LEAST 2 OF THE FOLLOWING:**

26 ~~(I) (e)~~ The district provides to parents and community members a dashboard or
27 report card demonstrating the district's efforts to manage its finances responsibly.

1 The dashboard or report card shall include revenue and expenditure projections for the
2 district for fiscal year ~~2014-2015~~ 2015-2016 and fiscal year ~~2015-2016~~ 2016-2017, a
3 listing of all debt service obligations, detailed by project, including anticipated
4 fiscal year ~~2014-2015~~ 2015-2016 payment for each project, a listing of total
5 outstanding debt, and at least all of the following for the 3 most recent school years
6 for which the data are available:

7 (A) ~~(i)~~ Graduation and dropout rates.

8 (B) ~~(ii)~~ Average class size in grades kindergarten to 3.

9 (C) ~~(iii)~~ College readiness as measured by Michigan merit examination test
10 scores.

11 (D) ~~(iv)~~ Elementary and middle school ~~MEAP~~ MICHIGAN STUDENT TEST OF EDUCATIONAL
12 PROGRESS (M-STEP) scores.

13 (E) ~~(v)~~ Teacher, principal, and superintendent salary information including at
14 least minimum, average, and maximum pay levels.

15 (F) ~~(vi)~~ General fund balance.

16 (G) ~~(vii)~~ The total number of days of instruction provided.

17 ~~(f) The district complies with a method of compensation for teachers and school~~
18 ~~administrators that includes job performance and accomplishments as a significant~~
19 ~~factor in determining compensation, as required under section 1250 of the revised~~
20 ~~school code, MCL 380.1250.~~

21 ~~(g) The district's collective bargaining agreements, including, but not limited~~
22 ~~to, appendices, addenda, letters of agreement, or any other documents reflecting~~
23 ~~agreements with collective bargaining representatives, do not contain any provisions~~
24 ~~pertaining to, relating to, or that are otherwise contrary to the prohibited subjects~~
25 ~~of bargaining enumerated in~~
26 ~~section 15(3) of 1947 PA 336, MCL 423.215.~~

27 ~~(h) The district implements a comprehensive guidance and counseling program.~~

1 ~~(i) The district offers pupils in grades K to 8 the opportunity to complete~~
2 ~~coursework or other learning experiences that are substantially equivalent to 1 credit~~
3 ~~in a language other than English.~~

4 (II) IF THE DISTRICT HAS AN ENDING GENERAL FUND BALANCE FOR THE PRIOR FISCAL
5 YEAR LESS THAN OR EQUAL TO 5 PERCENT OF OPERATING EXPENDITURES AS DETERMINED BY THE
6 DEPARTMENT, THE LOCAL SCHOOL BOARD MEMBERS RECEIVE DEPARTMENT-APPROVED TRAINING THAT
7 SHALL INCLUDE BUT IS NOT LIMITED TO:

8 (A) THE RESPONSIBILITIES OF THE SCHOOL BOARD AND THE DISTRICT SUPERINTENDENT.

9 (B) THE REQUIREMENTS OF THE OPEN MEETINGS ACT.

10 (C) CONFLICTS OF INTEREST.

11 (D) SCHOOL FINANCE AND SCHOOL BUDGETING.

12 (E) CONTRACTS AND NEGOTIATIONS.

13 (F) THE PROCESS OF DATA-DRIVEN DECISION MAKING AND POLICY DEVELOPMENT.

14 (III) THE DISTRICT MAINTAINED AN ENDING FUND BALANCE GREATER THAN 5 PERCENT OF
15 OPERATING EXPENDITURES FOR THE PRIOR FISCAL YEAR AS DETERMINED BY THE DEPARTMENT.

16 (B) A DISTRICT IS CONSIDERED TO MEET THE REQUIREMENTS OF ACADEMIC BEST
17 PRACTICES BY COMPLETING AT LEAST 2 OF THE FOLLOWING:

18 (I) THE DISTRICT ADMINISTERS A DEPARTMENT-APPROVED KINDERGARTEN ENTRY
19 ASSESSMENT THAT ASSESSES ENGLISH LANGUAGE ARTS AND MATHEMATICS SKILLS OF ALL FIRST-
20 TIME KINDERGARTEN PUPILS WITHIN THE DISTRICT. THE ASSESSMENT SHALL BE ADMINISTERED BY
21 THE DISTRICT IN A METHOD AND TIMEFRAME DETERMINED BY THE DEPARTMENT.

22 (II) THE DISTRICT ADMINISTERS DEPARTMENT-APPROVED DIAGNOSTIC TOOLS TO MONITOR
23 THE DEVELOPMENT OF EARLY LITERACY AND EARLY READING SKILLS OF PUPILS IN KINDERGARTEN
24 THROUGH GRADE 3, AND SUPPORTS RESEARCH-BASED PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN
25 DATA INTERPRETATION FOR THE PURPOSE OF IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT
26 TO IMPROVE THIRD GRADE READING PROFICIENCY. THE DIAGNOSTIC TOOLS AND PROFESSIONAL
27 DEVELOPMENT SHALL BE USED BY THE DISTRICT TO IDENTIFY STUDENTS WHO NEED ADDITIONAL

1 SUPPORT AND TO OFFER RESEARCH-BASED INTERVENTIONS.

2 (III) THE DISTRICT ASSESSES THE EFFECTIVENESS OF CURRENT COLLEGE AND CAREER
3 ADVISING PROGRAMS WITHIN THE DISTRICT BY REVIEWING STUDENT-TO-COUNSELOR RATIOS, THE
4 TIME DEDICATED TO COLLEGE AND CAREER READINESS COUNSELING AS OPPOSED TO OTHER NON-
5 COUNSELING TASKS, AND THE AMOUNT OF PROFESSIONAL DEVELOPMENT OFFERED TO COLLEGE AND
6 CAREER READINESS ADVISORS. BASED ON THIS SELF-ASSESSMENT THE DISTRICT DEVELOPS A PLAN
7 TO ADDRESS DEFICIENCIES ACCORDING TO STANDARDS RECOMMENDED BY THE MICHIGAN COLLEGE
8 ACCESS NETWORK.

9 (3) If the department determines that a district has intentionally submitted
10 false information in order to qualify for an incentive payment under this section, the
11 district forfeits an amount equal to the amount it received under this section from
12 its total state school aid for ~~2015-2016~~-2016-2017.

13 (4) If the department determines that funds allocated under this section will
14 remain unexpended after the initial allocation of ~~\$50.00~~ \$20.00 per pupil to eligible
15 districts under subsection (2), the remaining unexpended amount is allocated on an
16 equal per pupil basis to districts that meet the requirements of subsection (2) and
17 that have a foundation allowance, as calculated under section 20, in an amount that is
18 less than the basic foundation allowance under that section.

19 Sec. 22g. (1) From the funds appropriated in section 11, there is allocated for
20 ~~2014-2015~~ 2015-2016 only an amount not to exceed \$2,000,000.00 for competitive
21 assistance grants to districts and intermediate districts.

22 (2) Funds received under this section may be used for reimbursement of
23 transition costs associated with the consolidation of operations or services between 2
24 or more districts, intermediate districts, or other local units of government, the
25 consolidation or sharing of technology and data operations or services between 50 or
26 more districts or 5 or more intermediate districts, or the consolidation of districts
27 or intermediate districts. Grant funding shall be available for consolidations that

1 occur on or after June 1, ~~2014~~ 2015. The department shall develop an application
 2 process and method of grant distribution. The department shall give priority to
 3 applicants that propose including at least 1 of the following statewide activities:

4 (a) A comprehensive, research-based academic early warning indicator and
 5 dropout prevention solution.

6 (b) A data-driven system for identifying early reading challenges and
 7 establishing individual reading development plans for every student by the end of
 8 grade 3.

9 Sec. 22i. (1) From the funds appropriated in section 11, there is allocated for
 10 ~~2013-2014 2015-2016~~ an amount not to exceed ~~\$45,000,000.00~~ and there is allocated for
 11 ~~2014-2015~~ an amount not to exceed ~~\$41,500,000.00~~ **\$25,000,000.00** for the technology
 12 **READINESS** infrastructure grant program for districts or intermediate districts on
 13 behalf of their constituent districts. Funds received under this ~~subsection~~ **SECTION**
 14 shall be used for the **STATEWIDE** development or improvement of ~~a district's~~ **DISTRICTS'**
 15 technology **HARD** infrastructure, the shared services consolidation of technology and
 16 data, **DATA SYSTEMS THAT USE EVIDENCED-BASED LITERACY DIAGNOSTIC TOOLS TO INFORM**
 17 **TEACHERS OF PUPILS IN KINDERGARTEN THROUGH GRADE 3**, and **FOR THE COORDINATION AND**
 18 **STRATEGIC PURCHASING OF hardware in preparation AND SOFTWARE NECESSARY** for the planned
 19 ~~implementation in 2014-2015 of online~~ **THE DELIVERY OF assessments THROUGH ONLINE**
 20 **MODES**.

21 (2) The department shall develop a competitive application process and method
 22 of grant distribution to eligible districts and intermediate districts that
 23 demonstrate need for grants under subsection (1). The department may consult with the
 24 department of technology, management, and budget during the grant process and grant
 25 distribution. Grants to districts shall not exceed \$2,000,000.00 per district. A grant
 26 to an intermediate district on behalf of its constituent districts shall not exceed
 27 \$2,000,000.00 per constituent district. To receive a grant under subsection (1), an

1 intermediate district shall demonstrate that a grant awarded to the intermediate
2 district on behalf of its constituent districts would provide savings compared to
3 providing grants to individual districts.

4 ~~(3) From the general fund money appropriated in section 11, there is allocated~~
5 ~~an amount not to exceed \$5,000,000.00 for 2013-2014 to be awarded through a~~
6 ~~competitive bid process to a single provider of whole school technology as described~~
7 ~~in this subsection. The department shall issue a single request for proposal with~~
8 ~~application rules written and administered by the department, and with a focus on~~
9 ~~economic and geographic diversity. To be eligible to receive the grant under this~~
10 ~~section, a provider shall meet all of the following:~~

11 ~~(a) Agrees to submit evaluation criteria in a form and manner determined by the~~
12 ~~department.~~

13 ~~(b) Provides at least all of the following:~~

14 ~~(i) One to one mobile devices.~~

15 ~~(ii) Laptop or desktop computers for each classroom.~~

16 ~~(iii) On and off campus filtering.~~

17 ~~(iv) Wireless networks and peripherals.~~

18 ~~(v) Wireless audio equipment.~~

19 ~~(vi) Operating software.~~

20 ~~(vii) Instructional software.~~

21 ~~(viii) Repairs and replacements.~~

22 ~~(ix) Professional development.~~

23 ~~(x) Ongoing support.~~

24 (3) ~~(4)~~ The funds allocated under subsection (1) are a work project
25 appropriation. Any unexpended funds for ~~2013-2014~~ 2015-2016 are carried forward into
26 ~~2014-2015 and any unexpended funds for 2014-2015 are carried forward into 2015-2016~~
27 2016-2017. The purpose of the work project is to continue to implement the projects

1 described under this section. The estimated completion date of the work project is
2 September 30, ~~2016~~ 2017.

3 (4) AS USED IN THIS SECTION:

4 (A) "HARD INFRASTRUCTURE" MEANS TECHNOLOGY HARDWARE NECESSARY TO MOVE TO AN
5 ONLINE LEARNING AND TESTING ENVIRONMENT, INCLUDING, BUT NOT LIMITED TO, FIBER,
6 SERVERS, WIRELESS COMPUTING NETWORKS, AND NECESSARY PERIPHERALS.

7 (B) "SHARED SERVICES CONSOLIDATION OF TECHNOLOGY AND DATA" MEANS PROJECTS THAT
8 SUPPORT THE MOVE TO A COLLABORATIVE MULTIPLE ORGANIZATIONAL APPROACH TO MANAGING
9 HARDWARE, SOFTWARE, PERIPHERALS AND DATA INTEGRATION AND DISPLAY OF APPROPRIATE
10 INFORMATION FOR PARENTS, TEACHERS, ADMINISTRATORS, AND THE STATE.

11 Sec. 23a. (1) A dropout recovery program operated by a district qualifies for
12 the special membership counting provisions of section ~~6(4)(ff)~~ (6) (4) (DD) and the
13 hours and day of pupil instruction exemption under section 101(12) if the dropout
14 recovery program meets all of the following:

15 (a) Enrolls only eligible pupils.

16 (b) Provides an advocate. An advocate may serve in that role for more than 1
17 pupil but no more than 50 pupils. An advocate may be employed by the district or may
18 be provided by an education management organization that is partnering with the
19 district. Before an individual is assigned to be an advocate for a pupil in the
20 dropout recovery program, the district shall comply with sections 1230 and 1230a of
21 the revised school code, MCL 380.1230 and 380.1230a, with respect to that individual.

22 (c) Develops a written learning plan.

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

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

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

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

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

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

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

11 (3) As used in this section:

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

16 (b) "Education management organization" means a private provider that operates
17 1 or more other dropout recovery programs that meet the requirements of this section
18 in partnership with 1 or more districts.

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

25 (d) "Satisfactory monthly progress" means an amount of progress that is
26 measurable on a monthly basis and that, if continued for a full 12 months, would
27 result in the same amount of academic credit being awarded to the pupil as would be

1 awarded to a general education pupil completing a full school year. Satisfactory
2 monthly progress may include a lesser required amount of progress for the first 2
3 months a pupil participates in the program.

4 (e) "Written learning plan" means a written plan developed in conjunction with
5 the advocate that includes the plan start and end dates, courses to be taken, credit
6 to be earned for each course, teacher of record for each course, and advocate name and
7 contact information.

8 Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2014-~~
9 ~~2015~~ 2015-2016 an amount not to exceed \$8,000,000.00 for payments to the educating
10 district or intermediate district for educating pupils assigned by a court or the
11 department of human services to reside in or to attend a juvenile detention facility
12 or child caring institution licensed by the department of human services and approved
13 by the department to provide an on-grounds education program. The amount of the
14 payment under this section to a district or intermediate district shall be calculated
15 as prescribed under subsection (2).

16 (2) The total amount allocated under this section shall be allocated by paying
17 to the educating district or intermediate district an amount equal to the lesser of
18 the district's or intermediate district's added cost or the department's approved per
19 pupil allocation for the district or intermediate district. For the purposes of this
20 subsection:

21 (a) "Added cost" means 100% of the added cost each fiscal year for educating
22 all pupils assigned by a court or the department of human services to reside in or to
23 attend a juvenile detention facility or child caring institution licensed by the
24 department of human services or the department of licensing and regulatory affairs and
25 approved by the department to provide an on-grounds education program. Added cost
26 shall be computed by deducting all other revenue received under this article for
27 pupils described in this section from total costs, as approved by the department, in

1 whole or in part, for educating those pupils in the on-grounds education program or in
2 a program approved by the department that is located on property adjacent to a
3 juvenile detention facility or child caring institution. Costs reimbursed by federal
4 funds are not included.

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

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

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

19 Sec. 24a. From the appropriation in section 11, there is allocated an amount
20 not to exceed ~~\$2,195,500.00~~ **\$2,189,800.00** for ~~2014-2015~~ **2015-2016** for payments to
21 intermediate districts for pupils who are placed in juvenile justice service
22 facilities operated by the department of human services. Each intermediate district
23 shall receive an amount equal to the state share of those costs that are clearly and
24 directly attributable to the educational programs for pupils placed in facilities
25 described in this section that are located within the intermediate district's
26 boundaries. The intermediate districts receiving payments under this section shall
27 cooperate with the department of human services to ensure that all funding allocated

1 under this section is utilized by the intermediate district and department of human
2 services for educational programs for pupils described in this section. Pupils
3 described in this section are not eligible to be funded under section 24. However, a
4 program responsibility or other fiscal responsibility associated with these pupils
5 shall not be transferred from the department of human services to a district or
6 intermediate district unless the district or intermediate district consents to the
7 transfer.

8 Sec. 24c. From the appropriation in section 11, there is allocated an amount
9 not to exceed ~~\$1,500,000.00~~ \$1,497,400.00 for ~~2014-2015~~ 2015-2016 for payments to
10 districts for pupils who are enrolled in a nationally administered community-based
11 education and youth mentoring program, known as the youth challenge program, that is
12 administered by the department of military and veterans affairs. Both of the following
13 apply to a district receiving payments under this section:

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

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

20 Sec. 25e. (1) The pupil membership transfer application and pupil transfer
21 process administered by the center under this section shall be used for processing
22 pupil transfers.

23 (2) If a pupil counted in membership for the pupil membership count day
24 transfers from a district or intermediate district to enroll in another district or
25 intermediate district after the pupil membership count day and before the supplemental
26 count day and, due to the pupil's enrollment and attendance status as of the pupil
27 membership count day, the pupil was not counted in membership in the educating

1 district or intermediate district, the educating district or intermediate district may
2 report the enrollment and attendance information to the center through the pupil
3 transfer process within 30 days after the transfer or within 30 days after the pupil
4 membership count certification date, whichever is later. Pupil transfers may be
5 submitted no earlier than the first day after the certification deadline for the pupil
6 membership count day and before the supplemental count day. Upon receipt of the
7 transfer information under this subsection indicating that a pupil has enrolled and is
8 in attendance in an educating district or intermediate district as described in this
9 subsection, the pupil transfer process shall do the following:

10 (a) Notify the district in which the pupil was previously enrolled.

11 (b) Notify both the pupil auditing staff of the intermediate district in which
12 the educating district is located and the pupil auditing staff of the intermediate
13 district in which the district that previously enrolled the pupil is located. The
14 pupil auditing staff shall investigate a representative sample based on required audit
15 sample sizes in the pupil auditing manual and may deny the pupil membership transfer.

16 (c) Aggregate the districtwide changes and notify the department for use in
17 adjusting the state aid payment system.

18 (3) The department shall do all of the following:

19 (a) Adjust the membership calculation for each district or intermediate
20 district in which the pupil was previously counted in membership or that previously
21 received an adjustment in its membership calculation under this section due to a
22 change in the pupil's enrollment and attendance so that the district's or intermediate
23 district's membership is prorated to allow the district or intermediate district to
24 receive for each school day, as determined by the financial calendar furnished by the
25 center, in which the pupil was enrolled and in attendance in the district or
26 intermediate district an amount equal to 1/105 of a full-time equated membership
27 claimed in the fall pupil membership count. The district or intermediate district

1 shall receive a prorated foundation allowance in an amount equal to the product of the
2 adjustment under this subdivision for the district or intermediate district multiplied
3 by the foundation allowance or per pupil payment as calculated under section 20 for
4 the district or intermediate district. The foundation allowance or per pupil payment
5 shall be adjusted by the pupil's full-time equated status as affected by the
6 membership definition under section 6(4).

7 (b) Adjust the membership calculation for the educating district or
8 intermediate district in which the pupil is enrolled and is in attendance so that the
9 district's or intermediate district's membership is increased to allow the district or
10 intermediate district to receive an amount equal to the difference between the full-
11 time equated membership claimed in the fall pupil membership count and the sum of the
12 adjustments calculated under subdivision (a) for each district or intermediate
13 district in which the pupil was previously enrolled and in attendance. The educating
14 district or intermediate district shall receive a prorated foundation allowance in an
15 amount equal to the product of the adjustment under this subdivision for the educating
16 district or intermediate district multiplied by the foundation allowance or per pupil
17 payment as calculated under section 20 for the educating district or intermediate
18 district. The foundation allowance or per pupil payment shall be adjusted by the
19 pupil's full-time equated status as affected by the membership definition under
20 section 6(4).

21 (4) The changes in calculation of state school aid required under subsection
22 (3) shall take effect as of the date that the pupil becomes enrolled and in attendance
23 in the educating district or intermediate district, and the department shall base all
24 subsequent payments under this article for the fiscal year to the affected districts
25 or intermediate districts on this recalculation of state school aid.

26 (5) If a pupil enrolls in an educating district or intermediate district as
27 described in subsection (2), the district or intermediate district in which the pupil

1 is counted in membership or another educating district or intermediate district that
2 received an adjustment in its membership calculation under subsection (3), if any, and
3 the educating district or intermediate district shall provide to the center and the
4 department all information they require to comply with this section.

5 ~~(6) Not later than December 1, 2014, the center in conjunction with the~~
6 ~~department shall report to the legislature data related to the implementation of this~~
7 ~~section, including, but not limited to, the number of transfer transactions and the~~
8 ~~net change in pupil memberships in 2013-2014 by district and intermediate district.~~

9 (6) ~~(7)~~ The portion of the full-time equated pupil membership for which a pupil
10 is enrolled in 1 or more online courses under section 21f shall not be counted or
11 transferred under the pupil transfer process under this section.

12 (7) ~~(8)~~ As used in this section:

13 (a) "Educating district or intermediate district" means the district or
14 intermediate district in which a pupil enrolls after the pupil membership count day or
15 after an adjustment was made in another district's or intermediate district's
16 membership calculation under this section due to the pupil's enrollment and
17 attendance.

18 (b) "Pupil" means that term as defined under section 6 and also children
19 receiving early childhood special education programs and services.

20 Sec. 25f. (1) From the state school aid fund money appropriated in section 11,
21 there is allocated an amount not to exceed ~~\$2,000,000.00~~ \$1,000,000.00 for ~~2014-2015~~
22 ~~2015-2016~~ for payments to strict discipline academies established under sections 1311b
23 to 1311m of the revised school code, MCL 380.1311b to 380.1311m, as provided under
24 this section and for the purposes described in subsection (5).

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

1 (3) Not later than June 30, ~~2015~~ 2016, a strict discipline academy shall report
2 to the center and to the department, in a manner prescribed by the center and the
3 department, the following information for ~~2014-2015~~ 2015-2016:

4 (a) The number of pupils enrolled and in attendance at the strict discipline
5 academy.

6 (b) The number of days each pupil enrolled was in attendance at the strict
7 discipline academy, not to exceed 180.

8 (4) The amount of the payment to a strict discipline academy under this section
9 shall be an amount equal to the difference between the product of 1/180 of the per-
10 pupil payment as calculated under section 20 for the strict discipline academy
11 multiplied by the number of days of pupil attendance reported under subsection (3)(b)
12 minus the product of the per-pupil payment as calculated under section 20 for the
13 strict discipline academy multiplied by the pupils in membership at the strict
14 discipline academy as calculated under section 6 and as adjusted by section 25e.

15 (5) If the operation of the special membership counting provisions under
16 section 6(4)(dd) and the other membership counting provisions under section 6(4)
17 result in a pupil being counted as more than 1.0 FTE in a fiscal year, then the
18 payment made for the pupil under sections 22a and 22b shall not be based on more than
19 1.0 FTE for that pupil, and that portion of the FTE that exceeds 1.0 shall be paid
20 under this section in an amount equal to that portion multiplied by the educating
21 district's foundation allowance or per-pupil payment calculated under section 20.

22 (6) If the funds allocated under this section are insufficient to fully fund
23 the adjustments under subsections (4) and (5), payments under this section shall be
24 prorated on an equal per-pupil basis.

25 (7) Payments to districts under this section shall be made according to the
26 payment schedule under section 17b.

27 Sec. 26a. From the funds appropriated in section 11, there is allocated an

1 amount not to exceed \$26,300,000.00 for ~~2014-2015~~ 2015-2016 to reimburse districts and
2 intermediate districts pursuant to section 12 of the Michigan renaissance zone act,
3 1996 PA 376, MCL 125.2692, for taxes levied in ~~2014~~ 2015. The allocations shall be
4 made not later than 60 days after the department of treasury certifies to the
5 department and to the state budget director that the department of treasury has
6 received all necessary information to properly determine the amounts due to each
7 eligible recipient.

8 Sec. 26b. (1) From the appropriation in section 11, there is allocated for
9 ~~2014-2015~~ 2015-2016 an amount not to exceed ~~\$4,210,000.00~~ \$4,276,800.00 for payments
10 to districts, intermediate districts, and community college districts for the portion
11 of the payment in lieu of taxes obligation that is attributable to districts,
12 intermediate districts, and community college districts pursuant to section 2154 of
13 the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

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

17 Sec. 26c. (1) From the appropriation in section 11, there is allocated an
18 amount not to exceed ~~\$293,100.00~~ \$610,000.00 for ~~2014-2015~~ 2015-2016 to the promise
19 zone fund created in subsection (3).

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

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

1 (a) The state treasurer shall direct the investment of the promise zone fund.
2 The state treasurer shall credit to the promise zone fund interest and earnings from
3 fund investments.

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

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

10 Sec. 31a. (1) From the state school aid fund money appropriated in section 11,
11 there is allocated for ~~2014-2015~~ 2015-2016 an amount not to exceed ~~\$317,695,500.00~~
12 \$417,695,500.00 for payments to eligible districts, eligible public school academies,
13 and the education achievement system for the purposes of ensuring that pupils are
14 proficient in reading by the end of grade 3 and that high school graduates are career
15 and college ready and for the purposes under subsections (6) and (7).

16 (2) For a district or public school academy, or the education achievement
17 system, to be eligible to receive funding under this section, other than funding under
18 subsection (6) or (7), the sum of the district's or public school academy's or the
19 education achievement system's combined state and local revenue per membership pupil
20 in the current state fiscal year, as calculated under section 20, must be less than or
21 equal to the basic foundation allowance under section 20 for the current state fiscal
22 year.

23 (3) Except as otherwise provided in this subsection, an eligible district or
24 eligible public school academy or the education achievement system shall receive under
25 this section for each membership pupil in the district or public school academy or the
26 education achievement system who met the income eligibility criteria for free
27 breakfast, lunch, or milk, as determined under the Richard B. Russell national school

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

22 (4) Except as otherwise provided in this section, a district or public school
23 academy, or the education achievement system, receiving funding under this section
24 shall use that money only to provide instructional programs and direct
25 noninstructional services, including, but not limited to, medical, mental health, or
26 counseling services, for at-risk pupils; for school health clinics; and for the
27 purposes of subsection (5), (6), (7), or (10). In addition, a district that is a

1 school district of the first class or a district or public school academy in which at
2 least 50% of the pupils in membership met the income eligibility criteria for free
3 breakfast, lunch, or milk in the immediately preceding state fiscal year, as
4 determined and reported as described in subsection (3), or the education achievement
5 system if it meets this requirement, may use not more than 20% of the funds it
6 receives under this section for school security. A district, the public school
7 academy, or the education achievement system shall not use any of that money for
8 administrative costs. The instruction or direct noninstructional services provided
9 under this section may be conducted before or after regular school hours or by adding
10 extra school days to the school year.

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

18 (6) From the funds allocated under subsection (1), there is allocated for ~~2014-~~
19 ~~2015~~ 2015-2016 an amount not to exceed \$3,557,300.00 to support child and adolescent
20 health centers. These grants shall be awarded for 5 consecutive years beginning with
21 2003-2004 in a form and manner approved jointly by the department and the department
22 of community health. Each grant recipient shall remain in compliance with the terms of
23 the grant award or shall forfeit the grant award for the duration of the 5-year period
24 after the noncompliance. To continue to receive funding for a child and adolescent
25 health center under this section a grant recipient shall ensure that the child and
26 adolescent health center has an advisory committee and that at least one-third of the
27 members of the advisory committee are parents or legal guardians of school-aged

1 children. A child and adolescent health center program shall recognize the role of a
2 child's parents or legal guardian in the physical and emotional well-being of the
3 child. Funding under this subsection shall be used to support child and adolescent
4 health center services provided to children up to age 21. If any funds allocated under
5 this subsection are not used for the purposes of this subsection for the fiscal year
6 in which they are allocated, those unused funds shall be used that fiscal year to
7 avoid or minimize any proration that would otherwise be required under subsection (14)
8 for that fiscal year.

9 (7) From the funds allocated under subsection (1), there is allocated for ~~2014-~~
10 ~~2015~~ 2015-2016 an amount not to exceed \$5,150,000.00 for the state portion of the
11 hearing and vision screenings as described in section 9301 of the public health code,
12 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of
13 the total cost of the screenings. The frequency of the screenings shall be as required
14 under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan
15 administrative code. Funds shall be awarded in a form and manner approved jointly by
16 the department and the department of community health. Notwithstanding section 17b,
17 payments to eligible entities under this subsection shall be paid on a schedule
18 determined by the department.

19 (8) Each district or public school academy receiving funds under this section
20 and the education achievement system shall submit to the department by July 15 of each
21 fiscal year a report, not to exceed 10 pages, on the usage by the district or public
22 school academy or the education achievement system of funds under this section, which
23 report shall include a brief description of each program conducted or services
24 performed by the district or public school academy or the education achievement system
25 using funds under this section, the amount of funds under this section allocated to
26 each of those programs or services, the total number of at-risk pupils served by each
27 of those programs or services, and the data necessary for the department and the

1 department of human services to verify matching funds for the temporary assistance for
2 needy families program. If a district or public school academy or the education
3 achievement system does not comply with this subsection, the department shall withhold
4 an amount equal to the August payment due under this section until the district or
5 public school academy or the education achievement system complies with this
6 subsection. If the district or public school academy or the education achievement
7 system does not comply with this subsection by the end of the state fiscal year, the
8 withheld funds shall be forfeited to the school aid fund.

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

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

19 (11) If necessary, and before any proration required under section 296, the
20 department shall prorate payments under this section by reducing the amount of the per
21 pupil payment under this section by a dollar amount calculated by determining the
22 amount by which the amount necessary to fully fund the requirements of this section
23 exceeds the maximum amount allocated under this section and then dividing that amount
24 by the total statewide number of pupils who met the income eligibility criteria for
25 free breakfast, lunch, or milk in the immediately preceding fiscal year, as described
26 in subsection (3).

27 (12) If a district is formed by consolidation after June 1, 1995, and if 1 or

1 more of the original districts was not eligible before the consolidation for an
 2 additional allowance under this section, the amount of the additional allowance under
 3 this section for the consolidated district shall be based on the number of pupils
 4 described in subsection (1) enrolled in the consolidated district who reside in the
 5 territory of an original district that was eligible before the consolidation for an
 6 additional allowance under this section. In addition, if a district is dissolved
 7 pursuant to section 12 of the revised school code, MCL 380.12, the intermediate
 8 district to which the dissolved school district was constituent shall determine the
 9 estimated number of pupils that meet the income eligibility criteria for free
 10 breakfast, lunch, or milk, as described under subsection (3), enrolled in each of the
 11 other districts within the intermediate district and provide that estimate to the
 12 department for the purposes of distributing funds under this section within 60 days
 13 after the school district is declared dissolved.

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

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

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

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

19 (A) ~~(d)~~ For pupils for whom the **GRADE 11 STATE SUMMATIVE ASSESSMENT** results of
 20 ~~the Michigan merit examination~~ have been received, ~~is a pupil who does not meet the~~
 21 ~~other criteria under this subsection but~~ **AND** who did not achieve proficiency on the
 22 ~~reading, writing,~~ **ENGLISH LANGUAGE ARTS**, mathematics, science, or social studies
 23 ~~components of the most recent Michigan merit examination for which results for the~~
 24 ~~pupil have been received~~ **CONTENT AREA ASSESSMENTS**.

25 (B) ~~(e)~~ For pupils in grades K-3, is a pupil who is at risk of not meeting the
 26 district's core academic curricular objectives in English language arts or
 27 mathematics.

1 (C) ~~(F)~~ The pupil is enrolled in a priority or priority-successor school, as
2 defined in the elementary and secondary education act of 2001 flexibility waiver
3 approved by the United States department of education.

4 (D) ~~(G)~~ The pupil did not achieve a score of at least proficient on 2 or more
5 state-administered assessments for English language arts, mathematics, science, or
6 social studies.

7 (E) ~~(H)~~ For high school pupils in grades not assessed by the state, the pupil
8 did not receive a satisfactory score on 2 or more end-of-course examinations that are
9 aligned with state standards in English language arts, mathematics, science, or social
10 studies. For middle school pupils in grades not assessed by the state, the pupil did
11 not receive a satisfactory score on 2 or more end-of-semester or end-of-trimester
12 examinations that are aligned with state standards in science or social studies. For
13 pupils in the elementary grades in grades and subjects not assessed by the state, the
14 pupil did not receive a satisfactory score or did not have a satisfactory outcome on 2
15 or more interim assessments in English language arts, mathematics, science, or social
16 studies.

17 (i) In the absence of state or local assessment data, the pupil meets at least
18 2 of the following criteria, as documented in a form and manner approved by the
19 department:

20 (i) The pupil is eligible for free breakfast, lunch, or milk.

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

23 (iii) The pupil is homeless.

24 (iv) The pupil is a migrant.

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

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

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

3 (14) ~~Beginning in 2014 2015, if~~ **IF** a district, public school academy, or the
4 education achievement system does not demonstrate to the satisfaction of the
5 department that at least 50% of at-risk pupils are reading at grade level by the end
6 of grade 3 as measured by the state assessment and demonstrate to the satisfaction of
7 the department improvement over 3 consecutive years in the percentage of at-risk
8 pupils that are career- and college-ready as ~~measured by the pupil's score on each of~~
9 ~~the individual subject areas on the college entrance examination portion of the~~
10 ~~Michigan merit examination~~ **DETERMINED BY PROFICIENCY ON THE ENGLISH LANGUAGE ARTS,**
11 **MATHEMATICS AND SCIENCE GRADE 11 STATE SUMMATIVE ASSESSMENTS** under section 1279g(2) (a)
12 of the revised school code, MCL 380.1279g, the district, public school academy, or
13 education achievement system shall ensure all of the following:

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

20 (b) The district, public school academy, or the education achievement system
21 shall determine the proportion of total at-risk pupils that represent the number of
22 pupils in grade 11 that are not career- and college-ready as measured by the student's
23 score on ~~each of the individual subject areas on the college entrance examination~~
24 ~~portion of the Michigan merit examination~~ **THE ENGLISH LANGUAGE ARTS, MATHEMATICS AND**
25 **SCIENCE GRADE 11 STATE SUMMATIVE ASSESSMENTS** under section 1279g(2) (a) of the revised
26 school code, MCL 380.1279g, and the district, public school academy, or the education
27 achievement system shall expend that same proportion multiplied by 1/2 of its total

1 at-risk funds under this section on tutoring and other activities to improve scores on
2 the college entrance examination portion of the Michigan merit examination.

3 (15) As used in subsection (14), "total at risk pupils" means the sum of the
4 number of pupils in grade 3 that are not reading at grade level by the end of third
5 grade **AS MEASURED BY THE STATE ASSESSMENT** and the number of pupils in grade 11 that
6 are not career- and college-ready as measured by the student's score on ~~each of the~~
7 ~~individual subject areas on the college entrance examination portion of the Michigan~~
8 ~~merit examination~~ **THE ENGLISH LANGUAGE ARTS, MATHEMATICS AND SCIENCE GRADE 11 STATE**
9 **SUMMATIVE ASSESSMENTS** under section 1279g(2)(a) of the revised school code, MCL
10 380.1279g.

11 (16) A district or public school academy that receives funds under this section
12 or the education achievement system may use funds received under this section to
13 provide an anti-bullying or crisis intervention program.

14 (17) **THE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF HUMAN SERVICES TO**
15 **PRIORITIZE ASSIGNING PATHWAYS TO POTENTIAL SUCCESS COACHES TO ELEMENTARY SCHOOLS THAT**
16 **HAVE A HIGH PERCENTAGE OF PUPILS IN KINDERGARTEN THROUGH GRADE 3 NOT READING AT GRADE**
17 **LEVEL.**

18 **SEC. 31C. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE IS ALLOCATED AN**
19 **AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2015-2016 FOR PROGRAMS INTENDED TO IMPROVE**
20 **PUBLIC SAFETY, REDUCE THE NUMBER OF YOUTH INVOLVED IN GANG-RELATED ACTIVITY, AND TO**
21 **INCREASE HIGH SCHOOL GRADUATION RATES.**

22 (2) **THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS THAT FORM PARTNERSHIPS WITH**
23 **NONPROFIT ORGANIZATIONS, LAW ENFORCEMENT, AND OTHER COMMUNITY RESOURCES TO PROVIDE**
24 **PROGRAMS THAT DIVERT YOUNG ADULTS FROM GANG-RELATED CRIMINAL ACTIVITY.**

25 (3) **GRANTS AWARDED UNDER THIS SECTION MAY INCLUDE, BUT ARE NOT LIMITED TO, THE**
26 **FOLLOWING ACTIVITIES:**

27 (A) **EMPLOYMENT TRAINING AND PLACEMENT PROGRAMS.**

1 (B) COUNSELING SERVICES.

2 (C) ASSISTANCE TO PROGRAM PARTICIPANTS IN ACCESSING COMMUNITY RESOURCES FOR
3 CONTINUING EDUCATION, COURT ADVOCACY AND HEALTH CARE.

4 (D) OUTREACH PROGRAMS TO EDUCATE PARTICIPANTS AND THEIR FAMILIES.

5 (4) EACH GRANT RECIPIENT UNDER THIS SECTION SHALL PARTNER WITH A UNIVERSITY TO
6 COLLECT DATA NECESSARY TO EVALUATE THE EFFECTIVENESS OF PROGRAMS IN REDUCING VIOLENT
7 CRIME AND GANG-RELATED ACTIVITY IN THE COMMUNITY.

8 Sec. 31d. (1) From the appropriations in section 11, there is allocated an
9 amount not to exceed \$22,495,100.00 for ~~2014-2015~~ 2015-2016 for the purpose of making
10 payments to districts and other eligible entities under this section.

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

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

21 (4) The payments made under this section to districts and other eligible
22 entities that are not required under section 1272a of the revised school code, MCL
23 380.1272a, to provide a school lunch program shall be in an amount not to exceed
24 \$10.00 per eligible pupil plus 5 cents for each free lunch and 2 cents for each
25 reduced price lunch provided, as determined by the department.

26 (5) From the federal funds appropriated in section 11, there is allocated for
27 ~~2014-2015~~ 2015-2016 all available federal funding, estimated at \$510,000,000.00 for

1 the national school lunch program and all available federal funding, estimated at
2 \$3,200,000.00 for the emergency food assistance program.

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

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

8 Sec. 31f. (1) From the appropriations in section 11, there is allocated an
9 amount not to exceed \$5,625,000.00 for ~~2014-2015~~ 2015-2016 for the purpose of making
10 payments to districts to reimburse for the cost of providing breakfast.

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

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

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

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

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

26 (5) In purchasing food for a school breakfast program funded under this
27 section, preference shall be given to food that is grown or produced by Michigan

1 businesses if it is competitively priced and of comparable quality.

2 Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to
3 eligible intermediate districts and consortia of intermediate districts for great
4 start readiness programs an amount not to exceed ~~\$214,275,000.00~~ **\$239,275,000.00** for
5 ~~2014-2015~~ **2015-2016**. ~~In addition, from the funds appropriated in section 11, there is~~
6 ~~allocated to the great start readiness reserve fund created under subsection (19) an~~
7 ~~amount not to exceed \$25,000,000.00 for 2014-2015.~~ Funds allocated under this section
8 for great start readiness programs shall be used to provide part-day, school-day, or
9 GSRP/head start blended comprehensive free compensatory classroom programs designed to
10 improve the readiness and subsequent achievement of educationally disadvantaged
11 children who meet the participant eligibility and prioritization guidelines as defined
12 by the department. For a child to be eligible to participate in a program under this
13 section, the child shall be at least 4, but less than 5, years of age as of the date
14 specified for determining a child's eligibility to attend school under section 1147 of
15 the revised school code, MCL 380.1147.

16 (2) Funds allocated under subsection (1) shall be allocated to intermediate
17 districts or consortia of intermediate districts based on the formula in section 39.
18 An intermediate district or consortium of intermediate districts receiving funding
19 under this section shall act as the fiduciary for the great start readiness programs.
20 In order to be eligible to receive funds allocated under this subsection from an
21 intermediate district or consortium of intermediate districts, a district, a
22 consortium of districts, or a public or private for-profit or nonprofit legal entity
23 or agency shall comply with this section and section 39.

24 (3) In addition to the allocation under subsection (1), from the general fund
25 money appropriated under section 11, there is allocated an amount not to exceed
26 \$300,000.00 for ~~2014-2015~~ **2015-2016** for a competitive grant to continue a longitudinal
27 evaluation of children who have participated in great start readiness programs.

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

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

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

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

13 (d) Physical and dental health and developmental screening services for all
14 program participants.

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

17 (f) Active and continuous involvement of the parents or guardians of the
18 program participants.

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

22 (h) Participation in a school readiness advisory committee convened as a
23 workgroup of the great start collaborative that provides for the involvement of
24 classroom teachers, parents or guardians of program participants, and community,
25 volunteer, and social service agencies and organizations, as appropriate. The advisory
26 committee annually shall review and make recommendations regarding the program
27 components listed in this subsection. The advisory committee also shall make

1 recommendations to the great start collaborative regarding other community services
2 designed to improve all children's school readiness.

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

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

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

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

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

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

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

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

24 (d) Include a program budget that contains only those costs that are not
25 reimbursed or reimbursable by federal funding, that are clearly and directly
26 attributable to the great start readiness program, and that would not be incurred if
27 the program were not being offered. Eligible costs include transportation costs. The

1 program budget shall indicate the extent to which these funds will supplement other
2 federal, state, local, or private funds. Funds received under this section shall not
3 be used to supplant any federal funds received by the applicant to serve children
4 eligible for a federally funded preschool program that has the capacity to serve those
5 children.

6 (6) For a grant recipient that enrolls pupils in a school-day program funded
7 under this section, each child enrolled in the school-day program shall be counted as
8 2 children served by the program for purposes of determining the number of children to
9 be served and for determining the amount of the grant award. A grant award shall not
10 be increased solely on the basis of providing a school-day program.

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

15 (8) An intermediate district or consortium of intermediate districts receiving
16 a grant under this section shall designate an early childhood coordinator, and may
17 provide services directly or may contract with 1 or more districts or public or
18 private for-profit or nonprofit providers that meet all requirements of subsection

19 (4).

20 (9) Funds received under this section may be retained for administrative
21 services as follows:

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

26 (b) For the portion of the total grant amount for which services are
27 contracted, the intermediate district or consortium of intermediate districts

1 receiving the grant may retain an amount equal to not more than 2% of that portion of
2 the grant amount and the subrecipients engaged by the intermediate district to provide
3 program services may retain for administrative services an amount equal to not more
4 than 5% of that portion of the grant amount.

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

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

27 (12) An intermediate district or consortium of intermediate districts receiving

1 a grant under this section shall allow parents of eligible children who are residents
2 of the intermediate district or within the consortium to choose a program operated by
3 or contracted with another intermediate district or consortium of intermediate
4 districts and shall pay to the educating intermediate district or consortium the per-
5 child amount attributable to each child enrolled pursuant to this sentence, as
6 determined under section 39.

7 (13) An intermediate district or consortium of intermediate districts receiving
8 a grant under this section shall conduct a local process to contract with interested
9 and eligible public and private for-profit and nonprofit community-based providers
10 that meet all requirements of subsection (4) for at least 30% of its total slot
11 allocation. The intermediate district or consortium shall report to the department, in
12 a manner prescribed by the department, a detailed list of community-based providers by
13 provider type, including private for-profit, private nonprofit, community college or
14 university, head start grantee or delegate, and district or intermediate district, and
15 the number and proportion of its total slot allocation allocated to each provider as
16 subrecipient. If the intermediate district or consortium is not able to contract for
17 at least 30% of its total slot allocation, the grant recipient shall notify the
18 department and, if the department verifies that the intermediate district or
19 consortium attempted to contract for at least 30% of its total slot allocation and was
20 not able to do so, then the intermediate district or consortium may retain and use all
21 of its allocated slots as provided under this section. To be able to use this
22 exemption, the intermediate district or consortium shall demonstrate to the department
23 that the intermediate district or consortium increased the percentage of its total
24 slot allocation for which it contracts with a community-based provider and the
25 intermediate district or consortium shall submit evidence satisfactory to the
26 department, and the department must be able to verify this evidence, demonstrating
27 that the intermediate district or consortium took measures to contract for at least

1 30% of its total slot allocation as required under this subsection, including, but not
2 limited to, at least all of the following measures:

3 (a) The intermediate district or consortium notified each licensed child care
4 center located in the service area of the intermediate district or consortium at least
5 twice regarding the center's eligibility to participate. One of these notifications
6 may be made electronically, but at least 1 of these notifications shall be made via
7 hard copy through the United States mail. At least 1 of these notifications shall be
8 made within 7 days after the intermediate district or consortium receives notice from
9 the department of its slot allocations.

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

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

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

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

27 (a) Ensure that a great start resource center or the department provides each

1 intermediate district or consortium receiving a grant under this section with the
2 contact information for each licensed child care center located in the service area of
3 the intermediate district or consortium by March 1 of each year.

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

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

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

20 (16) A recipient of funds under this section shall report to the department in
21 a form and manner prescribed by the department the number of children participating in
22 the program who meet the income eligibility criteria under subsection (5)(b) and the
23 total number of children participating in the program. For children participating in
24 the program who meet the income eligibility criteria specified under subsection
25 (5)(b), a recipient shall also report whether or not a parent is available to provide
26 care based on employment status. For the purposes of this subsection, "employment
27 status" shall be defined by the department of human services in a manner consistent

1 with maximizing the amount of spending that may be claimed for temporary assistance
2 for needy families maintenance of effort purposes.

3 (17) As used in this section:

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

6 (b) "Part-day program" means a program that operates at least 4 days per week,
7 30 weeks per year, for at least 3 hours of teacher-child contact time per day but for
8 fewer hours of teacher-child contact time per day than a school-day program.

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

13 (18) An intermediate district or consortium of intermediate districts receiving
14 funds under this section shall establish a sliding scale of tuition rates based upon
15 household income for children participating in an eligible great start readiness
16 program who live with families with a household income that is more than 250% of the
17 federal poverty level to be used by all of its providers, as approved by the
18 department. A grant recipient shall charge tuition according to that sliding scale of
19 tuition rates on a uniform basis for any child who does not meet the income
20 eligibility requirements under this section.

21 ~~(19) The great start readiness reserve fund is created as a separate account~~
22 ~~within the state school aid fund established by section 11 of article IX of the state~~
23 ~~constitution of 1963. Money available in the great start readiness reserve fund may~~
24 ~~not be expended for 2014 2015 unless transferred by the legislature not later than~~
25 ~~December 15, 2014 to the allocation under subsection (1) for great start readiness~~
26 ~~programs. Money in the great start readiness reserve fund shall be expended only for~~
27 ~~purposes for which state school aid fund money may be expended. The state treasurer~~

1 shall direct the investment of the great start readiness reserve fund. The state
 2 treasurer shall credit to the great start readiness reserve fund interest and earnings
 3 from fund investments. Money in the great start readiness reserve fund at the close of
 4 a fiscal year shall remain in the great start readiness reserve fund and shall not
 5 lapse to the unreserved school aid fund balance or the general fund.

6 (19) ~~(20)~~ From the amount appropriated in subsection (1), there is allocated an
 7 amount not to exceed \$10,000,000.00 for reimbursement of transportation costs for
 8 children attending great start readiness programs funded under this section. To
 9 receive reimbursement under this subsection, not later than November 1, ~~2014~~ 2015, a
 10 program funded under this section that provides transportation shall submit to the
 11 intermediate district that is the fiscal agent for the program a projected
 12 transportation budget. The amount of the reimbursement for transportation under this
 13 subsection shall be the lesser of the projected transportation budget or \$150.00
 14 multiplied by the number of slots funded for the program under this section. If the
 15 amount allocated under this subsection is insufficient to fully reimburse the
 16 transportation costs for all programs that provide transportation and submit the
 17 required information, the reimbursement shall be prorated in an equal amount per slot
 18 funded. Payments shall be made to the intermediate district that is the fiscal agent
 19 for each program, and the intermediate district shall then reimburse the program
 20 provider for transportation costs as prescribed under this subsection.

21 Sec. 32p. (1) From the school aid fund appropriation in section 11, there is
 22 allocated an amount not to exceed ~~\$10,900,000.00~~ \$15,900,000.00 to intermediate
 23 districts for ~~2014-2015~~ 2015-2016 for the purpose of providing early childhood funding
 24 to intermediate school districts ~~in block grants, supporting~~ **TO SUPPORT** the activities
 25 under subsection (2) **AND SUBSECTION (4)**, and ~~providing~~ **TO PROVIDE** early childhood
 26 programs for children from birth through age 8. The funding provided to each
 27 intermediate district under this section shall be determined by the distribution

1 formula established by the department's office of great start to provide equitable
2 funding statewide. In order to receive funding under this section, each intermediate
3 district shall provide an application to the office of great start not later than
4 September 15 of the immediately preceding fiscal year indicating the activities
5 planned to be provided.

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

12 (a) Children born healthy.

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

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

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

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

23 (a) Physical health.

24 (b) Social-emotional health.

25 (c) Family supports and basic needs.

26 (d) Parent education and child advocacy.

27 (e) Early education and care.

1 (4) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED A MINIMUM OF
2 \$5,000,000.00 FOR THE PURPOSE OF PROVIDING HOME VISITS TO AT-RISK CHILDREN AND THEIR
3 FAMILIES. THE HOME VISITS SHALL BE CONDUCTED AS PART OF A LOCALLY-COORDINATED, FAMILY-
4 CENTERED, EVIDENCE-BASED, DATA-DRIVEN HOME VISIT STRATEGIC PLAN THAT IS APPROVED BY
5 THE DEPARTMENT. THE GOALS OF THE HOME VISITS FUNDED UNDER THIS SUBSECTION SHALL BE TO
6 IMPROVE SCHOOL READINESS, REDUCE THE NUMBER OF PUPILS RETAINED IN GRADE LEVEL, AND
7 REDUCE THE NUMBER OF PUPILS REQUIRING SPECIAL EDUCATION SERVICES. THE DEPARTMENT SHALL
8 COORDINATE THE GOALS OF THE HOME VISIT STRATEGIC PLANS APPROVED UNDER THIS SUBSECTION
9 WITH OTHER STATE AGENCY HOME VISIT PROGRAMS IN A WAY THAT STRENGTHENS MICHIGAN'S HOME
10 VISITING INFRASTRUCTURE AND MAXIMIZES FEDERAL FUNDS AVAILABLE FOR THE PURPOSES OF AT-
11 RISK FAMILY HOME VISITS.

12 (5) ~~(4)~~ Not later than December 1 of each year, each intermediate district
13 shall provide a report to the department detailing the activities actually provided
14 during the immediately preceding school year and the families and children actually
15 served. The department shall compile and summarize these reports and submit its
16 summary to the house and senate appropriations subcommittees on school aid and to the
17 house and senate fiscal agencies not later than February 15 of each year.

18 (6) ~~(5)~~ An intermediate district or consortium of intermediate districts that
19 receives funding under this section may carry over any unexpended funds received under
20 this section into the next fiscal year and may expend those unused funds through June
21 30 of the next fiscal year. A recipient of a grant shall return any unexpended grant
22 funds to the department in the manner prescribed by the department not later than
23 September 30 of the next fiscal year after the fiscal year in which the funds are
24 received.

25 SEC. 35. (1) THE INCREASED FUNDS ALLOCATED IN SECTIONS 35A TO 35G SHALL BE USED
26 FOR PROGRAMS TO ENSURE CHILDREN ARE READING ON GRADE LEVEL BY THE END OF GRADE 3.
27 PROGRAMS FUNDED UNDER THESE SECTIONS WILL BE USED SO THAT MICHIGAN WILL BE IN THE TOP

1 10 MOST IMPROVED STATES IN FOURTH GRADE READING PROFICIENCY BY THE 2019 NATIONAL
2 ASSESSMENT OF EDUCATIONAL PROGRESS (NAEP) AND WILL BE IN THE TOP 10 STATES OVERALL BY
3 2025.

4 (2) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN
5 AMOUNT NOT TO EXCEED \$1,000,000.00 FOR IMPLEMENTATION COSTS ASSOCIATED WITH PROGRAMS
6 IN SECTIONS 35A TO 35G.

7 SEC. 35A. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN
8 AMOUNT NOT TO EXCEED \$1,000,000.00 FOR THE PURPOSE OF PILOTING PARENT EDUCATION
9 PROGRAMS FOR PARENTS OF CHILDREN LESS THAN 4 YEARS OF AGE SO THAT CHILDREN ARE
10 DEVELOPMENTALLY READY TO SUCCEED IN SCHOOL AT THE TIME OF SCHOOL ENTRY.

11 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION PROCESS AND METHOD
12 OF GRANT DISTRIBUTION CONSISTENT WITH THE PROVISIONS OF THIS SECTION. A GRANT AWARD TO
13 A PILOT PROGRAM SHALL BE THE NUMBER OF RESIDENT CHILDREN LESS THAN 4 YEARS OF AGE AS
14 OF THE DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER
15 SECTION 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147, IN THE DISTRICT OR CONSORTIUM
16 OF DISTRICTS OPERATING THE PROGRAM MULTIPLIED BY \$120.00 PER CHILD OR \$130,000.00,
17 WHICHEVER IS LESS, THE DEPARTMENT SHALL ENSURE THAT TO THE EXTENT POSSIBLE, GRANTS ARE
18 AWARDED IN EACH PROSPERITY REGION.

19 (3) A COMPETITIVE GRANT APPLICATION SHALL BE SUBMITTED BY AN INTERMEDIATE
20 DISTRICT ON BEHALF OF A DISTRICT OR CONSORTIUM OF DISTRICTS WITHIN THE INTERMEDIATE
21 DISTRICT. THE APPLICATION SHALL BE SUBMITTED IN A FORM AND MANNER APPROVED BY THE
22 DEPARTMENT AND SHALL CONTAIN AT LEAST THE FOLLOWING COMPONENTS:

23 (A) A DESCRIPTION OF THE PROGRAM DESIGN INCLUDING THE NAMES OF THE DISTRICT OR
24 CONSORTIUM OF DISTRICTS THAT WILL OPERATE THE PROGRAM, THE PHYSICAL LOCATION OF THE
25 PROGRAM AND THE ANTICIPATED NUMBER OF FAMILIES THAT WILL BE SERVED.

26 (B) AN ASSURANCE THAT THE PROGRAM WILL BE SUPERVISED BY A TEACHER THAT HAS A
27 VALID TEACHING CERTIFICATE WITH AN EARLY CHILDHOOD (ZA OR ZS) ENDORSEMENT OR A VALID

1 TEACHING CERTIFICATE IN CAREER EDUCATION WITH BOTH A KH AND VH ENDORSEMENT OR A
2 BACHELOR'S DEGREE IN CHILD DEVELOPMENT OR EARLY CHILD DEVELOPMENT OR A DEGREE RELATED
3 TO ADULT LEARNING.

4 (C) AN ESTIMATE OF THE NUMBER OF FAMILIES IN THE DISTRICT OR DISTRICTS THAT
5 WILL OPERATE THE PILOT PROGRAM THAT HAVE AT LEAST ONE CHILD LESS THAN 4 YEARS OF AGE
6 AS OF THE DATE SPECIFIED FOR DETERMINING A CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER
7 SECTION 1147 OF THE REVISED SCHOOL CODE, MCL 380.1147.

8 (D) A DESCRIPTION OF THE PUBLIC AWARENESS AND OUTREACH EFFORTS THAT WILL BE
9 MADE.

10 (E) AN ASSURANCE THAT THE INTERMEDIATE DISTRICT AND THE DISTRICT OR CONSORTIUM
11 OF DISTRICTS OPERATING THE PROGRAM WILL PROVIDE INFORMATION IN A FORM AND MANNER AS
12 APPROVED BY THE DEPARTMENT TO ALLOW FOR AN EVALUATION OF THE PILOT PROJECTS.

13 (F) A DESCRIPTION OF THE SLIDING FEE SCALE THAT WILL BE ESTABLISHED FOR
14 TUITION, WITH FEES REDUCED OR WAIVED FOR THOSE UNABLE TO PAY.

15 (G) A BUDGET FOR THE PROGRAM. A PROGRAM MAY USE NOT MORE THAN 5 PERCENT OF A
16 GRANT TO ADMINISTER THE PROGRAM.

17 (4) AN ELIGIBLE PROGRAM SHALL PROVIDE AT LEAST TWO HOURS PER WEEK THROUGHOUT
18 THE SCHOOL YEAR FOR PARENTS AND THEIR ELIGIBLE CHILDREN TO PARTICIPATE IN PARENT
19 EDUCATION PROGRAMS AND MEET AT LEAST THE FOLLOWING MINIMUM REQUIREMENTS:

20 (A) REQUIRE THAT PARENTS BE PHYSICALLY PRESENT IN CLASSES WITH THEIR CHILDREN
21 OR BE IN CONCURRENT CLASSES.

22 (B) USE RESEARCH-BASED INFORMATION TO EDUCATE PARENTS ABOUT THE PHYSICAL,
23 COGNITIVE, SOCIAL AND EMOTIONAL DEVELOPMENT OF CHILDREN.

24 (C) PROVIDE STRUCTURED LEARNING ACTIVITIES REQUIRING INTERACTION BETWEEN
25 CHILDREN AND THEIR PARENTS.

26 (D) PROVIDE STRUCTURED LEARNING ACTIVITIES FOR CHILDREN THAT PROMOTE POSITIVE
27 INTERACTION WITH THEIR PEERS.

1 (5) FOR A CHILD TO BE ELIGIBLE TO PARTICIPATE IN A PROGRAM UNDER THIS SECTION,
2 THE CHILD SHALL BE LESS THAN 4 YEARS OF AGE AS OF THE DATE SPECIFIED FOR DETERMINING A
3 CHILD'S ELIGIBILITY TO ATTEND SCHOOL UNDER SECTION 1147 OF THE REVISED SCHOOL CODE,
4 MCL 380.1147.

5 (6) FROM THE FUNDS IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO
6 EXCEED \$100,000.00 FOR THE PURPOSE OF PERFORMING AN EVALUATION OF THE PILOT PROGRAMS
7 IN A MANNER APPROVED BY THE DEPARTMENT. THE EVALUATION REPORT SHALL INCLUDE AT LEAST
8 THE FOLLOWING:

9 (A) A DESCRIPTION OF THE COMPONENTS OF THE PILOT PROGRAMS THAT WERE EFFECTIVE
10 IN HELPING PARENTS PREPARE THEIR CHILDREN FOR SUCCESS IN SCHOOL.

11 (B) A DESCRIPTION OF ANY BARRIERS THAT PARENTS AND THEIR CHILDREN ENCOUNTERED
12 THAT PRECLUDED THEM FROM PARTICIPATING IN THE PILOT PROGRAMS.

13 (C) AN ASSESSMENT OF WHETHER THESE PILOT PROGRAMS SHOULD BE EXPANDED TO OTHER
14 LOCATIONS IN THE STATE.

15 SEC. 35B. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN
16 AMOUNT NOT TO EXCEED \$950,000.00 FOR 2015-2016 FOR THE PURPOSES OF THIS SECTION. THIS
17 ALLOCATION REPRESENTS THE FIRST OF TWO YEARS OF FUNDING FOR THE PURPOSES OF THIS
18 SECTION.

19 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO SUPPORT PROFESSIONAL
20 DEVELOPMENT FOR EDUCATORS IN A DEPARTMENT-APPROVED RESEARCH-BASED TRAINING PROGRAM
21 RELATED TO CURRENT STATE LITERACY STANDARDS FOR PUPILS IN KINDERGARTEN THROUGH GRADE
22 3. THE DEPARTMENT SHALL DETERMINE THE AMOUNT OF THE GRANT AWARDS.

23 (2) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT DELIVERY, THE
24 DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN VIRTUAL UNIVERSITY TO PROVIDE THIS
25 TRAINING ONLINE TO ALL EDUCATORS OF PUPILS IN KINDERGARTEN THROUGH GRADE 3.

26 (3) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT APPROPRIATION,
27 AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED FORWARD INTO 2016-2017. THE PURPOSE

1 OF THE WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING
2 DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS
3 SEPTEMBER 30, 2017.

4 SEC. 35C. FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS ALLOCATED
5 AN AMOUNT NOT TO EXCEED \$500,000.00 TO THE DEPARTMENT FOR THE ADOPTION OF A
6 CERTIFICATION TEST TO ENSURE ALL NEWLY-CERTIFIED ELEMENTARY TEACHERS HAVE THE SKILLS
7 TO DELIVER EVIDENCE-BASED LITERACY INSTRUCTION.

8 SEC. 35D. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN
9 AMOUNT NOT TO EXCEED \$1,450,000.00 FOR 2015-2016 FOR THE PURPOSES OF THIS SECTION.
10 THIS ALLOCATION REPRESENTS THE FIRST OF TWO YEARS OF FUNDING.

11 (2) THE DEPARTMENT SHALL AWARD GRANTS TO DISTRICTS TO ADMINISTER DEPARTMENT-
12 APPROVED DIAGNOSTIC TOOLS TO MONITOR THE DEVELOPMENT OF EARLY LITERACY AND EARLY
13 READING SKILLS OF PUPILS IN KINDERGARTEN THROUGH GRADE 3 AND TO SUPPORT RESEARCH-BASED
14 PROFESSIONAL DEVELOPMENT FOR EDUCATORS IN DATA INTERPRETATION FOR THE PURPOSE OF
15 IMPLEMENTING A MULTI-TIERED SYSTEM OF SUPPORT TO IMPROVE THIRD GRADE READING
16 PROFICIENCY. THE DEPARTMENT SHALL AWARD GRANTS TO ELIGIBLE DISTRICTS IN AN AMOUNT
17 DETERMINED BY THE DEPARTMENT.

18 (3) IN ADDITION TO OTHER METHODS OF PROFESSIONAL DEVELOPMENT DELIVERY, THE
19 DEPARTMENT SHALL COLLABORATE WITH THE MICHIGAN VIRTUAL UNIVERSITY TO PROVIDE THIS
20 TRAINING ONLINE TO ALL EDUCATORS OF PUPILS IN KINDERGARTEN THROUGH GRADE 3.

21 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT APPROPRIATION,
22 AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED FORWARD INTO 2016-2017. THE PURPOSE
23 OF THE WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROFESSIONAL DEVELOPMENT TRAINING
24 DESCRIBED IN THIS SECTION. THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS
25 SEPTEMBER 30, 2017.

26 SEC. 35E. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN
27 AMOUNT NOT TO EXCEED \$3,000,000.00 FOR THE PURPOSE OF PROVIDING EARLY LITERACY COACHES

1 TO ASSIST TEACHERS IN DEVELOPING AND IMPLEMENTING INSTRUCTIONAL STRATEGIES FOR PUPILS
2 IN KINDERGARTEN THROUGH GRADE 3 SO THAT PUPILS ARE READING AT GRADE LEVEL BY THE END
3 OF GRADE 3.

4 (2) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION PROCESS AND METHOD
5 OF GRANT DISTRIBUTION CONSISTENT WITH THE PROVISIONS OF THIS SECTION. THE GRANT
6 PROCESS SHALL ENSURE THAT INTERMEDIATE DISTRICTS WITH THE HIGHEST PERCENTAGE OF FOURTH
7 GRADE STUDENTS IN THE CONSTITUENT DISTRICTS OF THE INTERMEDIATE DISTRICT THAT ARE NOT
8 PROFICIENT ON THE FOURTH GRADE STATE READING ASSESSMENT RECEIVE EXTRA CONSIDERATION IN
9 THE AWARDING OF GRANTS.

10 (3) A CONSORTIUM OF INTERMEDIATE DISTRICTS IN A PROSPERITY REGION SHALL SUBMIT
11 A COMPETITIVE GRANT APPLICATION IN A FORM AND MANNER APPROVED BY THE DEPARTMENT IN
12 ORDER TO RECEIVE FUNDING UNDER THIS SECTION. ELIGIBLE APPLICATIONS SHALL PROVIDE
13 ASSURANCES THAT LITERACY COACHES FUNDED UNDER THIS SECTION ARE KNOWLEDGEABLE ABOUT THE
14 FOLLOWING, AT A MINIMUM:

15 (A) CURRENT STATE LITERACY STANDARDS FOR PUPILS IN KINDERGARTEN THROUGH GRADE
16 3.

17 (B) IMPLEMENTING AN INSTRUCTIONAL DELIVERY MODEL BASED ON FREQUENT USE OF
18 FORMATIVE AND DIAGNOSTIC TOOLS KNOWN AS A MULTI-TIERED SYSTEM OF SUPPORT TO DETERMINE
19 INDIVIDUAL PROGRESS FOR PUPILS IN KINDERGARTEN THROUGH GRADE 3 SO THAT PUPILS ARE
20 READING AT GRADE LEVEL BY THE END OF GRADE 3.

21 (C) THE USE OF DATA FROM DIAGNOSTIC TOOLS TO DETERMINE THE NECESSARY ADDITIONAL
22 SUPPORTS AND INTERVENTIONS NEEDED BY INDIVIDUAL PUPILS IN KINDERGARTEN THROUGH GRADE 3
23 IN ORDER TO BE READING AT GRADE LEVEL.

24 SEC. 35F (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT
25 NOT TO EXCEED \$10,000,000.00 FOR 2015-2016 TO DISTRICTS THAT PROVIDE ADDITIONAL
26 INSTRUCTIONAL TIME TO THOSE PUPILS IN KINDERGARTEN THROUGH GRADE 3 THAT HAVE BEEN
27 IDENTIFIED BY USING DEPARTMENT-APPROVED DIAGNOSTIC TOOLS AS NEEDING ADDITIONAL

1 SUPPORTS AND INTERVENTIONS IN ORDER TO BE READING AT GRADE LEVEL BY THE END OF THIRD
2 GRADE. ADDITIONAL INSTRUCTIONAL TIME MAY BE PROVIDED BEFORE, DURING AND AFTER REGULAR
3 SCHOOL HOURS OR AS PART OF A YEAR-ROUND BALANCED SCHOOL CALENDAR.

4 (2) IN ORDER TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION, A DISTRICT
5 SHALL DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT THAT THE DISTRICT HAS DONE ALL
6 OF THE FOLLOWING:

7 (A) IMPLEMENTED A MULTI-TIERED SYSTEM OF SUPPORT INSTRUCTIONAL DELIVERY MODEL.

8 (B) USED DEPARTMENT-APPROVED RESEARCH-BASED DIAGNOSTIC TOOLS TO IDENTIFY
9 INDIVIDUAL PUPILS IN NEED OF ADDITIONAL INSTRUCTIONAL TIME.

10 (C) PROVIDED TEACHERS OF PUPILS IN KINDERGARTEN THROUGH GRADE 3 WITH RESEARCH-
11 BASED PROFESSIONAL DEVELOPMENT IN DIAGNOSTIC DATA INTERPRETATION.

12 (3) FUNDING ALLOCATED UNDER THIS SECTION SHALL BE DISTRIBUTED TO ELIGIBLE
13 DISTRICTS BY MULTIPLYING THE FULL-TIME-EQUIVALENT PUPILS IN FIRST GRADE BY \$95.00.

14 (4) IF THE FUNDS ALLOCATED UNDER THIS SECTION ARE INSUFFICIENT TO FULLY FUND
15 THE PAYMENTS UNDER THIS SECTION, PAYMENTS UNDER THIS SECTION SHALL BE PRORATED ON AN
16 EQUAL PER-PUPIL BASIS OF FIRST GRADE PUPILS.

17 SEC. 35G. (1) FROM THE GENERAL FUNDS APPROPRIATED IN SECTION 11, THERE IS
18 ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2015-2016 TO THE DEPARTMENT TO
19 ESTABLISH A BEST PRACTICES CLEARINGHOUSE. THE DEPARTMENT SHALL COLLABORATE WITH THE
20 CENTER, UNIVERSITIES, INTERMEDIATE DISTRICTS AND DISTRICTS TO DETERMINE THE BEST
21 METHOD OF ESTABLISHING A CLEARINGHOUSE THAT SHALL IDENTIFY, DEVELOP AND DISSEMINATE
22 BEST PRACTICES FROM RESEARCH-BASED MODELS OF EDUCATION REFORM THAT DISTRICTS CAN USE
23 TO IMPROVE READING PROFICIENCY FOR PUPILS IN KINDERGARTEN THROUGH GRADE 3.

24 (2) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT APPROPRIATION,
25 AND ANY UNEXPENDED FUNDS FOR 2015-2016 ARE CARRIED FORWARD INTO 2016-2017. THE PURPOSE
26 OF THE WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE CLEARINGHOUSE DESCRIBED UNDER
27 SUBSECTION (1). THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,

1 2017.

2 Sec. 39. (1) An eligible applicant receiving funds under section 32d shall
3 submit an application, in a form and manner prescribed by the department, by a date
4 specified by the department in the immediately preceding state fiscal year. The
5 application shall include a comprehensive needs assessment using aggregated data from
6 the applicant's entire service area and a community collaboration plan that is
7 endorsed by the local great start collaborative and is part of the community's great
8 start strategic plan that includes, but is not limited to, great start readiness
9 program and head start providers, and shall identify all of the following:

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

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

15 (c) The number of children the applicant will be able to serve who meet the
16 criteria of section 32d including a verification of physical facility and staff
17 resources capacity.

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

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

27 (3) The number of prekindergarten children construed to be in need of special

1 readiness assistance under section 32d shall be calculated for each applicant in the
2 following manner: 1/2 of the percentage of the applicant's pupils in grades 1 to 5 in
3 all districts served by the applicant who are eligible for free lunch, as determined
4 using the district's pupil membership count as of the pupil membership count day in
5 the school year prior to the fiscal year for which the calculation is made, under the
6 Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, shall be
7 multiplied by the average kindergarten enrollment of the districts served by the
8 applicant on the pupil membership count day of the 2 immediately preceding fiscal
9 years.

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

26 (5) If funds allocated for eligible applicants ~~or to the great start readiness~~
27 ~~reserve fund~~ under section 32d remain after the initial allocation under subsection

1 (4), the allocation under this subsection shall be distributed to each eligible
2 applicant under section 32d in decreasing order of concentration of eligible children
3 as determined by the formula under subsection (3). The allocation shall be determined
4 by multiplying the number of children each district within the applicant's service
5 area served in the immediately preceding fiscal year or the number of children the
6 applicant indicates it will be able to serve under subsection (1)(c), whichever is
7 less, minus the number of children for which the applicant received funding in
8 subsection (4) by \$3,625.00.

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

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

26 (8) If, taking into account the total amount to be allocated to the applicant
27 as calculated under this section, an applicant determines that it is able to include

1 additional eligible children in the great start readiness program without additional
2 funds under section 32d, the applicant may include additional eligible children but
3 shall not receive additional funding under section 32d for those children.

4 Sec. 39a. (1) From the federal funds appropriated in section 11, there is
5 allocated for ~~2014-2015~~ 2015-2016 to districts, intermediate districts, and other
6 eligible entities all available federal funding, estimated at ~~\$807,969,900.00~~
7 \$779,076,400.00 for the federal programs under the no child left behind act of 2001,
8 Public Law 107-110. These funds are allocated as follows:

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

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

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

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

20 (e) An amount estimated at ~~\$2,293,500.00~~ \$3,000,000.00 for rural and low income
21 schools, funded from DED-OESE, rural and low income school funds.

22 (f) An amount estimated at ~~\$591,500,000.00~~ \$565,000,000.00 to provide
23 supplemental programs to enable educationally disadvantaged children to meet
24 challenging academic standards, funded from DED-OESE, title I, disadvantaged children
25 funds.

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

1 (h) An amount estimated at \$39,000,000.00 for the purpose of providing high-
2 quality extended learning opportunities, after school and during the summer, for
3 children in low-performing schools, funded from DED-OESE, twenty-first century
4 community learning center funds.

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

7 (2) From the federal funds appropriated in section 11, there is allocated for
8 ~~2014-2015~~ 2015-2016 to districts, intermediate districts, and other eligible entities
9 all available federal funding, estimated at ~~\$31,300,000.00~~ \$30,800,000.00 for the
10 following programs that are funded by federal grants:

11 (a) An amount estimated at \$200,000.00 for acquired immunodeficiency syndrome
12 education grants, funded from HHS - center for disease control, AIDS funding.

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

15 (C) AN AMOUNT ESTIMATED AT \$4,000,000.00 TO PROVIDE MENTAL HEALTH, SUBSTANCE
16 ABUSE OR VIOLENCE PREVENTION SERVICES TO STUDENTS, FUNDED FROM HHS-SAMHSA.

17 (D) ~~(e)~~ An amount estimated at ~~\$28,500,000.00~~ \$24,000,000.00 for providing
18 career and technical education services to pupils, funded from DED-OVAE, basic grants
19 to states.

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

26 (4) For the purposes of applying for federal grants appropriated under this
27 article, the department shall allow an intermediate district to submit a consortium

1 application on behalf of 2 or more districts with the agreement of those districts as
2 appropriate according to federal rules and guidelines.

3 (5) As used in this section:

4 (a) "DED" means the United States department of education.

5 (b) "DED-OESE" means the DED office of elementary and secondary education.

6 (c) "DED-OVAE" means the DED office of vocational and adult education.

7 (d) "HHS" means the United States department of health and human services.

8 ~~(e) "HHS-ACF" means the HHS administration for children and families.~~

9 **(E) "HHS-SAMHSA" MEANS THE HHS SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES**

10 **ADMINISTRATION.**

11 Sec. 41. From the appropriation in section 11, there is allocated an amount not
12 to exceed \$1,200,000.00 ~~each fiscal year for 2013-2014 and for 2014-2015~~ **2015-2016** to
13 applicant districts and intermediate districts offering programs of instruction for
14 pupils of limited English-speaking ability under section 1153 of the revised school
15 code, MCL 380.1153. Reimbursement shall be on a per-pupil basis and shall be based on
16 the number of pupils of limited English-speaking ability in membership on the pupil
17 membership count day. Funds allocated under this section shall be used solely for
18 instruction in speaking, reading, writing, or comprehension of English. A pupil shall
19 not be counted under this section or instructed in a program under this section for
20 more than 3 years.

21 Sec. 43. From the general fund money appropriated in section 11, there is
22 allocated to the department for ~~2014-2015~~ **2015-2016** an amount not to exceed
23 \$1,800,000.00 for updating teacher certification tests. The department shall use these
24 funds to update the set of teacher certification tests, including content-specific and
25 subject-relevant tests, to reflect current education standards by not later than
26 September 30, 2016. **THIS IS THE SECOND YEAR OF TWO YEARS OF FUNDING.**

27 Sec. 51a. (1) From the appropriation in section 11, there is allocated an

1 amount not to exceed ~~\$938,946,100.00~~ \$934,546,100.00 for ~~2014-2015~~ 2015-2016 from
2 state sources and all available federal funding under sections 611 to 619 of part B of
3 the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at
4 \$370,000,000.00 for ~~2014-2015~~ 2015-2016, plus any carryover federal funds from
5 previous year appropriations. The allocations under this subsection are for the
6 purpose of reimbursing districts and intermediate districts for special education
7 programs, services, and special education personnel as prescribed in article 3 of the
8 revised school code, MCL 380.1701 to 380.1766; net tuition payments made by
9 intermediate districts to the Michigan schools for the deaf and blind; and special
10 education programs and services for pupils who are eligible for special education
11 programs and services according to statute or rule. For meeting the costs of special
12 education programs and services not reimbursed under this article, a district or
13 intermediate district may use money in general funds or special education funds, not
14 otherwise restricted, or contributions from districts to intermediate districts,
15 tuition payments, gifts and contributions from individuals or other entities, or
16 federal funds that may be available for this purpose, as determined by the
17 intermediate district plan prepared pursuant to article 3 of the revised school code,
18 MCL 380.1701 to 380.1766. Notwithstanding section 17b, payments of federal funds to
19 districts, intermediate districts, and other eligible entities under this section
20 shall be paid on a schedule determined by the department.

21 (2) From the funds allocated under subsection (1), there is allocated the
22 amount necessary, estimated at ~~\$252,000,000.00~~ \$257,200,000.00 for ~~2014-2015~~ 2015-
23 2016, for payments toward reimbursing districts and intermediate districts for
24 28.6138% of total approved costs of special education, excluding costs reimbursed
25 under section 53a, and 70.4165% of total approved costs of special education
26 transportation. Allocations under this subsection shall be made as follows:

27 (a) The initial amount allocated to a district under this subsection toward

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

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

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

1 education used in calculations for the fiscal year. This adjustment is to reflect
2 reductions in special education program operations or services between 1996-97 and
3 subsequent fiscal years. Adjustments for reductions in special education program
4 operations or services shall be made in a manner determined by the department and
5 shall include adjustments for program or service shifts.

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

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

27 (6) From the amount allocated in subsection (1), there is allocated an amount

1 not to exceed \$2,200,000.00 for ~~2014-2015~~ 2015-2016 to reimburse 100% of the net
2 increase in necessary costs incurred by a district or intermediate district in
3 implementing the revisions in the administrative rules for special education that
4 became effective on July 1, 1987. As used in this subsection, "net increase in
5 necessary costs" means the necessary additional costs incurred solely because of new
6 or revised requirements in the administrative rules minus cost savings permitted in
7 implementing the revised rules. Net increase in necessary costs shall be determined in
8 a manner specified by the department.

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

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

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

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

10 ~~(c) If the department determines before bookclosing for a fiscal year that the~~
11 ~~amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and~~
12 ~~sections 53a, 54, and 56 will exceed expenditures for that fiscal year under~~
13 ~~subsections (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district~~
14 ~~or intermediate district whose reimbursement for that fiscal year would otherwise be~~
15 ~~affected by subdivision (b), subdivision (b) does not apply to the calculation of the~~
16 ~~reimbursement for that district or intermediate district and reimbursement for that~~
17 ~~district or intermediate district shall be calculated in the same manner as it was for~~
18 ~~2003-2004. If the amount of the excess allocations under subsections (2), (3), (6),~~
19 ~~and (11) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation~~
20 ~~of reimbursement to those districts and intermediate districts under this subdivision,~~
21 ~~then the calculations and resulting reimbursement under this subdivision shall be~~
22 ~~prorated on an equal percentage basis. This reimbursement shall not be made after~~
23 ~~2014-2015.~~

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

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

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

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

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

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

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

4 (11) From the funds allocated in subsection (1), there is allocated the amount
5 necessary, estimated at ~~\$3,200,000.00~~ \$3,200,000.00 for ~~2014-2015~~ 2015-2016, to pay
6 the foundation allowances for pupils described in this subsection. The allocation to a
7 district under this subsection shall be calculated by multiplying the number of pupils
8 described in this subsection who are counted in membership in the district times the
9 foundation allowance under section 20 of the pupil's district of residence, not to
10 exceed the basic foundation allowance under section 20 for the current fiscal year,
11 or, for a pupil described in this subsection who is counted in membership in a
12 district that is a public school academy, times an amount equal to the amount per
13 membership pupil under section 20(6) or, for a pupil described in this subsection who
14 is counted in membership in the education achievement system, times an amount equal to
15 the amount per membership pupil under section 20(7). The allocation to an intermediate
16 district under this subsection shall be calculated in the same manner as for a
17 district, using the foundation allowance under section 20 of the pupil's district of
18 residence, not to exceed the basic foundation allowance under section 20 for the
19 current fiscal year. This subsection applies to all of the following pupils:

20 (a) Pupils described in section 53a.

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

24 (c) Pupils with an emotional impairment counted in membership by an
25 intermediate district and provided educational services by the department of community
26 health.

27 (12) If it is determined that funds allocated under subsection (2) or (11) or

1 under section 51c will not be expended, funds up to the amount necessary and available
2 may be used to supplement the allocations under subsection (2) or (11) or under
3 section 51c in order to fully fund those allocations. After payments under subsections
4 (2) and (11) and section 51c, the remaining expenditures from the allocation in
5 subsection (1) shall be made in the following order:

6 (a) 100% of the reimbursement required under section 53a.

7 (b) 100% of the reimbursement required under subsection (6).

8 (c) 100% of the payment required under section 54.

9 (d) 100% of the payment required under subsection (3).

10 (e) 100% of the payments under section 56.

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

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

27 Sec. 51c. As required by the court in the consolidated cases known as Durant v

1 State of Michigan, Michigan supreme court docket no. 104458-104492, from the
2 allocation under section 51a(1), there is allocated for ~~2014-2015~~ 2015-2016 the amount
3 necessary, estimated at ~~\$630,500,000.00~~ \$621,000,000.00, for payments to reimburse
4 districts for 28.6138% of total approved costs of special education excluding costs
5 reimbursed under section 53a, and 70.4165% of total approved costs of special
6 education transportation. Funds allocated under this section that are not expended in
7 the state fiscal year for which they were allocated, as determined by the department,
8 may be used to supplement the allocations under sections 22a and 22b in order to fully
9 fund those calculated allocations for the same fiscal year.

10 Sec. 51d. (1) From the federal funds appropriated in section 11, there is
11 allocated for ~~2014-2015~~ 2015-2016, all available federal funding, estimated at
12 ~~\$74,000,000.00~~ \$71,000,000.00, for special education programs and services that are
13 funded by federal grants. All federal funds allocated under this section shall be
14 distributed in accordance with federal law. Notwithstanding section 17b, payments of
15 federal funds to districts, intermediate districts, and other eligible entities under
16 this section shall be paid on a schedule determined by the department.

17 (2) From the federal funds allocated under subsection (1), the following
18 amounts are allocated for ~~2014-2015~~ 2015-2016:

19 (a) An amount estimated at ~~\$15,000,000.00~~ \$14,000,000.00 for handicapped
20 infants and toddlers, funded from DED-OSERS, handicapped infants and toddlers funds.

21 (b) An amount estimated at ~~\$14,000,000.00~~ \$12,000,000.00 for preschool grants
22 (Public Law 94-142), funded from DED-OSERS, handicapped preschool incentive funds.

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

25 (3) As used in this section, "DED-OSERS" means the United States department of
26 education office of special education and rehabilitative services.

27 Sec. 53a. (1) For districts, reimbursement for pupils described in subsection

1 (2) shall be 100% of the total approved costs of operating special education programs
2 and services approved by the department and included in the intermediate district plan
3 adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766,
4 minus the district's foundation allowance calculated under section 20. For
5 intermediate districts, reimbursement for pupils described in subsection (2) shall be
6 calculated in the same manner as for a district, using the foundation allowance under
7 section 20 of the pupil's district of residence, not to exceed the basic foundation
8 allowance under section 20 for the current fiscal year.

9 (2) Reimbursement under subsection (1) is for the following special education
10 pupils:

11 (a) Pupils assigned to a district or intermediate district through the
12 community placement program of the courts or a state agency, if the pupil was a
13 resident of another intermediate district at the time the pupil came under the
14 jurisdiction of the court or a state agency.

15 (b) Pupils who are residents of institutions operated by the department of
16 community health.

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

20 (d) Pupils enrolled in a department-approved on-grounds educational program
21 longer than 180 days, but not longer than 233 days, at a residential child care
22 institution, if the child care institution offered in 1991-92 an on-grounds
23 educational program longer than 180 days but not longer than 233 days.

24 (e) Pupils placed in a district by a parent for the purpose of seeking a
25 suitable home, if the parent does not reside in the same intermediate district as the
26 district in which the pupil is placed.

27 (3) Only those costs that are clearly and directly attributable to educational

1 programs for pupils described in subsection (2), and that would not have been incurred
2 if the pupils were not being educated in a district or intermediate district, are
3 reimbursable under this section.

4 (4) The costs of transportation shall be funded under this section and shall
5 not be reimbursed under section 58.

6 (5) Not more than \$10,500,000.00 of the allocation for ~~2014-2015~~ 2015-2016 in
7 section 51a(1) shall be allocated under this section.

8 Sec. 54. Each intermediate district shall receive an amount per pupil for each
9 pupil in attendance at the Michigan schools for the deaf and blind. The amount shall
10 be proportionate to the total instructional cost at each school. Not more than
11 \$1,688,000.00 of the allocation for ~~2014-2015~~ 2015-2016 in section 51a(1) shall be
12 allocated under this section.

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

14 (a) "Membership" means for a particular fiscal year the total membership for
15 the immediately preceding fiscal year of the intermediate district and the districts
16 constituent to the intermediate district.

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

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

25 (2) From the allocation under section 51a(1), there is allocated an amount not
26 to exceed \$37,758,100.00 for ~~2014-2015~~ 2015-2016 to reimburse intermediate districts
27 levying millages for special education pursuant to part 30 of the revised school code,

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

8 (3) Reimbursement for those millages levied in ~~2013-2014~~ **2014-2015** shall be
9 made in ~~2014-2015~~ **2015-2016** at an amount per ~~2013-2014~~ **2014-2015** membership pupil
10 computed by subtracting from ~~\$172,200.00~~ **\$174,400.00** the ~~2013-2014~~ **2014-2015** taxable
11 value behind each membership pupil and multiplying the resulting difference by the
12 ~~2013-2014~~ **2014-2015** millage levied.

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

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

18 Sec. 61a. (1) From the appropriation in section 11, there is allocated an
19 amount not to exceed \$26,611,300.00 for ~~2014-2015~~ **2015-2016** to reimburse on an added
20 cost basis districts, except for a district that served as the fiscal agent for a
21 vocational education consortium in the 1993-94 school year, and secondary area
22 vocational-technical education centers for secondary-level career and technical
23 education programs according to rules approved by the superintendent. Applications for
24 participation in the programs shall be submitted in the form prescribed by the
25 department. The department shall determine the added cost for each career and
26 technical education program area. The allocation of added cost funds shall be based on
27 the ~~type~~ **COST** of **THE** career and technical education programs provided, the number of

1 pupils enrolled, **THE ADVANCEMENT OF PUPILS THROUGH THE INSTRUCTIONAL PROGRAM, AND**
2 **PROGRAM RANK IN STUDENT PLACEMENT, JOB OPENINGS AND WAGES** and the length of the
3 training period provided, and shall not exceed 75% of the added cost of any program.
4 With the approval of the department, the board of a district maintaining a secondary
5 career and technical education program may offer the program for the period from the
6 close of the school year until September 1. The program shall use existing facilities
7 and shall be operated as prescribed by rules promulgated by the superintendent.

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

16 ~~(3) In addition to the funds allocated in subsection (1), from the~~
17 ~~appropriation in section 11, there is allocated an amount not to exceed \$1,000,000.00~~
18 ~~for 2014-2015 to districts or intermediate districts for area career and technical~~
19 ~~education centers for the purpose of integrating the Michigan merit curriculum content~~
20 ~~standards under sections 1278a and 1278b of the revised school code, MCL 380.1278a and~~
21 ~~380.1278b, into state approved career and technical education instructional programs~~
22 ~~for the purpose of awarding academic credit. The department shall determine the~~
23 ~~allocation to each career and technical education center in a manner that provides for~~
24 ~~maximum integration of Michigan merit curriculum content standards statewide.~~

25 **SEC. 61B (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT**
26 **NOT TO EXCEED \$17,800,000.00 FOR 2015-2016 FOR CTE EARLY/MIDDLE COLLEGE PROGRAMS**
27 **AUTHORIZED UNDER THIS SECTION. THE PURPOSE OF THESE PROGRAMS IS TO INCREASE THE NUMBER**

1 OF MICHIGAN RESIDENTS WITH HIGH QUALITY DEGREES OR CREDENTIALS, AND TO INCREASE THE
2 NUMBER OF STUDENTS WHO ARE COLLEGE AND CAREER READY UPON HIGH SCHOOL GRADUATION.

3 (2) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), AN AMOUNT AS DETERMINED
4 UNDER THIS SUBSECTION SHALL BE ALLOCATED TO EACH INTERMEDIATE DISTRICT SERVING AS A
5 FISCAL AGENT FOR STATE-APPROVED CTE EARLY/MIDDLE COLLEGE PROGRAMS IN EACH OF THE 10
6 PROSPERITY REGIONS IDENTIFIED BY THE DEPARTMENT. AN INTERMEDIATE DISTRICT SHALL NOT
7 USE MORE THAN 5% OF THE FUNDS ALLOCATED UNDER THIS SUBSECTION FOR ADMINISTRATIVE COSTS
8 FOR SERVING AS THE FISCAL AGENT.

9 (3) TO BE AN ELIGIBLE FISCAL AGENT, AN INTERMEDIATE DISTRICT MUST AGREE TO DO
10 THE FOLLOWING IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT:

11 (A) DISTRIBUTE FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAMS IN A
12 PROSPERITY REGION AS DESCRIBED IN THIS SECTION.

13 (B) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT IS LOCATED IN THE
14 PROSPERITY REGION TO DEVELOP A REGIONAL STRATEGIC PLAN THAT ALIGNS CTE PROGRAMS AND
15 SERVICES INTO AN EFFICIENT AND EFFECTIVE DELIVERY SYSTEM FOR HIGH SCHOOL STUDENTS.

16 (C) IMPLEMENT A REGIONAL PROCESS TO RANK CAREER CLUSTERS IN THE PROSPERITY
17 REGION AS DESCRIBED UNDER SUBSECTION (4). REGIONAL PROCESSES SHALL BE APPROVED BY THE
18 DEPARTMENT PRIOR TO THE RANKING OF CLUSTERS.

19 (D) REPORT CTE EARLY/MIDDLE COLLEGE PROGRAM AND STUDENT DATA AND INFORMATION AS
20 PRESCRIBED BY THE DEPARTMENT.

21 (4) A REGIONAL STRATEGIC PLAN SHALL INCLUDE, BUT NOT BE LIMITED TO, THE
22 FOLLOWING:

23 (A) AN IDENTIFICATION OF REGIONAL EMPLOYER NEED BASED ON A RANKING OF ALL
24 CAREER CLUSTERS IN THE PROSPERITY REGION RANKED BY 10-YEAR JOB OPENINGS PROJECTIONS
25 AND MEDIAN WAGE FOR EACH STANDARD OCCUPATIONAL CODE IN EACH CAREER CLUSTER AS OBTAINED
26 FROM THE UNITED STATES BUREAU OF LABOR STATISTICS. STANDARD OCCUPATION CODES WITHIN
27 HIGH-RANKING CLUSTERS MAY BE FURTHER RANKED BY MEDIAN WAGE AS WELL. THE RANKINGS SHALL

1 BE REVIEWED BY THE TALENT DISTRICT CAREER COUNCIL LOCATED IN THE PROSPERITY REGION AND
2 MODIFIED IF NECESSARY TO ACCURATELY REFLECT EMPLOYER DEMAND FOR TALENT IN THE
3 PROSPERITY REGION.

4 (B) AN IDENTIFICATION OF EDUCATIONAL ENTITIES IN THE PROSPERITY REGION THAT
5 WILL PROVIDE ELIGIBLE CTE EARLY/MIDDLE PROGRAMS INCLUDING DISTRICT, INTERMEDIATE
6 DISTRICTS, POSTSECONDARY INSTITUTIONS AND NONCREDIT OCCUPATIONAL TRAINING PROGRAMS
7 LEADING TO AN INDUSTRY-RECOGNIZED CREDENTIAL.

8 (C) A STRATEGY TO INFORM PARENTS AND STUDENTS OF CTE EARLY/MIDDLE COLLEGE
9 PROGRAMS IN THE PROSPERITY REGION.

10 (D) ANY OTHER REQUIREMENTS AS DEFINED BY THE DEPARTMENT.

11 (E) A REGIONAL STRATEGIC PLAN MUST BE APPROVED BY THE TALENT DISTRICT CAREER
12 COUNCIL PRIOR TO SUBMISSION TO THE DEPARTMENT.

13 (5) AN ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAM IS A FIVE-YEAR HIGH SCHOOL
14 PROGRAM THAT CONTAINS THE FOLLOWING COMPONENTS:

15 (A) HAS BEEN IDENTIFIED IN THE HIGHEST FIVE CAREER CLUSTER RANKINGS IN ANY OF
16 THE TEN REGIONAL STRATEGIC PLANS JOINTLY APPROVED BY THE MICHIGAN TALENT INVESTMENT
17 AGENCY IN THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT AND THE DEPARTMENT.

18 (B) HAS A COHERENT SEQUENCE OF COURSES THAT WILL ALLOW A STUDENT TO EARN A HIGH
19 SCHOOL DIPLOMA AND ACHIEVE AT LEAST ONE OF THE FOLLOWING IN A SPECIFIC CAREER CLUSTER:

20 (I) AN ASSOCIATE'S DEGREE.

21 (II) AN INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATION APPROVED BY THE MICHIGAN
22 TALENT INVESTMENT AGENCY IN THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT.

23 (III) UP TO 60 TRANSFERABLE COLLEGE CREDITS.

24 (IV) PARTICIPATION IN A REGISTERED APPRENTICESHIP.

25 (C) IS ALIGNED WITH THE MICHIGAN MERIT CURRICULUM.

26 (D) HAS AN ARTICULATION AGREEMENT WITH AT LEAST ONE POSTSECONDARY INSTITUTION
27 THAT PROVIDES STUDENTS WITH OPPORTUNITIES TO RECEIVE POSTSECONDARY CREDITS DURING THE

1 STUDENT'S PARTICIPATION IN THE CTE EARLY/MIDDLE COLLEGE PROGRAM AND TRANSFERS THOSE
2 CREDITS TO THE POSTSECONDARY INSTITUTION UPON COMPLETION OF THE CTE EARLY/MIDDLE
3 COLLEGE PROGRAM.

4 (E) PROVIDES INSTRUCTION THAT IS SUPERVISED, DIRECTED, OR COORDINATED BY AN
5 APPROPRIATELY CERTIFICATED CTE TEACHER OR ADJUNCT PROFESSOR FOR CONCURRENT ENROLLMENT
6 COURSES.

7 (F) PROVIDES FOR HIGHLY INTEGRATED STUDENT SUPPORT SERVICES THAT INCLUDE AT
8 LEAST THE FOLLOWING:

9 (I) TEACHERS AS ACADEMIC ADVISORS.

10 (II) SUPERVISED COURSE SELECTION.

11 (III) MONITORING OF STUDENT PROGRESS AND COMPLETION.

12 (IV) CAREER PLANNING SERVICES PROVIDED BY A LOCAL ONE-STOP SERVICE CENTER AS
13 DESCRIBED IN THE MICHIGAN WORKS ONE-STOP SERVICE CENTER SYSTEM ACT, 2006 PA 491, OR BY
14 A HIGH SCHOOL COUNSELOR OR ADVISOR.

15 (G) COURSES MAY BE TAUGHT ON COLLEGE CAMPUSES, OR BY ADJUNCT PROFESSORS FOR
16 COLLEGE COURSES OFFERED AT THE HIGH SCHOOL, OR IN COMBINATION WITH ONLINE INSTRUCTION.

17 (6) FUNDS TO ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAMS SHALL BE DISTRIBUTED AS
18 FOLLOWS:

19 (A) THE DEPARTMENT SHALL CALCULATE STATEWIDE AVERAGE CTE COSTS PER FTE FOR EACH
20 CAREER CLUSTER BY DIVIDING TOTAL PRIOR YEAR STATEWIDE COSTS FOR EACH CAREER CLUSTER BY
21 THE PRIOR YEAR FTE ENROLLMENT FOR EACH CAREER CLUSTER.

22 (B) DISTRIBUTION TO EACH PROSPERITY REGION SHALL BE THE PRODUCT OF 50% OF CTE
23 COSTS PER FTE TIMES THE CURRENT YEAR FTE ENROLLMENT OF EACH CAREER CLUSTER IN AN
24 ELIGIBLE CTE EARLY/MIDDLE COLLEGE PROGRAM.

25 (7) IN ORDER TO RECEIVE FUNDS UNDER THIS SECTION, A CTE EARLY/MIDDLE COLLEGE
26 PROGRAM SHALL FURNISH TO THE INTERMEDIATE DISTRICT THAT IS THE FISCAL AGENT IDENTIFIED
27 IN SUBSECTION (1), IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT, ALL INFORMATION

1 NEEDED TO ADMINISTER THIS PROGRAM AND MEET FEDERAL REPORTING REQUIREMENTS; SHALL ALLOW
2 THE DEPARTMENT OR THE DEPARTMENT'S DESIGNEE TO REVIEW ALL RECORDS RELATED TO THE
3 PROGRAM FOR WHICH IT RECEIVES FUNDS; AND SHALL REIMBURSE THE STATE FOR ALL
4 DISALLOWANCES FOUND IN THE REVIEW, AS DETERMINED BY THE DEPARTMENT.

5 (8) FUNDS DISTRIBUTED UNDER THIS SECTION MAY BE USED TO FUND PROGRAM
6 EXPENDITURES THAT WOULD OTHERWISE BE PAID FOR FROM FOUNDATION ALLOWANCES. A PROGRAM
7 PROVIDER SHALL NOT USE MORE THAN 5% OF THE FUNDS ALLOCATED UNDER THIS SECTION TO THE
8 PROGRAM FOR ADMINISTRATIVE COSTS.

9 (9) IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO FULLY FUND
10 PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION, THE DEPARTMENT SHALL PRORATE
11 PAYMENTS UNDER THIS SECTION ON AN EQUAL PERCENTAGE BASIS.

12 (10) AS USED IN THIS SECTION:

13 (A) "ALLOWABLE COSTS" MEANS THOSE COSTS DIRECTLY ATTRIBUTABLE TO THE PROGRAM AS
14 JOINTLY DETERMINED BY THE MICHIGAN TALENT INVESTMENT AGENCY AND THE DEPARTMENT.

15 (B) "CTE" MEANS CAREER AND TECHNICAL EDUCATION.

16 (C) "TALENT DISTRICT CAREER COUNCIL" MEANS AN ADVISORY COUNCIL TO THE LOCAL
17 WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL,
18 EMPLOYER, LABOR AND PARENT REPRESENTATIVES.

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

20 (a) "Membership" means for a particular fiscal year the total membership for
21 the immediately preceding fiscal year of the intermediate district and the districts
22 constituent to the intermediate district or the total membership for the immediately
23 preceding fiscal year of the area vocational-technical program.

24 (b) "Millage levied" means the millage levied for area vocational-technical
25 education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to
26 380.690, including a levy for debt service obligations incurred as the result of
27 borrowing for capital outlay projects and in meeting capital projects fund

1 requirements of area vocational-technical education.

2 (c) "Taxable value" means the total taxable value of the districts constituent
3 to an intermediate district or area vocational-technical education program, except
4 that if a district has elected not to come under sections 681 to 690 of the revised
5 school code, MCL 380.681 to 380.690, the membership and taxable value of that district
6 shall not be included in the membership and taxable value of the intermediate
7 district. However, the membership and taxable value of a district that has elected not
8 to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690,
9 shall be included in the membership and taxable value of the intermediate district if
10 the district meets both of the following:

11 (i) The district operates the area vocational-technical education program
12 pursuant to a contract with the intermediate district.

13 (ii) The district contributes an annual amount to the operation of the program
14 that is commensurate with the revenue that would have been raised for operation of the
15 program if millage were levied in the district for the program under sections 681 to
16 690 of the revised school code, MCL 380.681 to 380.690.

17 (2) From the appropriation in section 11, there is allocated an amount not to
18 exceed \$9,190,000.00 for ~~2014-2015~~ **2015-2016** to reimburse intermediate districts and
19 area vocational-technical education programs established under section 690(3) of the
20 revised school code, MCL 380.690, levying millages for area vocational-technical
21 education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to
22 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if
23 the funds were generated by those millages.

24 (3) Reimbursement for the millages levied in ~~2013-2014~~ **2014-2015** shall be made
25 in ~~2014-2015~~ **2015-2016** at an amount per ~~2013-2014~~ **2014-2015** membership pupil computed
26 by subtracting from ~~\$188,100.00~~ **\$189,400.00** the ~~2013-2014~~ **2014-2015** taxable value
27 behind each membership pupil and multiplying the resulting difference by the ~~2013-2014~~

1 2014-2015 millage levied.

2 (4) The amount paid to a single intermediate district under this section shall
3 not exceed 38.4% of the total amount allocated under subsection (2).

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

7 Sec. 64b. (1) From the appropriation in section 11, there is allocated an
8 amount not to exceed \$1,750,000.00 for ~~2014-2015~~ 2015-2016 for supplemental payments
9 to districts that support the attendance of district pupils in grades 9 to 12 under
10 the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or
11 under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913,
12 consistent with section 21b, or that support the attendance of district pupils in a
13 concurrent enrollment program if the district meets the requirements under subsection

14 (3). **PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO INCREASE THE NUMBER OF**
15 **STUDENTS WHO ARE COLLEGE AND CAREER READY UPON HIGH SCHOOL GRADUATION.**

16 (2) To be eligible for payments under this section for supporting the
17 attendance of district pupils under the postsecondary enrollment options act, 1996 PA
18 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000
19 PA 258, MCL 388.1901 to 388.1913, a district shall do all of the following:

20 (a) Provide information to all high school pupils on postsecondary enrollment
21 options, including enrollment eligibility, the institutions and types of courses that
22 are eligible for participation, the decision-making process for granting academic
23 credit, and an explanation of eligible charges that will be paid by the district.

24 (b) Enter into a written agreement with a postsecondary institution before the
25 enrollment of district pupils.

26 (c) Agree to pay all eligible charges pursuant to section 21b.

27 (d) Award high school credit for the postsecondary course if the pupil

1 successfully completes the course.

2 (3) To be eligible for payments under this section for pupils enrolled in a
3 concurrent enrollment program, a district shall do all of the following:

4 (a) Provide information to all high school pupils on postsecondary enrollment
5 options, including enrollment eligibility, the institutions and types of courses that
6 are eligible for participation, the decision-making process for granting academic
7 credit, and an explanation of eligible charges that will be paid by the district.

8 (b) Enter into a written agreement with a postsecondary institution
9 establishing the concurrent enrollment program before the enrollment of district
10 pupils in a postsecondary course through the postsecondary institution.

11 (c) Ensure that the course is taught by either a high school teacher or
12 postsecondary faculty pursuant to standards established by the postsecondary
13 institution with which the district has entered into a written agreement to operate
14 the concurrent enrollment program.

15 (d) Ensure that the written agreement provides that the postsecondary
16 institution agrees not to charge the pupil for any cost of the program.

17 (e) Ensure that the course is taught in the local district or intermediate
18 district.

19 (f) Ensure that the pupil is awarded both high school and college credit upon
20 successful completion of the course as outlined in the agreement with the
21 postsecondary institution.

22 (4) Funds shall be awarded to eligible districts under this section in the
23 following manner:

24 (a) A payment of \$10.00 per credit, for up to 3 credits, for a credit-bearing
25 course in which a pupil enrolls during the ~~2014-2015~~ 2015-2016 school year as
26 described under either subsection (2) or (3).

27 (b) An additional payment of \$30.00 per pupil per course identified in

1 subdivision (a), if the pupil successfully completes, and is awarded both high school
2 and postsecondary credit for, the course during the ~~2014-2015~~ 2015-2016 school year.

3 (5) A district requesting payment under this section shall submit an
4 application to the department in the form and manner prescribed by the department.
5 Notwithstanding section 17b, payments under this section shall be made on a schedule
6 determined by the department.

7 SEC. 67. (1) FROM THE GENERAL FUND AMOUNT APPROPRIATED IN SECTION 11, THERE IS
8 ALLOCATED AN AMOUNT NOT TO EXCEED \$3,600,000.00 FOR COLLEGE AND CAREER PREPARATION
9 ACTIVITIES. THE PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO INFORM STUDENTS OF
10 COLLEGE AND CAREER OPTIONS, AND PROVIDE A WIDE ARRAY OF TOOLS AND RESOURCES INTENDED
11 TO INCREASE THE NUMBER OF STUDENTS WHO ARE ADEQUATELY PREPARED WITH THE INFORMATION
12 NEEDED TO MAKE INFORMED DECISIONS ON COLLEGE AND CAREER. THE FUNDS APPROPRIATED UNDER
13 THIS SECTION WILL BE USED TO INCREASE THE NUMBER OF MICHIGAN RESIDENTS WITH HIGH
14 QUALITY DEGREES OR CREDENTIALS.

15 (2) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT TO EXCEED
16 \$3,000,000.00 SHALL BE USED FOR THE COLLEGE ACCESS PROGRAM. THE TALENT INVESTMENT
17 AGENCY OF THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE
18 FUNDS IN COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK. FUNDS MAY BE USED FOR
19 THE FOLLOWING PURPOSES:

20 (A) MICHIGAN COLLEGE ACCESS NETWORK OPERATIONS, PROGRAMMING, AND SERVICES TO
21 LOCAL COLLEGE ACCESS NETWORKS.

22 (B) LOCAL COLLEGE ACCESS NETWORKS, WHICH ARE COMMUNITY-BASED COLLEGE
23 ACCESS/SUCCESS PARTNERSHIPS COMMITTED TO INCREASING THE COLLEGE PARTICIPATION AND
24 COMPLETION RATES WITHIN GEOGRAPHICALLY DEFINED COMMUNITIES THROUGH A COORDINATED
25 STRATEGY.

26 (C) THE MICHIGAN COLLEGE ADVISING PROGRAM, A PROGRAM INTENDED TO PLACE TRAINED,
27 RECENTLY-GRADUATED COLLEGE ADVISERS IN HIGH SCHOOLS THAT SERVE SIGNIFICANT NUMBERS OF

1 LOW-INCOME AND FIRST GENERATION COLLEGE-GOING STUDENTS. STATE FUNDS USED FOR THIS
2 PURPOSE MAY NOT EXCEED 33 PERCENT OF THE TOTAL FUNDS USED FOR THIS PURPOSE.

3 (D) SUBGRANTS OF UP TO \$5,000.00 TO DISTRICTS WITH COMPREHENSIVE HIGH SCHOOLS
4 THAT ESTABLISH A COLLEGE ACCESS TEAM AND IMPLEMENT SPECIFIC STRATEGIES TO CREATE A
5 COLLEGE-GOING CULTURE IN A HIGH SCHOOL IN A FORM AND MANNER APPROVED BY THE MICHIGAN
6 COLLEGE ACCESS NETWORK AND THE MICHIGAN TALENT INVESTMENT AGENCY.

7 (E) THE MICHIGAN COLLEGE ACCESS PORTAL, AN ONLINE 1-STOP PORTAL TO HELP
8 STUDENTS AND FAMILIES PLAN AND APPLY FOR COLLEGE.

9 (F) PUBLIC AWARENESS AND OUTREACH CAMPAIGNS TO ENCOURAGE LOW-INCOME AND FIRST-
10 GENERATION STUDENTS TO TAKE NECESSARY STEPS TOWARD COLLEGE AND TO ASSIST STUDENTS AND
11 FAMILIES IN COMPLETING A TIMELY AND ACCURATE FREE APPLICATION FOR FEDERAL STUDENT AID.

12 (G) SUBGRANTS TO POSTSECONDARY INSTITUTIONS TO RECRUIT, HIRE, AND TRAIN COLLEGE
13 STUDENT MENTORS AND COLLEGE ADVISORS TO ASSIST HIGH SCHOOL STUDENTS IN NAVIGATING THE
14 POSTSECONDARY PLANNING AND ENROLLMENT PROCESS.

15 (3) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), AN AMOUNT NOT TO EXCEED
16 \$600,000.00 TO BE USED FOR THE PURPOSES OF THIS SUBSECTION. THE TALENT INVESTMENT
17 AGENCY OF THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT SHALL ADMINISTER THESE
18 FUNDS IN COLLABORATION WITH THE MICHIGAN COLLEGE ACCESS NETWORK AND THE MICHIGAN
19 VIRTUAL UNIVERSITY.

20 (A) A PILOT OUTREACH PROGRAM TO PROVIDE INFORMATION TO STUDENTS, PARENTS AND
21 EDUCATORS ON DUAL ENROLLMENT AND OTHER OPPORTUNITIES AVAILABLE TO HIGH SCHOOL STUDENTS
22 TO EARN POSTSECONDARY CREDITS, INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATIONS, AND
23 PARTICIPATION IN REGISTERED APPRENTICESHIPS AT NO COST.

24 (B) AN ONLINE CAREER PLANNING TOOL THAT MEETS THE FOLLOWING:

25 (I) HELPS STUDENTS CREATE EDUCATIONAL DEVELOPMENT PLANS PRIOR TO STARTING HIGH
26 SCHOOL.

27 (II) PROVIDES INFORMATION TO STUDENTS ALLOWING THEM TO MAKE MORE INFORMED

1 CHOICES

2 ABOUT CAREER AND EDUCATION OPTIONS.

3 (III) IS AVAILABLE TO STUDENTS AT NO COST.

4 (4) FOR THE PURPOSES OF THIS SECTION, "COLLEGE" MEANS ANY POSTSECONDARY
5 EDUCATIONAL OPPORTUNITY THAT LEADS TO A CAREER, INCLUDING BUT NOT LIMITED TO A
6 POSTSECONDARY DEGREE, INDUSTRY-RECOGNIZED TECHNICAL CERTIFICATION OR REGISTERED
7 APPRENTICESHIP.

8 Sec. 74. (1) From the amount appropriated in section 11, there is allocated an
9 amount not to exceed ~~\$3,316,500.00~~ \$3,315,700.00 for ~~2014-2015~~ 2015-2016 for the
10 purposes of this section.

11 (2) From the allocation in subsection (1), there is allocated ~~for each fiscal~~
12 ~~year~~ the amount necessary for payments to state supported colleges or universities and
13 intermediate districts providing school bus driver safety instruction pursuant to
14 section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments
15 shall be in an amount determined by the department not to exceed the actual cost of
16 instruction and driver compensation for each public or nonpublic school bus driver
17 attending a course of instruction. For the purpose of computing compensation, the
18 hourly rate allowed each school bus driver shall not exceed the hourly rate received
19 for driving a school bus. Reimbursement compensating the driver during the course of
20 instruction shall be made by the department to the college or university or
21 intermediate district providing the course of instruction.

22 (3) From the allocation in subsection (1), there is allocated for ~~2014-2015~~
23 2015-2016 the amount necessary to pay the reasonable costs of nonspecial education
24 auxiliary services transportation provided pursuant to section 1323 of the revised
25 school code, MCL 380.1323. Districts funded under this subsection shall not receive
26 funding under any other section of this article for nonspecial education auxiliary
27 services transportation.

1 (4) From the funds allocated in subsection (1), there is allocated an amount
2 not to exceed ~~\$1,691,500.00~~ **\$1,690,700.00** for ~~2014-2015~~ **2015-2016** for reimbursement to
3 districts and intermediate districts for costs associated with the inspection of
4 school buses and pupil transportation vehicles by the department of state police as
5 required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a,
6 and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The
7 department of state police shall prepare a statement of costs attributable to each
8 district for which bus inspections are provided and submit it to the department and to
9 an intermediate district serving as fiduciary in a time and manner determined jointly
10 by the department and the department of state police. Upon review and approval of the
11 statement of cost, the department shall forward to the designated intermediate
12 district serving as fiduciary the amount of the reimbursement on behalf of each
13 district and intermediate district for costs detailed on the statement within 45 days
14 after receipt of the statement. The designated intermediate district shall make
15 payment in the amount specified on the statement to the department of state police
16 within 45 days after receipt of the statement. The total reimbursement of costs under
17 this subsection shall not exceed the amount allocated under this subsection.
18 Notwithstanding section 17b, payments to eligible entities under this subsection shall
19 be paid on a schedule prescribed by the department.

20 Sec. 81. (1) Except as otherwise provided in this section, from the
21 appropriation in section 11, there is allocated for ~~2014-2015~~ **2015-2016** to the
22 intermediate districts the sum necessary, but not to exceed ~~\$67,115,000.00~~
23 **\$67,108,000.00** to provide state aid to intermediate districts under this section.

24 (2) From the allocation in subsection (1), there is allocated for ~~2014-2015~~
25 **2015-2016** an amount not to exceed \$65,108,000.00 for allocations to each intermediate
26 district in an amount equal to ~~104.8%~~ of the amount allocated to the intermediate
27 district under this subsection for ~~2013-2014~~ **2014-2015**. Funding provided under this

1 section shall be used to comply with requirements of this article and the revised
2 school code that are applicable to intermediate districts, and for which funding is
3 not provided elsewhere in this article, and to provide technical assistance to
4 districts as authorized by the intermediate school board.

5 (3) Intermediate districts receiving funds under subsection (2) shall
6 collaborate with the department to develop expanded professional development
7 opportunities for teachers to update and expand their knowledge and skills needed to
8 support the Michigan merit curriculum.

9 (4) From the allocation in subsection (1), there is allocated to an
10 intermediate district, formed by the consolidation or annexation of 2 or more
11 intermediate districts or the attachment of a total intermediate district to another
12 intermediate school district or the annexation of all of the constituent K-12
13 districts of a previously existing intermediate school district which has
14 disorganized, an additional allotment of \$3,500.00 each fiscal year for each
15 intermediate district included in the new intermediate district for 3 years following
16 consolidation, annexation, or attachment. ~~From the allocation in subsection (1), there~~
17 ~~is allocated \$7,000.00 for purposes of this subsection for 2012-2013, for 2013-2014,~~
18 ~~and for 2014-2015, after which the payment under this subsection will cease.~~

19 (5) In order to receive funding under subsection (2), an intermediate district
20 shall do all of the following:

21 (a) Demonstrate to the satisfaction of the department that the intermediate
22 district employs at least 1 person who is trained in pupil accounting and auditing
23 procedures, rules, and regulations.

24 (b) Demonstrate to the satisfaction of the department that the intermediate
25 district employs at least 1 person who is trained in rules, regulations, and district
26 reporting procedures for the individual-level student data that serves as the basis
27 for the calculation of the district and high school graduation and dropout rates.

1 (c) Comply with sections 1278a and 1278b of the revised school code, MCL
2 380.1278a and 380.1278b.

3 (d) Furnish data and other information required by state and federal law to the
4 center and the department in the form and manner specified by the center or the
5 department, as applicable.

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

7 (f) Comply with section 761 of the revised school code, MCL 380.761.

8 (6) From the allocation in subsection (1), there is allocated an amount not to
9 exceed \$2,000,000.00 for ~~2014-2015~~ **2015-2016** for an incentive payment to each
10 intermediate district that meets best practices as determined by the department under
11 this subsection. The amount of the incentive payment is an amount equal to 3.1% of the
12 amount allocated to the intermediate district under subsection (2). An intermediate
13 district is eligible for an incentive payment under this subsection if the
14 intermediate district satisfies ~~at least 5~~ **ALL** of the following requirements not later
15 than June 1, ~~2015~~ **2016**:

16 (a) The intermediate district enters into an agreement with the department to
17 comply with all of the following:

18 (i) If the intermediate district developed a service consolidation plan in
19 ~~2013-2014~~ **2014-2015**, implement the service consolidation plan in ~~2014-2015~~ **2015-2016**
20 and report to the department not later than February 1, ~~2015~~ **2016** on the intermediate
21 district's progress in implementing the service consolidation plan.

22 (ii) If the intermediate district ~~did~~ **HAS** not ~~develop~~ **DEVELOPED** a service
23 consolidation plan ~~in 2012-2013 or 2013-2014~~, develop a service consolidation plan in
24 ~~2014-2015~~ **2015-2016** to reduce operating costs that is in compliance with guidelines
25 that were developed by the department for former section 11d as that section was in
26 effect for 2010-2011.

27 (iii) Make the intermediate district's service consolidation plan publicly

1 available on the intermediate district's website.

2 ~~(b) The intermediate district has obtained competitive bids on the provision of~~
3 ~~1 or more noninstructional services for the intermediate district or its constituent~~
4 ~~districts with a value of at least \$50,000.00. The unfunded accrued liability costs~~
5 ~~for retirement and other benefits shall be excluded from the intermediate district's~~
6 ~~current costs for the purpose of comparing competitive bids to the current costs of~~
7 ~~providing services.~~

8 (B) ~~(e)~~ The intermediate district develops a technology plan in accordance with
9 department policy on behalf of all constituent districts within the intermediate
10 district that integrates technology into the classroom and prepares teachers to use
11 digital technologies as part of the instructional program of each of its constituent
12 districts. An intermediate district that **HAS** developed a technology plan ~~in 2012-2013~~
13 ~~or 2013-2014~~ shall continue to implement that technology plan in ~~2014-2015~~ **2015-2016**.

14 (C) ~~(d)~~ The intermediate district provides to parents and community members a
15 dashboard or report card demonstrating the intermediate district's efforts to manage
16 its finances responsibly. The dashboard or report card shall include revenue and
17 expenditure projections for the intermediate district for ~~2014-2015 and~~ **2015-2016 AND**
18 **2016-2017**, a listing of all debt service obligations, detailed by project, including
19 anticipated ~~2014-2015~~ **2015-2016** payment for each project, a listing of total
20 outstanding debt, and at least all of the following for the 3 most recent school years
21 for which the data are available:

22 (i) A list of services offered by the intermediate district that are shared by
23 other local or intermediate districts and a list of the districts or intermediate
24 districts that participate.

25 (ii) The total cost savings to local or other intermediate districts that share
26 services with the intermediate district.

27 (iii) The number and percentage of teachers in the intermediate district

1 service area that are trained to integrate technology into the classroom.

2 (iv) The total funds received from levying special education and vocational
3 education millages, and the number of special education and vocational education
4 pupils served with those dollars.

5 (v) The number and percentage of individualized education programs developed
6 for special education pupils that contain academic goals.

7 (D) ~~(e)~~—The intermediate district works in a consortium with 1 or more other
8 intermediate districts and the center to develop local information management system
9 requirements and bid specifications that result in a recommended model information
10 system that supports interoperability to ensure linkage and connectivity in a manner
11 that facilitates the efficient exchange of data among districts, intermediate
12 districts, and the center. At a minimum, these specifications shall include pupil
13 management systems for both general and special education, learning management tools,
14 and business services.

15 ~~(f) If an intermediate district provides medical, pharmacy, dental, vision,~~
16 ~~disability, long term care, or any other type of benefit that would constitute a~~
17 ~~health care services benefit, to employees and their dependents, the intermediate~~
18 ~~district is the policyholder for each of its insurance policies that covers 1 or more~~
19 ~~of these benefits. An intermediate district that does not directly employ its staff or~~
20 ~~an intermediate district with a voluntary employee beneficiary association that pays~~
21 ~~no more than the maximum per employee contribution amount and that contributes no more~~
22 ~~than the maximum employer contribution percentage of total annual costs for the~~
23 ~~medical benefit plans as described in sections 3 and 4 of the publicly funded health~~
24 ~~insurance contribution act, 2011 PA 152, MCL 15.563 and 15.564, is considered to have~~
25 ~~satisfied this requirement.~~

26 Sec. 94. (1) From the general fund appropriation in section 11, there is
27 allocated to the department for 2014-2015 2015-2016 an amount not to exceed

1 \$250,000.00 for efforts to increase the number of pupils who participate and succeed
2 in advanced placement and international baccalaureate programs.

3 (2) From the funds allocated under this section, the department shall award
4 funds to cover all or part of the costs of advanced placement test fees or
5 international baccalaureate test fees for low-income pupils who take an advanced
6 placement or an international baccalaureate test. Payments shall not exceed \$20.00 per
7 test completed.

8 (3) The department shall only award funds under this section if the department
9 determines that all of the following criteria are met:

10 (a) Each pupil for whom payment is made meets eligibility requirements of the
11 federal advanced placement test fee program under section 1701 of the no child left
12 behind act of 2001, Public Law 107-110.

13 (b) The tests are administered by the college board, the international
14 baccalaureate organization, or another test provider approved by the department.

15 (c) The pupil for whom payment is made pays at least \$5.00 toward the cost of
16 each test for which payment is made.

17 (4) The department shall establish procedures for awarding funds under this
18 section.

19 (5) Notwithstanding section 17b, payments under this section shall be made on a
20 schedule determined by the department.

21 Sec. 94a. (1) There is created within the state budget office in the department
22 of technology, management, and budget the center for educational performance and
23 information. The center shall do all of the following:

24 (a) Coordinate the collection of all data required by state and federal law
25 from districts, intermediate districts, and postsecondary institutions.

26 (b) Create, maintain, and enhance this state's P-20 longitudinal data system
27 and ensure that it meets the requirements of subsection (4).

1 (c) Collect data in the most efficient manner possible in order to reduce the
2 administrative burden on reporting entities, including, but not limited to, electronic
3 transcript services.

4 (d) Create, maintain, and enhance this state's web-based educational portal to
5 provide information to school leaders, teachers, researchers, and the public in
6 compliance with all federal and state privacy laws. Data shall include, but are not
7 limited to, all of the following:

8 (i) Data sets that link teachers to student information, allowing districts to
9 assess individual teacher impact on student performance and consider student growth
10 factors in teacher and principal evaluation systems.

11 (ii) Data access or, if practical, data sets, provided for regional data
12 warehouses that, in combination with local data, can improve teaching and learning in
13 the classroom.

14 (iii) Research-ready data sets for researchers to perform research that
15 advances this state's educational performance.

16 (e) Provide data in a useful manner to allow state and local policymakers to
17 make informed policy decisions.

18 (f) Provide public reports to the citizens of this state to allow them to
19 assess allocation of resources and the return on their investment in the education
20 system of this state.

21 (g) Other functions as assigned by the state budget director.

22 (2) Each state department, officer, or agency that collects information from
23 districts, intermediate districts, or postsecondary institutions as required under
24 state or federal law shall make arrangements with the center to ensure that the state
25 department, officer, or agency is in compliance with subsection (1). This subsection
26 does not apply to information collected by the department of treasury under the
27 uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised

1 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
2 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or
3 section 1351a of the revised school code, MCL 380.1351a.

4 (3) The center may enter into any interlocal agreements necessary to fulfill
5 its functions.

6 (4) The center shall ensure that the P-20 longitudinal data system required
7 under subsection (1)(b) meets all of the following:

8 (a) Includes data at the individual student level from preschool through
9 postsecondary education and into the workforce.

10 (b) Supports interoperability by using standard data structures, data formats,
11 and data definitions to ensure linkage and connectivity in a manner that facilitates
12 the exchange of data among agencies and institutions within the state and between
13 states.

14 (c) Enables the matching of individual teacher and student records so that an
15 individual student may be matched with those teachers providing instruction to that
16 student.

17 (d) Enables the matching of individual teachers with information about their
18 certification and the institutions that prepared and recommended those teachers for
19 state certification.

20 (e) Enables data to be easily generated for continuous improvement and
21 decision-making, including timely reporting to parents, teachers, and school leaders
22 on student achievement.

23 (f) Ensures the reasonable quality, validity, and reliability of data contained
24 in the system.

25 (g) Provides this state with the ability to meet federal and state reporting
26 requirements.

27 (h) For data elements related to preschool through grade 12 and postsecondary,

1 meets all of the following:

2 (i) Contains a unique statewide student identifier that does not permit a
3 student to be individually identified by users of the system, except as allowed by
4 federal and state law.

5 (ii) Contains student-level enrollment, demographic, and program participation
6 information.

7 (iii) Contains student-level information about the points at which students
8 exit, transfer in, transfer out, drop out, or complete education programs.

9 (iv) Has the capacity to communicate with higher education data systems.

10 (i) For data elements related to preschool through grade 12 only, meets all of
11 the following:

12 (i) Contains yearly test records of individual students for assessments
13 approved by DED-OESE for accountability purposes under section 1111(b) of the
14 elementary and secondary education act of 1965, 20 USC 6311, including information on
15 individual students not tested, by grade and subject.

16 (ii) Contains student-level transcript information, including information on
17 courses completed and grades earned.

18 (iii) Contains student-level college readiness test scores.

19 (j) For data elements related to postsecondary education only:

20 (i) Contains data that provide information regarding the extent to which
21 individual students transition successfully from secondary school to postsecondary
22 education, including, but not limited to, all of the following:

23 (A) Enrollment in remedial coursework.

24 (B) Completion of 1 year's worth of college credit applicable to a degree
25 within 2 years of enrollment.

26 (ii) Contains data that provide other information determined necessary to
27 address alignment and adequate preparation for success in postsecondary education.

1 (5) From the general fund appropriation in section 11, there is allocated an
2 amount not to exceed ~~\$12,022,800.00~~ **\$11,967,000.00** for ~~2014-2015~~ **2015-2016** to the
3 department of technology, management, and budget to support the operations of the
4 center. In addition, from the federal funds appropriated in section 11 there is
5 allocated for ~~2014-2015~~ **2015-2016** the amount necessary, estimated at \$193,500.00, to
6 support the operations of the center and to establish a P-20 longitudinal data system
7 ~~as provided under this section in compliance with the assurance provided to the United~~
8 ~~States department of education in order to receive state fiscal stabilization funds~~
9 **NECESSARY FOR STATE AND FEDERAL REPORTING.** The center shall cooperate with the
10 department to ensure that this state is in compliance with federal law and is
11 maximizing opportunities for increased federal funding to improve education in this
12 state.

13 (6) From the funds allocated in subsection (5), there is allocated for ~~2014-~~
14 ~~2015~~ **2015-2016** an amount ~~not to exceed \$850,000.00~~ **DETERMINED BY THE CENTER** for
15 competitive grants to support collaborative efforts on the P-20 longitudinal data
16 system. All of the following apply to grants awarded under this subsection:

17 (a) The center shall award competitive grants to eligible intermediate
18 districts or a consortium of intermediate districts based on criteria established by
19 the center.

20 (b) Activities funded under the grant shall support the P-20 longitudinal data
21 system portal and may include portal hosting, hardware and software acquisition,
22 maintenance, enhancements, user support and related materials, and professional
23 learning tools and activities aimed at improving the utility of the P-20 longitudinal
24 data system.

25 (c) An applicant that received a grant under this subsection for the
26 immediately preceding fiscal year shall receive priority for funding under this
27 section. However, after 3 fiscal years of continuous funding, an applicant is required

1 to compete openly with new applicants.

2 (7) Funds allocated under this section that are not expended in the fiscal year
3 in which they were allocated may be carried forward to a subsequent fiscal year and
4 are appropriated for the purposes for which the funds were originally allocated.

5 (8) The center may bill departments as necessary in order to fulfill reporting
6 requirements of state and federal law. The center may also enter into agreements to
7 supply custom data, analysis, and reporting to other principal executive departments,
8 state agencies, local units of government, and other individuals and organizations.
9 The center may receive and expend funds in addition to those authorized in subsection
10 (5) to cover the costs associated with salaries, benefits, supplies, materials, and
11 equipment necessary to provide such data, analysis, and reporting services.

12 (9) As used in this section:

13 (a) "DED-OESE" means the United States department of education office of
14 elementary and secondary education.

15 (b) "State education agency" means the department.

16 Sec. 95a. (1) The educator evaluation reserve fund is created as a separate
17 account within the state school aid fund.

18 (2) The state treasurer may receive money or other assets from any source for
19 deposit into the educator evaluation reserve fund. The state treasurer shall direct
20 the investment of the educator evaluation reserve fund. The state treasurer shall
21 credit to the educator evaluation reserve fund interest and earnings from the educator
22 evaluation reserve fund.

23 (3) Money in the educator evaluation reserve fund at the close of the fiscal
24 year shall remain in the educator evaluation reserve fund and shall not lapse to the
25 state school aid fund or to the general fund. The department of treasury shall be the
26 administrator of the educator evaluation reserve fund for auditing purposes.

27 (4) From the appropriations in section 11, there is allocated to the educator

1 evaluation reserve fund for 2014-2015 an amount not to exceed \$12,100,000.00 from the
2 state school aid fund and an amount not to exceed \$2,700,000.00 from the general fund.
3 Subject to subsections (5) and (6), the department shall expend the money in the
4 educator evaluation reserve fund for implementing evaluation systems for public school
5 teachers and school administrators.

6 ~~(5) Funds in the educator evaluation reserve fund shall not be expended unless~~
7 ~~House Bill Nos. 5223 and 5224 of the 97th Legislature are enacted into law.~~

8 (5) ~~(6)~~ Funds in the educator evaluation reserve fund shall not be expended
9 unless the state budget office has approved the department's spending plan.

10 Sec. 98. (1) From the general fund money appropriated in section 11, there is
11 allocated an amount not to exceed ~~\$7,387,500.00~~ \$7,987,500.00 for ~~2014-2015~~ 2015-2016
12 for the purposes described in this section.

13 (2) The Michigan virtual university shall operate the Michigan virtual learning
14 research institute. The Michigan virtual learning research institute shall do all of
15 the following:

16 (a) Support and accelerate innovation in education through the following
17 activities:

18 (i) Test, evaluate, and recommend as appropriate new technology-based
19 instructional tools and resources.

20 (ii) Research, design, and recommend digital education delivery models for use
21 by pupils and teachers that include age-appropriate multimedia instructional content.

22 (iii) Research, develop, and recommend annually to the department criteria by
23 which cyber schools and online course providers should be monitored and evaluated to
24 ensure a quality education for their pupils.

25 (iv) Based on pupil completion and performance data reported to the department
26 or the center for educational performance and information from cyber schools and other
27 online course providers operating in this state, analyze the effectiveness of online

1 learning delivery models in preparing pupils to be college- and career-ready and
2 publish a report that highlights enrollment totals, completion rates, and the overall
3 impact on pupils. The report shall be submitted to the house and senate appropriations
4 subcommittees on state school aid, the state budget director, the house and senate
5 fiscal agencies, and the department not later than ~~December 1, 2015~~ **MARCH 31, 2016**.

6 (v) Before August 31, ~~2015~~ **2016**, provide an extensive professional development
7 program to at least 500 educational personnel, including teachers, school
8 administrators, and school board members, that focuses on the effective integration of
9 digital learning into curricula and instruction. Not later than December 1, ~~2015~~ **2016**,
10 the Michigan virtual learning research institute shall submit a report to the house
11 and senate appropriations subcommittees on state school aid, the state budget
12 director, the house and senate fiscal agencies, and the department on the number and
13 percentage of teachers, school administrators, and school board members who have
14 received professional development services from the Michigan virtual university. The
15 report shall also identify barriers and other opportunities to encourage the adoption
16 of digital learning in the public education system.

17 (vi) Identify and share best practices for planning, implementing, and
18 evaluating online and blended education delivery models with intermediate districts,
19 districts, and public school academies to accelerate the adoption of innovative
20 education delivery models statewide.

21 (b) Provide leadership for this state's system of digital learning education by
22 doing the following activities:

23 (i) Develop and report policy recommendations to the governor and the
24 legislature that accelerate the expansion of effective online learning in this state's
25 schools.

26 (ii) Provide a clearinghouse for research reports, academic studies,
27 evaluations, and other information related to online learning.

1 (iii) Promote and distribute the most current instructional design standards
2 and guidelines for online teaching.

3 (iv) In collaboration with the department and interested colleges and
4 universities in this state, support implementation and improvements related to
5 effective digital learning instruction.

6 ~~(v) Pursue public/private partnerships that include districts to study and
7 implement competency based technology rich online learning models.~~

8 **(V) CREATE A STATEWIDE NETWORK OF SCHOOL-BASED MENTORS SERVING AS LIAISONS**
9 **BETWEEN STUDENTS, ONLINE INSTRUCTORS, PARENTS AND SCHOOL STAFF AND PROVIDE MENTORS**
10 **WITH RESEARCH-BASED TRAINING AND TECHNICAL ASSISTANCE DESIGNED TO HELP MORE STUDENTS**
11 **BE SUCCESSFUL ONLINE LEARNERS.**

12 (vi) Convene focus groups and conduct annual surveys of teachers,
13 administrators, pupils, parents, and others to identify barriers and opportunities
14 related to online learning.

15 (vii) Produce an annual consumer awareness report for schools and parents about
16 effective online education providers and education delivery models, performance data,
17 cost structures, and research trends.

18 (viii) Research and establish an internet-based platform that educators can use
19 to create student-centric learning tools and resources and facilitate a user network
20 that assists educators in using the platform. As part of this initiative, the Michigan
21 virtual university shall work collaboratively with districts and intermediate
22 districts to establish a plan to make available online resources that align to
23 Michigan's K-12 curriculum standards for use by students, educators, and parents.

24 (ix) Create and maintain a public statewide catalog of online learning courses
25 being offered by all public schools **AND COMMUNITY COLLEGES** in this state. The Michigan
26 virtual learning research institute shall identify and develop a list of nationally
27 recognized best practices for online learning and use this list to support reviews of

1 online course vendors, courses, and instructional practices. The Michigan virtual
2 learning research institute shall also provide a mechanism for intermediate districts
3 to use the identified best practices to review content offered by constituent
4 districts. The Michigan virtual learning research institute shall review the online
5 course offerings of the Michigan virtual university, and make the results from these
6 reviews available to the public as part of the statewide catalog. The Michigan virtual
7 learning research institute shall ensure that the statewide catalog is made available
8 to the public on the Michigan virtual university website and shall allow the ability
9 to link it to each district's website as provided for in section 21f. ~~Beginning in~~
10 ~~2014-2015, the~~ **THE** statewide catalog shall also contain all of the following:

11 (A) The number of enrollments in each online course in the immediately
12 preceding school year.

13 (B) The number of enrollments that earned 60% or more of the total course
14 points for each online course in the immediately preceding school year.

15 (C) The completion rate for each online course.

16 (x) ~~Collaborate with key stakeholders to examine the need and process for~~
17 ~~incorporating~~ **PROTOTYPE AND PILOT** registration, payment services, and transcript
18 functionality to the statewide catalog **AND TRAIN KEY STAKEHOLDERS ON HOW TO USE THE**
19 **NEW FEATURES.**

20 (xi) ~~Collaborate with key stakeholders to examine district level accountability~~
21 ~~and teacher effectiveness issues related to online learning under section 21f and make~~
22 ~~findings and recommendations publicly available.~~

23 (3) **TO FURTHER ENHANCE ITS EXPERTISE AND LEADERSHIP IN DIGITAL LEARNING, THE**
24 **MICHIGAN VIRTUAL UNIVERSITY SHALL CONTINUE TO OPERATE THE MICHIGAN VIRTUAL SCHOOL AS A**
25 **STATEWIDE LABORATORY AND QUALITY MODEL OF INSTRUCTION BY IMPLEMENTING ONLINE AND**
26 **BLENDED LEARNING SOLUTIONS FOR MICHIGAN SCHOOLS IN ACCORDANCE WITH THE FOLLOWING**
27 **PARAMETERS:**

1 (A) ~~In order for the Michigan virtual university to receive any funds allocated~~
2 ~~under this section, the~~ THE Michigan virtual school must maintain its accreditation
3 status from recognized national and international accrediting entities.

4 (B) THE MICHIGAN VIRTUAL UNIVERSITY SHALL USE NO MORE THAN \$1,000,000.00 OF THE
5 AMOUNT ALLOCATED UNDER THIS SECTION TO SUBSIDIZE THE COST PAID BY DISTRICTS FOR ONLINE
6 COURSES.

7 (C) IN THE COURSE OF PROVIDING EDUCATORS RESPONSIBLE FOR THE TEACHING OF ONLINE
8 COURSES AS PROVIDED FOR IN THIS SECTION, THE MICHIGAN VIRTUAL SCHOOL SHALL FOLLOW THE
9 REQUIREMENTS TO REQUEST AND ASSESS, AND THE DEPARTMENT OF STATE POLICE SHALL PROVIDE,
10 A CRIMINAL HISTORY CHECK AND CRIMINAL RECORDS CHECK IN THE SAME MANNER AS IF THE
11 MICHIGAN VIRTUAL SCHOOL WAS A PUBLIC SCHOOL AS PROVIDED FOR IN PART 16 OF THE REVISED
12 SCHOOL CODE, MCL 380.1201-1349.

13 (4) If the course offerings are included in the statewide catalog of online
14 courses under subsection (2) (b) (ix), the Michigan virtual school operated by the
15 Michigan virtual university may offer online course offerings, including, but not
16 limited to, all of the following:

17 (a) Information technology courses.

18 (b) College level equivalent courses, as defined in section 1471 of the revised
19 school code, MCL 380.1471.

20 (c) Courses and dual enrollment opportunities.

21 (d) Programs and services for at-risk pupils.

22 (e) General education development test preparation courses for adjudicated
23 youth.

24 (f) Special interest courses.

25 (g) Professional development programs for teachers, school administrators,
26 other school employees, and school board members.

27 (5) If a home-schooled or nonpublic school student is a resident of a district

1 that subscribes to services provided by the Michigan virtual school, the student may
2 use the services provided by the Michigan virtual school to the district without
3 charge to the student beyond what is charged to a district pupil using the same
4 services.

5 (6) Not later than December 1 of each fiscal year, the Michigan virtual
6 university shall provide a report to the house and senate appropriations subcommittees
7 on state school aid, the state budget director, the house and senate fiscal agencies,
8 and the department that includes at least all of the following information related to
9 the Michigan virtual school for the preceding state fiscal year:

10 (a) A list of the districts served by the Michigan virtual school.

11 (b) A list of online course titles available to districts.

12 (c) The total number of online course enrollments and information on
13 registrations and completions by course.

14 (d) The overall course completion rate percentage.

15 (7) The governor may appoint an advisory group for the Michigan virtual
16 learning research institute established under subsection (2). The members of the
17 advisory group shall serve at the pleasure of the governor and shall serve without
18 compensation. The purpose of the advisory group is to make recommendations to the
19 governor, the legislature, and the president and board of the Michigan virtual
20 university that will accelerate innovation in this state's education system in a
21 manner that will prepare elementary and secondary students to be career and college
22 ready and that will promote the goal of increasing the percentage of citizens of this
23 state with high-quality degrees and credentials to at least 60% by 2025.

24 (8) Not later than November 1, ~~2014~~ 2015, the Michigan virtual university shall
25 submit to the house and senate appropriations subcommittees on state school aid, the
26 state budget director, and the house and senate fiscal agencies a detailed budget for
27 the ~~2014-2015~~ 2015-2016 fiscal year that includes a breakdown on its projected costs

1 to deliver online educational services to districts and a summary of the anticipated
2 fees to be paid by districts for those services. ~~Beginning in 2013-2014, not~~ **NOT** later
3 than ~~February~~ **MARCH** 1, the Michigan virtual university shall submit to the house and
4 senate appropriations subcommittees on state school aid, the state budget director,
5 and the house and senate fiscal agencies a breakdown on its actual costs to deliver
6 online educational services to districts and a summary of the actual fees paid by
7 districts for those services based on audited financial statements for the immediately
8 preceding fiscal year.

9 (9) As used in this section:

10 (a) "Blended learning" means a hybrid instructional delivery model where pupils
11 are provided content, instruction, and assessment, in part at a supervised educational
12 facility away from home where the pupil and a teacher with a valid Michigan teaching
13 certificate are in the same physical location and in part through internet-connected
14 learning environments with some degree of pupil control over time, location, and pace
15 of instruction.

16 (b) "Cyber school" means a full-time instructional program of online courses
17 for pupils that may or may not require attendance at a physical school location.

18 (c) "Digital learning" means instruction delivered via a web-based educational
19 delivery system that uses various information technologies to provide a structured
20 learning environment, including online and blended learning instructional methods.

21 (d) "Online course" means a course of study that is capable of generating a
22 credit or a grade, that is provided in an interactive internet-connected learning
23 environment, in which pupils are separated from their teachers by time or location, or
24 both, and in which a teacher who holds a valid Michigan teaching certificate is
25 responsible for **PROVIDING INSTRUCTION**, determining appropriate instructional methods
26 for each pupil, diagnosing learning needs, assessing pupil learning, prescribing
27 intervention strategies, reporting outcomes, and evaluating the effects of instruction

1 and support strategies.

2 Sec. 99. (1) From the funds appropriated in section 11, there is allocated for
3 ~~2014-2015~~ 2015-2016 an amount not to exceed \$2,750,000.00 from the state school aid
4 fund and an amount not to exceed \$475,000.00 from the general fund to support the
5 activities and programs of mathematics and science centers and for other purposes as
6 described in this section. In addition, from the federal funds appropriated in section
7 11, there is allocated for ~~2014-2015~~ 2015-2016 an amount estimated at \$5,249,300.00
8 from DED-OESE, title II, mathematics and science partnership grants.

9 (2) Within a service area designated locally, approved by the department, and
10 consistent with the comprehensive master plan for mathematics and science centers
11 developed by the department and approved by the state board, an established
12 mathematics and science center shall provide 2 or more of the following 6 basic
13 services, as described in the master plan, to constituent districts and communities:
14 leadership, pupil services, curriculum support, community involvement, professional
15 development, and resource clearinghouse services.

16 (3) The department shall not award a state grant under this section to more
17 than 1 mathematics and science center located in a designated region as prescribed in
18 the 2007 master plan unless each of the grants serves a distinct target population or
19 provides a service that does not duplicate another program in the designated region.

20 (4) As part of the technical assistance process, the department shall provide
21 minimum standard guidelines that may be used by the mathematics and science center for
22 providing fair access for qualified pupils and professional staff as prescribed in
23 this section.

24 (5) Allocations under this section to support the activities and programs of
25 mathematics and science centers shall be continuing support grants to all 33
26 established mathematics and science centers. Each established mathematics and science
27 center that was funded in the immediately preceding fiscal year shall receive state

1 funding in an amount equal to 100% of the amount it was allocated under this
2 subsection for the immediately preceding fiscal year. If a center declines state
3 funding or a center closes, the remaining money available under this section shall be
4 distributed to the remaining centers, as determined by the department.

5 (6) From the funds allocated in subsection (1), there is allocated for ~~2014-~~
6 ~~2015~~ 2015-2016 an amount not to exceed \$750,000.00 in a form and manner determined by
7 the department to those centers able to provide curriculum and professional
8 development support to assist districts in implementing the Michigan merit curriculum
9 components for mathematics and science. Funding under this subsection is in addition
10 to funding allocated under subsection (5).

11 (7) From the general fund money allocated in subsection (1), there is allocated
12 for ~~2014-2015~~ 2015-2016 an amount not to exceed \$100,000.00 to the Michigan STEM
13 partnership, to be used to administer the grant process under this subsection. From
14 the general fund money allocated in subsection (1), there is allocated for ~~2014-2015~~
15 2015-2016 an amount not to exceed \$375,000.00 to the Michigan STEM partnership to be
16 used for a competitive grant process to award competitive grants to organizations
17 conducting student-focused, project-based programs and competitions, either in the
18 classroom or extracurricular, in science, technology, engineering, and mathematics
19 subjects such as, but not limited to, robotics, coding, and design-build-test
20 projects, from pre-kindergarten through college level. Funding under this subsection
21 is in addition to funding allocated under subsection (5) and shall be used for
22 connecting mathematics and science centers for science, technology, engineering, and
23 mathematics purposes and to support the goals of the Michigan STEM partnership. A
24 program receiving funds under section 99h may not receive funds under this subsection.

25 (8) In order to receive state or federal funds under this section, a grant
26 recipient shall allow access for the department or the department's designee to audit
27 all records related to the program for which it receives such funds. The grant

1 recipient shall reimburse the state for all disallowances found in the audit.

2 (9) Not later than September 30, 2018, the department shall reevaluate and
3 update the comprehensive master plan described in subsection (1).

4 (10) The department shall give preference in awarding the federal grants
5 allocated in subsection (1) to eligible existing mathematics and science centers.

6 (11) In order to receive state funds under this section, a grant recipient
7 shall provide at least a 10% local match from local public or private resources for
8 the funds received under this section.

9 (12) Not later than July 1 of each year, a mathematics and science center that
10 receives funds under this section shall report to the department in a form and manner
11 prescribed by the department on the following performance measures:

12 (a) Statistical change in pre- and post-assessment scores for students who
13 enrolled in mathematics and science activities provided to districts by the
14 mathematics and science center.

15 (b) Statistical change in pre- and post-assessment scores for teachers who
16 enrolled in professional development activities provided by the mathematics and
17 science center.

18 (13) As used in this section:

19 (a) "DED" means the United States department of education.

20 (b) "DED-OESE" means the DED office of elementary and secondary education.

21 Sec. 99h. (1) From the appropriation in section 11, there is allocated an
22 amount not to exceed \$2,000,000.00 for ~~2014-2015~~ 2015-2016 for competitive grants to
23 districts that provide pupils in grades 7 to 12 with expanded opportunities to improve
24 mathematics, science, and technology skills by participating in events hosted by a
25 science and technology development program known as FIRST (for inspiration and
26 recognition of science and technology) robotics.

27 (2) A district applying for a FIRST tech challenge or FIRST robotics

1 competition program grant shall submit an application in a form and manner determined
2 by the department. To be eligible for a grant, a district shall demonstrate in its
3 application that the district has established a partnership for the purposes of the
4 FIRST program with at least 1 sponsor, business entity, higher education institution,
5 or technical school, shall submit a spending plan, and shall pay at least 25% of the
6 cost of the FIRST robotics program.

7 (3) The department shall distribute the grant funding under this section for
8 the following purposes:

9 (a) Grants to districts to pay for stipends of \$1,500.00 for 1 coach per team,
10 distributed as follows:

11 (i) Not more than 500 stipends for coaches of high school teams, including
12 existing teams.

13 (ii) Not more than 100 stipends for coaches of middle school or junior high
14 teams, including existing teams.

15 (iii) If the requests for stipends exceed the numbers of stipends allowed under
16 subparagraphs (i) and (ii), and if there is funding remaining unspent under
17 subdivisions (b) and (c), the department shall use that remaining unspent funding for
18 grants to districts to pay for additional stipends in a manner that expands the
19 geographical distribution of teams.

20 (b) Grants to districts for event registrations, materials, travel costs, and
21 other expenses associated with the preparation for and attendance at FIRST tech
22 challenge and FIRST robotics competitions. Each grant recipient shall provide a local
23 match from other private or local funds for the funds received under this subdivision
24 equal to at least 50% of the costs of participating in an event. The department shall
25 set maximum grant amounts under this subdivision in a manner that maximizes the number
26 of teams that will be able to receive funding.

27 (c) Grants to districts for awards to teams that advance to the state and world

1 championship competitions. The department shall determine an equal amount per team for
 2 those teams that advance to the state championship and a second equal award amount to
 3 those teams that advance to the world championship.

4 (4) The funds allocated under this section are a work project appropriation,
 5 and any unexpended funds for ~~2014-2015~~ 2015-2016 are carried forward into ~~2015-2016~~
 6 2016-2017. The purpose of the work project is to continue to implement the projects
 7 described under subsection (1). The estimated completion date of the work project is
 8 September 30, ~~2017~~ 2018.

9 Sec. 102. (1) A district or intermediate district receiving money under this
 10 article shall not adopt or operate under a deficit budget, and a district or
 11 intermediate district shall not incur an operating deficit in a fund during a school
 12 fiscal year. ~~A-IF A~~ district or intermediate district ~~that~~ has an existing deficit
 13 fund balance, ~~that~~ incurs a deficit fund balance in the most recently completed school
 14 fiscal year, or ~~that~~ adopts a current year budget that projects a deficit fund
 15 balance, ~~THE DISTRICT OR INTERMEDIATE DISTRICT shall not be allotted or paid a further~~
 16 ~~sum~~ IMMEDIATELY NOTIFY THE SUPERINTENDENT AND STATE TREASURER AND WITHIN 30 DAYS OF
 17 THAT NOTIFICATION SUBMIT TO THE SUPERINTENDENT AND THE STATE TREASURER A PREPLAN
 18 FINANCIAL REPORT IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF TREASURY. THE
 19 DEPARTMENT MAY WITHHOLD SOME OR ALL OF THE MONEY PAYABLE TO THE DISTRICT OR
 20 INTERMEDIATE DISTRICT under this article AS THE SUPERINTENDENT DETERMINES NECESSARY TO
 21 INCENTIVIZE THE DISTRICT OR INTERMEDIATE DISTRICT TO ELIMINATE THE DEFICIT until the
 22 district or intermediate district submits to the department for approval a budget for
 23 the current school fiscal year and a DEFICIT ELIMINATION plan ~~to eliminate the~~
 24 ~~district's or intermediate district's deficit not later than the end of the second~~
 25 ~~school fiscal year after the deficit was incurred or the budget projecting a deficit~~
 26 ~~was adopted. Withheld state aid payments~~ IN THE FORM AND MANNER PRESCRIBED BY THE
 27 DEPARTMENT OR THE DEFICIT ELIMINATION PLAN IS APPROVED BY THE DEPARTMENT. THE

1 DEPARTMENT MAY REQUIRE A DEFICIT ELIMINATION PLAN TO INCLUDE AN ACADEMIC PLAN FOR THE
2 DISTRICT OR INTERMEDIATE DISTRICT. MONEY WITHHELD UNDER THIS SECTION shall be released
3 after the department approves the deficit elimination plan ~~and ensures that the budget~~
4 ~~for the current school fiscal year is balanced.~~ After the department approves a
5 district's or intermediate district's deficit elimination plan, the district or
6 intermediate district shall post the deficit elimination plan on the district's or
7 intermediate district's website.

8 (2) Not later than March 1 of each year, the department shall prepare a report
9 of deficits incurred or projected by districts and intermediate districts in the
10 immediately preceding fiscal year and the progress made in reducing those deficits and
11 submit the report to the standing committees of the legislature responsible for K-12
12 education legislation, the appropriations subcommittees of the legislature responsible
13 for K-12 education appropriations, the house and senate fiscal agencies, the state
14 treasurer, and the state budget director. The department also shall submit quarterly
15 interim reports concerning the progress made by districts and intermediate districts
16 in reducing those deficits **TO THE STANDING COMMITTEES OF THE LEGISLATURE RESPONSIBLE**
17 **FOR K-12 EDUCATION LEGISLATION, THE APPROPRIATIONS SUBCOMMITTEES OF THE LEGISLATURE**
18 **RESPONSIBLE FOR K-12 EDUCATION APPROPRIATIONS, THE HOUSE AND SENATE FISCAL AGENCIES,**
19 **THE STATE TREASURER, AND THE STATE BUDGET DIRECTOR.** On a quarterly basis, the
20 superintendent of public instruction shall publicly present those reports to the
21 appropriations subcommittees of the legislature responsible for K-12 education
22 appropriations.

23 ~~(3) The amount of the permissible deficit for each school fiscal year shall not~~
24 ~~exceed the amount of state aid reduced by an executive order during that school fiscal~~
25 ~~year.~~

26 (3) ~~(4)~~ A district or intermediate district that has an existing deficit fund
27 balance, that incurs a deficit fund balance in the most recently completed school

1 fiscal year, or that adopts a current year budget that projects a deficit fund balance
2 shall submit to the department **AND THE STATE TREASURER** a monthly monitoring report on
3 revenue and expenditures in a form and manner prescribed by the department and shall
4 post these reports on its website.

5 ~~(4) (5) If a district or intermediate district is not able to comply with the~~
6 ~~provisions of this section, the district or intermediate district shall submit to the~~
7 ~~department a plan to eliminate its deficit. Upon approval of the plan submitted,~~
8 **REQUIRED TO SUBMIT A DEFICIT ELIMINATION PLAN UNDER THIS SECTION, AND THE DEFICIT**
9 **ELIMINATION PLAN IS APPROVED BY THE DEPARTMENT,** the superintendent ~~of public~~
10 ~~instruction~~ may continue allotment and payment of funds under this article, ~~extend~~.
11 **WHEN APPROVING A DEFICIT ELIMINATION PLAN, THE SUPERINTENDENT MAY ESTABLISH** the period
12 of time in which a district or intermediate district has to eliminate its deficit, and
13 set special conditions that the district or intermediate district must meet ~~during the~~
14 ~~period of the extension~~ **WHILE THE DEFICIT ELIMINATION PLAN IS IN EFFECT.** After the
15 department approves a district's or intermediate district's deficit elimination plan
16 under this subsection, the district or intermediate district shall post the deficit
17 elimination plan on the district's or intermediate district's website. **THE**
18 **REQUIREMENTS OF THIS SECTION RELATING TO A DEFICIT ELIMINATION PLAN DO NOT APPLY TO A**
19 **DISTRICT OR INTERMEDIATE DISTRICT IF THE DISTRICT OR INTERMEDIATE DISTRICT IS REQUIRED**
20 **TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SUBSECTION (5).**

21 **(5) AN ENHANCED DEFICIT ELIMINATION PLAN SHALL PROVIDE FOR THE RESOLUTION OF**
22 **THE DETERIORATING FINANCIAL CIRCUMSTANCES, PERSISTENTLY DECLINING ENROLLMENT, OR OTHER**
23 **INDICATORS OF RECURRING OPERATING DEFICITS OR RECURRING FINANCIAL STRESS AND IS**
24 **SUBJECT TO APPROVAL BY THE STATE TREASURER. AS A CONDITION OF APPROVING AN ENHANCED**
25 **DEFICIT ELIMINATION PLAN, THE STATE TREASURER MAY REQUIRE A DISTRICT OR INTERMEDIATE**
26 **DISTRICT REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER THIS SECTION TO**
27 **ENTER INTO A FINANCIAL RECOVERY AGREEMENT WITH THE STATE TREASURER. A FINANCIAL**

1 RECOVERY AGREEMENT MAY PROVIDE FOR, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING:

2 (A) ASSISTANCE AND GUIDANCE FROM THE DEPARTMENT OF TREASURY AND OTHER STATE
3 DEPARTMENTS AND AGENCIES.

4 (B) AN ACADEMIC PLAN FOR THE DISTRICT.

5 (C) THE APPOINTMENT OF A LOCAL AUDITOR OR INSPECTOR, OR BOTH.

6 (D) REMEDIAL MEASURES OR OTHER ACTION UNDER THIS ARTICLE OR THE REVISED SCHOOL
7 CODE NECESSARY TO ADDRESS THE FINANCIAL CIRCUMSTANCES OF THE DISTRICT OR INTERMEDIATE
8 DISTRICT.

9 (E) THE REQUIRED RETENTION BY THE DISTRICT OR INTERMEDIATE DISTRICT OF A
10 CONSULTANT OR 1 OR MORE OTHER EXPERTS FOR THE PURPOSE OF ASSISTING THE DISTRICT OR
11 INTERMEDIATE DISTRICT TO ACHIEVE THE GOALS AND OBJECTIVES OF THE FINANCIAL RECOVERY
12 AGREEMENT.

13 (6) BEFORE A DISTRICT OR INTERMEDIATE DISTRICT SUBMITS AN ENHANCED DEFICIT
14 ELIMINATION PLAN TO THE STATE TREASURER UNDER SUBSECTION (5), THE BOARD OF THE
15 DISTRICT OR INTERMEDIATE SCHOOL DISTRICT SHALL APPROVE THE PLAN. IF A DISTRICT OR
16 INTERMEDIATE DISTRICT IS REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER
17 SUBSECTION (5), SOME OR ALL OF THE MONEY PAYABLE TO THE SCHOOL DISTRICT OR
18 INTERMEDIATE DISTRICT UNDER THIS ARTICLE MAY BE WITHHELD AND RELEASED IN THE SAME
19 MANNER AS PROVIDED UNDER SUBSECTION (1). WHEN APPROVING AN ENHANCED DEFICIT
20 ELIMINATION PLAN, THE STATE TREASURER MAY ESTABLISH THE PERIOD OF TIME WITHIN WHICH A
21 DISTRICT OR INTERMEDIATE DISTRICT MUST ELIMINATE ITS DEFICIT AND MAY SET SPECIAL
22 CONDITIONS THAT THE DISTRICT OR INTERMEDIATE DISTRICT MUST MEET WHILE THE DEFICIT
23 ELIMINATION PLAN IS IN EFFECT.

24 (7) AFTER THE STATE TREASURER APPROVES AN ENHANCED DEFICIT ELIMINATION PLAN FOR
25 A DISTRICT OR INTERMEDIATE DISTRICT, THE DISTRICT OR INTERMEDIATE DISTRICT SHALL POST
26 THE ENHANCED DEFICIT ELIMINATION PLAN ON THE DISTRICT'S OR INTERMEDIATE DISTRICT'S
27 WEBSITE.

1 (8) IF A DISTRICT OR INTERMEDIATE DISTRICT IS REQUIRED TO SUBMIT AN ENHANCED
2 DEFICIT ELIMINATION PLAN UNDER SUBSECTION (5), THE DISTRICT OR INTERMEDIATE DISTRICT
3 SHALL SUBMIT TO THE SUPERINTENDENT AND THE STATE TREASURER AN ENHANCED MONTHLY
4 MONITORING REPORT ON REVENUE, EXPENDITURES, CASH FLOW, DEBT, OTHER LIABILITIES,
5 ASSETS, BUDGET AMENDMENTS, PUPIL MEMBERSHIP, AND OTHER DATA RELATING TO THE FINANCES
6 OF THE DISTRICT OR INTERMEDIATE DISTRICT IN A FORM AND MANNER PRESCRIBED BY THE
7 DEPARTMENT OF TREASURY AND SHALL POST THESE REPORTS ON ITS WEBSITE.

8 (9) AN ALLOCATION TO A DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE IS
9 CONTINGENT UPON THE DISTRICT'S OR INTERMEDIATE DISTRICT'S COMPLIANCE WITH THIS
10 SECTION.

11 (10) ~~(6) For the purposes of~~ AS USED IN this section:

12 (A) "DEFICIT ELIMINATION PLAN" MEANS A PLAN REQUIRED UNDER THIS SECTION FOR THE
13 ELIMINATION OF A DEFICIT THAT SETS FORTH ACTIONS TO BE TAKEN TO ELIMINATE THE DEFICIT
14 WITHIN THE TIME PERIOD PRESCRIBED BY THE DEPARTMENT.

15 (B) "~~deficit~~ DEFICIT fund balance" means that term as defined in the Michigan
16 public school accounting manual published by the department.

17 (C) "ENHANCED DEFICIT ELIMINATION PLAN" MEANS MEASURES REQUIRED BY THE STATE
18 TREASURER UNDER THIS SECTION TO ADDRESS THE FINANCIAL CONDITIONS WITHIN A DISTRICT OR
19 INTERMEDIATE DISTRICT AND RESOLVE ANY DEFICIT WITHIN THE TIME PERIOD PRESCRIBED BY THE
20 STATE TREASURER.

21 (D) "PREPLAN FINANCIAL REPORT" MEANS A REPORT ON THE FINANCIAL CONDITIONS
22 WITHIN A DISTRICT OR INTERMEDIATE DISTRICT, REQUIRED UNDER THIS SECTION AND SUBMITTED
23 IN A FORM AND MANNER PRESCRIBED BY THE STATE TREASURER, WHICH MAY INCLUDE, BUT IS NOT
24 LIMITED TO, FINANCIAL DATA AND OTHER INFORMATION ON LIABILITIES, PAYMENTS, ENROLLMENT,
25 BORROWING, AND OTHER CRITERIA RELATING TO THE FINANCIAL CONDITIONS WITHIN A DISTRICT
26 OR INTERMEDIATE DISTRICT.

27 SEC. 103A. (1) BEFORE JULY 7 OF EACH YEAR, EACH DISTRICT RECEIVING MONEY UNDER

1 THIS ARTICLE SHALL TRANSMIT TO THE CENTER THE BUDGETARY ASSUMPTIONS USED BY THE
2 DISTRICT WHEN ADOPTING ITS ANNUAL BUDGET PURSUANT TO THE UNIFORM BUDGETING AND
3 ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO 141.440A. THE SUBMISSION OF THE BUDGETARY
4 ASSUMPTIONS UNDER THIS SECTION SHALL BE IN THE FORM PRESCRIBED BY THE CENTER AND SHALL
5 INCLUDE AT LEAST ALL OF THE FOLLOWING:

6 (A) THE PROJECTED FOUNDATION ALLOWANCE USED BY THE DISTRICT WHEN ADOPTING THE
7 DISTRICT'S BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

8 (B) THE DISTRICT'S PROJECTED MEMBERSHIP USED BY THE DISTRICT WHEN ADOPTING ITS
9 BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

10 (C) THE DISTRICT'S EXPENDITURES PER PUPIL FOR THE IMMEDIATELY PRECEDING SCHOOL
11 FISCAL YEAR, CALCULATED BY DIVIDING THE DISTRICT'S TOTAL GENERAL FUND OPERATING
12 EXPENDITURES DURING THAT SCHOOL FISCAL YEAR BY THE DISTRICT'S MEMBERSHIP REPORTED BY
13 THE DEPARTMENT IN THE MOST RECENT STATE AID FINANCIAL STATUS REPORT FOR THE MONTH OF
14 MAY.

15 (D) THE DISTRICT'S PROJECTED EXPENDITURES PER PUPIL FOR THE CURRENT SCHOOL
16 FISCAL YEAR, CALCULATED BY DIVIDING THE TOTAL GENERAL FUND OPERATING EXPENDITURES
17 AUTHORIZED BY THE DISTRICT'S GOVERNING BODY WHEN ADOPTING THE DISTRICT'S BUDGET FOR
18 THE CURRENT SCHOOL FISCAL YEAR BY THE DISTRICT'S PROJECTED MEMBERSHIP USED WHEN
19 ADOPTING THE DISTRICT'S BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR.

20 (2) AN ALLOCATION TO A DISTRICT UNDER THIS ARTICLE IS CONTINGENT UPON THE
21 DISTRICT'S COMPLIANCE WITH THIS SECTION.

22 SEC. 103B. (1) IF A DISTRICT DETERMINES THAT CONDITIONS OF FISCAL STRESS, A
23 DEFICIT, OR CONDITIONS INDICATING A FINANCIAL EMERGENCY HAVE ARISEN OR MAY ARISE FOR
24 THE DISTRICT, THE DISTRICT SHALL NOTIFY THE SUPERINTENDENT AND REQUEST TECHNICAL
25 ASSISTANCE IN ADDRESSING THE FISCAL STRESS, DEFICIT, OR FINANCIAL EMERGENCY. THE
26 SUPERINTENDENT SHALL NOTIFY THE STATE TREASURER OF ANY REQUEST FOR TECHNICAL
27 ASSISTANCE UNDER THIS SUBSECTION.

1 (2) AFTER RECEIVING A REQUEST FOR TECHNICAL ASSISTANCE UNDER SUBSECTION (1),
2 THE DEPARTMENT SHALL CONSULT WITH THE DEPARTMENT OF TREASURY REGARDING THE PROVISION
3 OF TECHNICAL ASSISTANCE TO THE DISTRICT. SUBJECT TO AVAILABLE RESOURCES, THE
4 DEPARTMENT AND THE DEPARTMENT OF TREASURY SHALL REVIEW THE FINANCIAL CONDITION AND THE
5 BUDGET OF THE DISTRICT AND PROVIDE THE DISTRICT WITH TECHNICAL ASSISTANCE, INCLUDING,
6 BUT NOT LIMITED TO, DATA ANALYSIS TOOLS, WITH THE OBJECTIVE OF ASSISTING THE DISTRICT
7 IN AVOIDING OR REMEDYING CONDITIONS OF FISCAL STRESS, A DEFICIT, OR A FINANCIAL
8 EMERGENCY BEFORE FURTHER STATE INTERVENTION.

9 (4) AN ALLOCATION TO A DISTRICT UNDER THIS ARTICLE IS CONTINGENT UPON THE
10 DISTRICT'S COMPLIANCE WITH THIS SECTION.

11 (5) AS USED IN THIS SECTION:

12 (A) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2) OF THE UNIFORM
13 BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL 141.435, OR UNDER SECTION 102(1). DEFICIT
14 ALSO INCLUDES 1 OR BOTH OF THE FOLLOWING CIRCUMSTANCES FOR A DISTRICT OR INTERMEDIATE
15 DISTRICT:

16 (i) THE TOTAL GENERAL FUND BALANCE OF THE DISTRICT OR INTERMEDIATE DISTRICT IS
17 NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT THE END OF THE CURRENT SCHOOL FISCAL YEAR.

18 (ii) ONE OR MORE OF THE FUNDS OF THE DISTRICT OR INTERMEDIATE DISTRICT OTHER
19 THAN THE GENERAL FUND HAVE A NEGATIVE BALANCE OR PROJECTED NEGATIVE BALANCE THAT IS
20 GREATER THAN THE TOTAL GENERAL FUND BALANCE.

21 (B) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN
22 SECTION 5(3)(A) TO (M) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436,
23 MCL 141.1545, EXIST OR ARE LIKELY TO OCCUR WITHIN A DISTRICT IN THE CURRENT OR NEXT
24 SCHOOL FISCAL YEAR AND THREATEN THE ABILITY OF THE DISTRICT TO PROVIDE PUBLIC
25 EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH THIS ARTICLE, THE REVISED SCHOOL
26 CODE AND ALL APPLICABLE RULES.

27 (C) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

1 (i) THAT A DISTRICT IS UNABLE TO MEET ITS SHORT-TERM OR LONG-TERM FINANCIAL
2 OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

3 (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION 4(1) (A) TO (S) OF
4 THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1544, EXIST OR ARE
5 LIKELY TO OCCUR WITHIN A DISTRICT.

6 SEC. 103C. (1) THE SUPERINTENDENT OR THE STATE TREASURER MAY REQUIRE A DISTRICT
7 TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER THIS SECTION IF EITHER DETERMINES
8 THAT FINANCIAL STRESS MAY EXIST WITHIN THE DISTRICT, THAT A DEFICIT IS PROJECTED TO
9 ARISE WITHIN THE DISTRICT DURING THE CURRENT SCHOOL FISCAL YEAR OR THE FOLLOWING 2
10 SCHOOL FISCAL YEARS, OR THAT THE DISTRICT MAY BE UNABLE TO MEET ITS FINANCIAL
11 OBLIGATIONS WHILE ALSO SATISFYING ITS OBLIGATIONS OR ABILITY TO PROVIDE PUBLIC
12 EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH THIS ARTICLE, THE REVISED SCHOOL
13 CODE, AND APPLICABLE RULES BASED UPON 1 OR MORE OF THE FOLLOWING:

14 (A) THE DISTRICT HAS FAILED TO PAY A REQUIRED OBLIGATION ONCE OR MORE IN A
15 SCHOOL FISCAL YEAR.

16 (B) THE DISTRICT HAS EXPENDED OR DISTRIBUTED TAX REVENUE IN A MANNER PROHIBITED
17 BY LAW.

18 (C) THE DISTRICT'S PUPIL ENROLLMENT HAS DECLINED BY 5% OR MORE IN A SINGLE
19 SCHOOL FISCAL YEAR OR BY 15% OR MORE OVER A PERIOD OF 3 OR MORE FISCAL YEARS AND THE
20 DISTRICT FAILED TO REDUCE EXPENDITURES IN A MANNER THAT ADDRESSED THE ENROLLMENT
21 DECLINE.

22 (D) THE SCHOOL DISTRICT'S EXPENDITURES PER PUPIL HAVE INCREASED BY 5% OR MORE
23 IN THE MOST RECENT SCHOOL FISCAL YEAR AS COMPARED TO THE IMMEDIATELY PRECEDING SCHOOL
24 FISCAL YEAR. AS USED IN THIS SUBDIVISION, "EXPENDITURES PER PUPIL" MEANS THE QUOTIENT
25 OF DIVIDING THE TOTAL GENERAL FUND OPERATING EXPENDITURES FOR A SCHOOL FISCAL YEAR BY
26 THE FINAL AUDITED NUMBER OF PUPILS IN MEMBERSHIP FOR THE STATE FISCAL YEAR IN WHICH
27 THAT SCHOOL FISCAL YEAR ENDED.

1 (E) THE DISTRICT'S ACTUAL ENROLLMENT OR FOUNDATION ALLOWANCE FOR A SCHOOL
2 FISCAL YEAR WAS 97% OR LESS OF THE DISTRICT'S BUDGETARY ASSUMPTIONS REPORTED UNDER
3 SECTION 103A FOR THE SCHOOL FISCAL YEAR AND THE DISTRICT FAILED TO ADOPT AN AMENDED
4 BUDGET REFLECTING THE ACTUAL ENROLLMENT AND FOUNDATION ALLOWANCE FOR THE SCHOOL FISCAL
5 YEAR BY NOVEMBER 15 OF THE SCHOOL FISCAL YEAR.

6 (F) THE DISTRICT HAS APPLIED FOR A LOAN UNDER THE EMERGENCY MUNICIPAL LOAN ACT,
7 1980 PA 243, MCL 141.931 TO 141.942.

8 (2) IF A DISTRICT IS REQUIRED TO SUBMIT PERIODIC FINANCIAL REPORTS UNDER
9 SUBSECTION (1), THE DISTRICT SHALL DO ALL OF THE FOLLOWING:

10 (A) SUBMIT A PERIODIC FINANCIAL STATUS REPORT IN THE FORM AND MANNER AND ON THE
11 PERIODIC BASIS PRESCRIBED BY THE DEPARTMENT OF TREASURY AFTER CONSULTATION WITH THE
12 DEPARTMENT.

13 (B) TRANSMIT A COPY OF EACH PERIODIC FINANCIAL STATUS REPORT REQUIRED UNDER
14 THIS SECTION TO THE MEMBERS OF ITS GOVERNING BODY FOR APPROVAL PRIOR TO SUBMISSION OF
15 THE REPORT TO THE DEPARTMENT OF TREASURY AND THE DEPARTMENT.

16 (C) PROVIDE THE DEPARTMENT OF TREASURY OR THE DEPARTMENT WITH OTHER FINANCIAL
17 DATA OR INFORMATION RELATING TO THE FINANCIAL CONDITIONS OF THE DISTRICT AS REQUESTED
18 BY THE DEPARTMENT OF TREASURY OR THE DEPARTMENT.

19 (D) ALLOW THE DEPARTMENT OF TREASURY OR THE DEPARTMENT TO EXAMINE FINANCIAL
20 RECORDS AND BOOKS OF ACCOUNT OF THE DISTRICT.

21 (E) PROMPTLY AND FULLY PROVIDE THE ASSISTANCE AND INFORMATION NECESSARY AND
22 PROPERLY REQUESTED BY THE DEPARTMENT OF TREASURY OR THE DEPARTMENT IN THE EXERCISE OF
23 THE DEPARTMENT OF TREASURY'S OR THE DEPARTMENT'S DUTIES UNDER THIS SECTION.

24 (3) IF A DISTRICT FAILS TO SUBMIT A PERIODIC FINANCIAL STATUS REPORT REQUIRED
25 UNDER THIS SECTION, OR IF THE STATE TREASURER DETERMINES OR IS NOTIFIED BY THE
26 SUPERINTENDENT THAT INFORMATION INCLUDED ON A PERIODIC FINANCIAL STATUS REPORT
27 INDICATES THAT FINANCIAL STRESS EXISTS WITHIN A DISTRICT THAT HAS A DEFICIT, OR THAT A

1 DEFICIT IS PROJECTED TO OCCUR WITHIN A DISTRICT IN THE CURRENT SCHOOL FISCAL YEAR OR
2 THE NEXT SCHOOL FISCAL YEAR AND THAT THE DISTRICT LACKS THE CAPACITY TO ADDRESS
3 WITHOUT STATE ASSISTANCE, THE STATE TREASURER MAY REQUIRE THE DISTRICT TO SUBMIT AN
4 ENHANCED DEFICIT ELIMINATION PLAN UNDER SECTION 102.

5 (4) A DISTRICT IS NOT REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS
6 UNDER THIS SECTION IF THE DISTRICT IS REQUIRED TO SUBMIT A DEFICIT ELIMINATION PLAN OR
7 AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SECTION 102, OR IF A FINANCIAL EMERGENCY
8 HAS BEEN DECLARED FOR THE DISTRICT UNDER THE LOCAL FINANCIAL STABILITY AND CHOICE ACT,
9 2012 PA 436, 6 MCL 141.1541 TO 141.1575. IF A DISTRICT IS REQUIRED TO SUBMIT PERIODIC
10 FINANCIAL STATUS REPORTS UNDER THIS SECTION AND A LOAN IS ISSUED TO THE SCHOOL
11 DISTRICT UNDER THE EMERGENCY LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942, THE STATE
12 TREASURER SHALL REQUIRE THE SCHOOL DISTRICT TO SUBMIT PERIODIC FINANCIAL REPORTS UNDER
13 THIS SECTION FOR AT LEAST 4 YEARS AFTER THE DATE OF ISSUANCE OF THE LOAN.

14 (5) A DISTRICT IS NO LONGER REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS
15 REPORTS UNDER THIS SECTION IF THE STATE TREASURER, AFTER CONSULTATION WITH THE
16 SUPERINTENDENT, DETERMINES THAT THE PERIODIC FINANCIAL STATUS REPORTS SUBMITTED BY THE
17 DISTRICT INDICATE THAT POTENTIAL FINANCIAL STRESS DOES NOT EXIST WITHIN THE DISTRICT,
18 THAT A DEFICIT IS NOT PROJECTED TO ARISE WITHIN THE DISTRICT, WITHIN THE CURRENT
19 SCHOOL FISCAL YEAR OR THE FOLLOWING 2 SCHOOL FISCAL YEARS; AND THAT THE DISTRICT WILL
20 BE ABLE TO MEET ITS FINANCIAL OBLIGATIONS WHILE ALSO SATISFYING THE DISTRICT'S ABILITY
21 TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH THIS ARTICLE,
22 THE REVISED SCHOOL CODE, AND APPLICABLE RULES.

23 (6) IF THE STATE TREASURER MAKES A DETERMINATION UNDER SUBSECTION (5) THAT THE
24 CONDITIONS UNDER THAT SUBSECTION APPLY TO A DISTRICT, THE STATE TREASURER SHALL NOTIFY
25 THE DISTRICT. THE SUPERINTENDENT MAY NOTIFY THE STATE TREASURER THAT THE
26 SUPERINTENDENT HAS DETERMINED THAT CONDITIONS UNDER SUBSECTION (5) APPLY TO A
27 DISTRICT.

1 (7) AS USED IN THIS SECTION:

2 (A) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2) OF THE UNIFORM
3 BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL 141.435, OR UNDER SECTION 102(1). DEFICIT
4 ALSO INCLUDES 1 OR BOTH OF THE FOLLOWING CIRCUMSTANCES FOR A DISTRICT OR INTERMEDIATE
5 DISTRICT:

6 (i) THE TOTAL GENERAL FUND BALANCE OF THE DISTRICT OR INTERMEDIATE DISTRICT IS
7 NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT THE END OF THE CURRENT SCHOOL FISCAL YEAR.

8 (ii) ONE OR MORE OF THE FUNDS OF THE DISTRICT OR INTERMEDIATE DISTRICT OTHER
9 THAN THE GENERAL FUND HAVE A NEGATIVE BALANCE OR PROJECTED NEGATIVE BALANCE THAT IS
10 GREATER THAN THE TOTAL GENERAL FUND BALANCE.

11 (B) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN
12 SECTION 5(3)(A) TO (M) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436,
13 MCL 141.1545, EXIST OR ARE LIKELY TO OCCUR WITHIN A DISTRICT IN THE CURRENT OR NEXT
14 SCHOOL FISCAL YEAR AND THREATEN THE ABILITY OF THE DISTRICT TO PROVIDE PUBLIC
15 EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH THIS ARTICLE, THE REVISED SCHOOL
16 CODE AND ALL APPLICABLE RULES.

17 (C) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

18 (i) THAT A DISTRICT IS UNABLE TO MEET ITS SHORT-TERM OR LONG-TERM FINANCIAL
19 OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

20 (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION 4(1)(A) TO (S) OF
21 THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1544, EXIST OR ARE
22 LIKELY TO OCCUR WITHIN A DISTRICT.

23 Sec. 104. (1) In order to receive state aid under this article, a district
24 shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised
25 school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b,
26 and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state
27 school aid fund money appropriated in section 11, there is allocated for ~~2014-2015~~

1 2015-2016 an amount not to exceed ~~\$41,394,400.00~~ \$43,994,400.00 for payments on behalf
2 of districts for costs associated with complying with those provisions of law. In
3 addition, from the federal funds appropriated in section 11, there is allocated for
4 ~~2014-2015~~ 2015-2016 an amount estimated at \$6,250,000.00, funded from DED-OESE, title
5 VI, state assessment funds, and from DED-OSERS, section 504 of part B of the
6 individuals with disabilities education act, Public Law 94-142, plus any carryover
7 federal funds from previous year appropriations, for the purposes of complying with
8 the federal no child left behind act of 2001, Public Law 107-110.

9 (2) The results of each test administered as part of the ~~Michigan educational~~
10 ~~assessment program~~ **MICHIGAN STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP)**, including
11 tests administered to high school students, shall include an item analysis that lists
12 all items that are counted for individual pupil scores and the percentage of pupils
13 choosing each possible response.

14 (3) All federal funds allocated under this section shall be distributed in
15 accordance with federal law and with flexibility provisions outlined in Public Law
16 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

17 (4) Notwithstanding section 17b, payments on behalf of districts, intermediate
18 districts, and other eligible entities under this section shall be paid on a schedule
19 determined by the department.

20 (5) From the allocation in subsection (1), there is allocated an amount not to
21 exceed \$8,500,000.00 for the following purposes:

22 (a) Converting existing student assessments to online assessments.

23 (b) Providing paper and pencil test versions to districts not prepared to
24 implement online assessments.

25 (c) Expanding writing assessments to additional grade levels.

26 (d) Providing an increased number of constructed response test questions so
27 that pupils can demonstrate higher-order skills such as problem solving and

1 communicating reasoning.

2 (6) From the allocation in subsection (1), there is allocated an amount not to
3 exceed \$3,200,000.00 for the development or selection of an online reporting tool to
4 provide student-level assessment data in a secure environment to educators, parents,
5 and pupils immediately after assessments are scored. The department and the center
6 shall ensure that any data collected by the online reporting tool do not provide
7 individually identifiable student data to the federal government.

8 (7) From the allocation in subsection (1), there is allocated an amount not to
9 exceed ~~\$3,000,000.00~~ \$5,600,000.00 for the purpose of implementing a summative
10 assessment system pursuant to section 104c.

11 (8) As used in this section:

12 (a) "DED" means the United States department of education.

13 (b) "DED-OESE" means the DED office of elementary and secondary education.

14 (c) "DED-OSERS" means the DED office of special education and rehabilitative
15 services.

16 Sec. 104b. (1) In order to receive state aid under this article, a district
17 shall comply with this section and shall administer the Michigan merit examination,
18 **WHICH INCLUDES A COLLEGE ENTRANCE, WORK SKILLS, AND A SUMMATIVE MICHIGAN STUDENT TEST**
19 **OF EDUCATIONAL PROGRESS (M-STEP)**, to pupils in grade 11, and to pupils in grade 12 who
20 did not take the complete Michigan merit examination in grade 11, as provided in this
21 section.

22 (2) For the purposes of this section, the department of technology, management,
23 and budget shall contract with 1 or more providers to develop, supply, and score the
24 Michigan merit examination. The Michigan merit examination shall consist of all of the
25 following:

26 (a) Assessment instruments that **ARE ALIGNED TO MICHIGAN'S CONTENT STANDARDS,**
27 **AND** measure English language arts, mathematics, reading, and science and are used by

1 colleges and universities in this state for entrance or placement purposes. This ~~shall~~
2 **MAY** include 1 or more writing components.

3 (b) One or more tests from 1 or more test developers that assess a pupil's
4 ability to apply at least reading and mathematics skills in a manner that is intended
5 to allow employers to use the results in making employment decisions. The department
6 of technology, management, and budget and the superintendent shall ensure that any
7 test or tests selected under this subdivision have all the components necessary to
8 allow a pupil to be eligible to receive the results of a nationally recognized
9 evaluation of workforce readiness if the pupil's test performance is adequate.

10 (c) A social studies component.

11 (d) Any other component that is necessary to obtain the approval of the United
12 States department of education to use the Michigan merit examination for the purposes
13 of the no child left behind act of 2001, Public Law 107-110.

14 (3) In addition to all other requirements of this section, all of the following
15 apply to the Michigan merit examination:

16 (a) The department of technology, management, and budget and the superintendent
17 shall ensure that any contractor used for scoring the Michigan merit examination
18 supplies an individual report for each pupil that will identify for the pupil's
19 parents and teachers whether the pupil met expectations or failed to meet expectations
20 for each standard, to allow the pupil's parents and teachers to assess and remedy
21 problems before the pupil moves to the next grade.

22 (b) The department of technology, management, and budget and the superintendent
23 shall ensure that any contractor used for scoring, developing, or processing the
24 Michigan merit examination meets quality management standards commonly used in the
25 assessment industry, including at least meeting level 2 of the capability maturity
26 model developed by the software engineering institute of Carnegie Mellon university
27 for the first year the Michigan merit examination is offered to all grade 11 pupils

1 and at least meeting level 3 of the capability maturity model for subsequent years.

2 (c) The department of technology, management, and budget and the superintendent
3 shall ensure that any contract for scoring, administering, or developing the Michigan
4 merit examination includes specific deadlines for all steps of the assessment process,
5 including, but not limited to, deadlines for the correct testing materials to be
6 supplied to schools and for the correct results to be returned to schools, and
7 includes penalties for noncompliance with these deadlines.

8 (d) The superintendent shall ensure that the Michigan merit examination meets
9 all of the following:

10 (i) Is designed to test pupils on ~~grade level content expectations or course~~
11 ~~content expectations, as appropriate~~ **MICHIGAN CONTENT STANDARDS**, in all subjects
12 tested.

13 (ii) Complies with requirements of the no child left behind act of 2001, Public
14 Law 107-110.

15 (iii) Is consistent with the code of fair testing practices in education
16 prepared by the joint committee on testing practices of the American psychological
17 association.

18 (iv) Is factually accurate. If the superintendent determines that a question is
19 not factually accurate and should be excluded from scoring, the state board and the
20 superintendent shall ensure that the question is excluded from scoring.

21 (4) A district shall include on each pupil's high school transcript all of the
22 following:

23 (a) For each high school graduate who has completed the Michigan merit
24 examination under this section, the pupil's scaled score on each subject area
25 component of the Michigan merit examination.

26 (b) The number of school days the pupil was in attendance at school each school
27 year during high school and the total number of school days in session for each of

1 those school years.

2 (5) The superintendent shall work with the provider or providers of the
3 Michigan merit examination to produce Michigan merit examination subject area scores
4 for each pupil participating in the Michigan merit examination, ~~including scaling and~~
5 ~~merging of test items~~ for the different subject area components. The superintendent
6 shall design and distribute to districts, intermediate districts, and nonpublic
7 schools a simple and concise document that describes the scoring for each subject area
8 and indicates the scaled score ranges for each subject area.

9 (6) The Michigan merit examination shall be administered in each district
10 during the last 12 weeks of the district's school year. The superintendent shall
11 ensure that the Michigan merit examination is scored and the scores are returned to
12 pupils, their parents or legal guardians, and districts not later than the beginning
13 of the pupil's first semester of grade 12. The returned scores shall indicate at least
14 the pupil's scaled score for each subject area component and the range of scaled
15 scores for each subject area. In reporting the scores to pupils, parents, and schools,
16 the superintendent shall provide standards-specific, meaningful, and timely feedback
17 on the pupil's performance on the Michigan merit examination.

18 (7) A district shall administer the complete Michigan merit examination to a
19 pupil only once and shall not administer the complete Michigan merit examination to
20 the same pupil more than once. If a pupil does not take the complete Michigan merit
21 examination in grade 11, the district shall administer the complete Michigan merit
22 examination to the pupil in grade 12. If a pupil chooses to retake the college
23 entrance examination component of the Michigan merit examination, as described in
24 subsection (2)(a), the pupil may do so through the provider of the college entrance
25 examination component and the cost of the retake is the responsibility of the pupil
26 unless all of the following are met:

27 (a) The pupil has taken the complete Michigan merit examination.

1 (b) The pupil did not qualify for a Michigan promise grant under section 6 of
2 the Michigan promise grant act, 2006 PA 479, MCL 390.1626, based on the pupil's
3 performance on the complete Michigan merit examination.

4 (c) The pupil meets the income eligibility criteria for free breakfast, lunch,
5 or milk, as determined under the Richard B. Russell national school lunch act, 42 USC
6 1751 to 1769i.

7 (d) The pupil has applied to the provider of the college entrance examination
8 component for a scholarship or fee waiver to cover the cost of the retake and that
9 application has been denied.

10 (e) After taking the complete Michigan merit examination, the pupil has not
11 already received a free retake of the college entrance examination component paid for
12 either by this state or through a scholarship or fee waiver by the provider.

13 (8) The superintendent shall ensure that the length of the Michigan merit
14 examination and the combined total time necessary to administer all of the components
15 of the Michigan merit examination are the shortest possible that will still maintain
16 the degree of reliability and validity of the Michigan merit examination results
17 determined necessary by the superintendent. The superintendent shall ensure that the
18 maximum total combined length of time that schools are required to set aside for
19 pupils to answer all test questions on the Michigan merit examination does not exceed
20 8 hours if the superintendent determines that sufficient alignment to applicable
21 Michigan merit curriculum content standards can be achieved within that time limit.

22 (9) A district shall provide accommodations to a pupil with disabilities for
23 the Michigan merit examination, as provided under section 504 of title V of the
24 rehabilitation act of 1973, 29 USC 794; subtitle A of title II of the Americans with
25 disabilities act of 1990, 42 USC 12131 to 12134; the individuals with disabilities
26 education act amendments of 1997, Public Law 105-17; and the implementing regulations
27 for those statutes. The provider or providers of the Michigan merit examination and

1 the superintendent shall mutually agree upon the accommodations to be provided under
2 this subsection.

3 (10) To the greatest extent possible, the Michigan merit examination shall be
4 based on ~~grade level content expectations or course content expectations~~ **MICHIGAN**
5 **CONTENT STANDARDS**, as appropriate. ~~Not later than July 1, 2008, the department shall~~
6 ~~identify specific grade level content expectations to be taught before and after the~~
7 ~~middle of grade 11, so that teachers will know what content will be covered within the~~
8 ~~Michigan merit examination.~~ **THE DEPARTMENT MAY AUGMENT THE COLLEGE ENTRANCE AND WORK**
9 **SKILLS COMPONENTS OF THE MICHIGAN MERIT EXAM TO DEVELOP THE ASSESSMENT, DEPENDENT ON**
10 **THOSE COMPONENTS' ALIGNMENT TO MICHIGAN CONTENT STANDARDS. IF ALIGNMENT IS NOT PRESENT**
11 **IN THESE COMPONENTS, THE DEPARTMENT WILL PRODUCE ADDITIONAL COMPONENTS AS REQUIRED BY**
12 **LAW, WHILE MINIMIZING THE AMOUNT OF TIME NEEDED FOR ASSESSMENTS.**

13 (11) A child who is a student in a nonpublic school or home school may take the
14 Michigan merit examination under this section. To take the Michigan merit examination,
15 a child who is a student in a home school shall contact the district in which the
16 child resides, and that district shall administer the Michigan merit examination, or
17 the child may take the Michigan merit examination at a nonpublic school if allowed by
18 the nonpublic school. Upon request from a nonpublic school, the superintendent shall
19 direct the provider or providers to supply the Michigan merit examination to the
20 nonpublic school and the nonpublic school may administer the Michigan merit
21 examination. If a district administers the Michigan merit examination under this
22 subsection to a child who is not enrolled in the district, the scores for that child
23 are not considered for any purpose to be scores of a pupil of the district.

24 (12) In contracting under subsection (2), the department of management and
25 budget shall consider a contractor that provides electronically-scored essays with the
26 ability to score constructed response feedback in multiple languages and provide
27 ongoing instruction and feedback.

1 (13) The purpose of the Michigan merit examination is to assess pupil
2 performance in mathematics, science, social studies, and English language arts for the
3 purpose of improving academic achievement and establishing a statewide standard of
4 competency. The assessment under this section provides a common measure of data that
5 will contribute to the improvement of Michigan schools' curriculum and instruction by
6 encouraging alignment with Michigan's curriculum framework standards and promotes
7 pupil participation in higher level mathematics, science, social studies, and English
8 language arts courses. These standards are based upon the expectations of what pupils
9 should learn through high school and are aligned with national standards.

10 (14) For a pupil enrolled in a middle college program, other than a middle
11 college operated as a shared educational entity or a specialized shared educational
12 entity, if the pupil receives at least 50% of his or her instruction at the high
13 school while in grade 11, the Michigan merit examination shall be administered to the
14 pupil at the high school at which the pupil receives high school instruction, and the
15 department shall include the pupil's scores on the Michigan merit examination in the
16 scores for that high school for all purposes for which a school's or district's
17 results are reported. The department shall allow the middle college program to use a
18 5-year graduation rate for determining adequate yearly progress. As used in this
19 subsection, "middle college" means a program consisting of a series of courses and
20 other requirements and conditions, including an early college or other program created
21 under a memorandum of understanding, that allows a pupil to graduate from high school
22 with both a high school diploma and a certificate or degree from a community college
23 or state public university.

24 (15) As used in this section:

25 (a) "English language arts" means reading and writing.

26 (b) "Social studies" means United States history, world history, world
27 geography, economics, and American government.

1 Sec. 104c. (1) In order to receive state aid under this article, a district
2 shall administer the state assessments described in this section.

3 (2) For the purposes of this section, the department shall develop for use in
4 the spring of ~~2014-2015 new Michigan education assessment program (MEAP)~~ 2015-2016 **THE**
5 **MICHIGAN STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP)** assessments in English language
6 arts and mathematics. These assessments shall be aligned to state standards.

7 (3) For the purposes of this section, the department shall implement ~~beginning~~
8 ~~in the 2015-2016 school year~~ a summative assessment system that is proven to be valid
9 and reliable for administration to pupils as provided under this subsection. The
10 summative assessment system shall meet all of the following requirements:

11 (a) The summative assessment system shall measure student proficiency on the
12 current state standards, shall measure student growth for consecutive grade levels in
13 which students are assessed in the same subject area in both grade levels, and shall
14 be capable of measuring individual student performance.

15 (b) The summative assessments for English language arts and mathematics shall
16 be administered to all public school pupils in grades 3 to ~~10~~ 11, including those
17 pupils as required by the federal individuals with disabilities education act, Public
18 Law 108-446, and by title I of the federal elementary and secondary education act.

19 (c) The summative assessments for science shall be administered to all public
20 school pupils in at least grades 4 and 7, including those pupils as required by the
21 federal individuals with disabilities education act, Public Law 108-446, and by title
22 I of the federal elementary and secondary education act.

23 (d) The summative assessments for social studies shall be administered to all
24 public school pupils in at least grades 5 and 8, including those pupils as required by
25 the federal individuals with disabilities education act, Public Law 108-446, and by
26 title I of the federal elementary and secondary education act.

27 (e) The content of the summative assessments shall be aligned to state

1 standards.

2 (f) The pool of questions for the summative assessments shall be subject to a
3 transparent review process for quality, bias, and sensitive issues involving educator
4 review and comment. The department shall post samples from tests or retired tests
5 featuring questions from this pool for review by the public.

6 (g) The summative assessment system shall ensure that students, parents, and
7 teachers are provided with reports that convey individual student proficiency and
8 growth on the assessment and that convey individual student domain-level performance
9 in each subject area, including representative questions, and individual student
10 performance in meeting state standards.

11 (h) The summative assessment system shall be capable of providing, and the
12 department shall ensure that students, parents, teachers, administrators, and
13 community members are provided with, reports that convey aggregate student proficiency
14 and growth data by teacher, grade, school, and district.

15 (i) The summative assessment system shall ensure the capability of reporting
16 the available data to support educator evaluations.

17 (j) The summative assessment system shall ensure that the reports provided to
18 districts containing individual student data are available within 60 days after
19 completion of the assessments.

20 ~~(k) The assessments shall be capable of being implemented statewide in a fully
21 operational manner no later than the 2015-2016 school year.~~

22 (K) ~~(i)~~ The summative assessment system shall ensure that access to
23 individually identifiable student data meets all of the following:

24 (i) Is in compliance with 20 USC 1232g, commonly referred to as the family
25 educational rights and privacy act of 1974.

26 (ii) Except as may be provided for in an agreement with a vendor to provide
27 assessment services, as necessary to support educator evaluations pursuant to

1 subdivision (i), or for research or program evaluation purposes, is available only to
2 the student; to the student's parent or legal guardian; and to a school administrator
3 or teacher, to the extent that he or she has a legitimate educational interest.

4 (L) ~~(m)~~ The summative assessment system shall ensure that the assessments are
5 pilot tested before statewide implementation.

6 (M) ~~(n)~~ The summative assessment system shall ensure that assessments are
7 designed so that the maximum total combined length of time that schools are required
8 to set aside for a pupil to answer all test questions on all assessments that are part
9 of the system for the pupil's grade level does not exceed that maximum total combined
10 length of time for the previous statewide assessment system or 9 hours, whichever is
11 less. This subdivision does not limit the amount of time a district may allow a pupil
12 to complete a test.

13 (N) ~~(o)~~ The total cost of executing the summative assessment system statewide
14 each year, including, but not limited to, the cost of contracts for administration,
15 scoring, and reporting, shall not exceed an amount equal to 2 times the cost of
16 executing the previous statewide assessment after adjustment for inflation.

17 ~~(4) To begin the process required under subsection (3), not later than~~
18 ~~September 1, 2014, the department shall issue a request for proposals for the~~
19 ~~summative assessment system described in that subsection.~~

20 (4) BEGINNING IN THE 2015-2016 SCHOOL YEAR, THE DEPARTMENT SHALL FIELD TEST
21 ADDITIONAL COMPONENTS IN THE ASSESSMENT SYSTEM DESCRIBED UNDER THIS SUBSECTION, FOR
22 FULL IMPLEMENTATION IN THE 2016-2017 SCHOOL YEAR. THE ADDITIONAL COMPONENTS ARE
23 NECESSARY TO DETERMINE A PUPIL'S PROFICIENCY LEVEL PRIOR TO GRADE 3. THE ADDITIONAL
24 COMPONENTS ARE AS FOLLOWS:

25 (A) ASSESSMENTS ADMINISTERED IN THE FALL AND SPRING OF EACH YEAR TO MEASURE
26 ENGLISH LANGUAGE ARTS AND MATHEMATICS IN EACH OF THE GRADES 1 AND 2.

27 (B) THE KINDERGARTEN ENTRY ASSESSMENT (KEA) SHALL BE ADMINISTERED IN THE FALL

1 OF THE KINDERGARTEN YEAR. THE KEA SHALL INCLUDE THE COMPONENTS UNDER SUBSECTION (4) (A)
2 AND MAY INCLUDE OBSERVATIONAL COMPONENTS THAT MEASURE COGNITIVE, SOCIAL-EMOTIONAL, AND
3 PHYSICAL SKILLS.

4 (5) This section does not prohibit districts from adopting interim assessments.

5 ~~(6) The department shall seek a waiver or amendment to an existing waiver for~~
6 ~~federal approval of the assessment framework under this section and shall notify the~~
7 ~~United States department of education about the provisions of this section and take~~
8 ~~necessary steps to assure the United States department of education that this state is~~
9 ~~on track to develop and implement a summative assessment system as required by federal~~
10 ~~law.~~

11 (6) ~~(7)~~ As used in this section, "English language arts" means that term as
12 defined in section 104b.

13 Sec. 107. (1) From the appropriation in section 11, there is allocated an
14 amount not to exceed \$22,000,000.00 for ~~2014-2015~~ 2015-2016 for adult education
15 programs authorized under this section. Funds allocated under this section are
16 restricted for adult education programs as authorized under this section only. A
17 recipient of funds under this section shall not use those funds for any other purpose.

18 (2) To be eligible for funding under this section, ~~a program~~ **AN ELIGIBLE ADULT**
19 **EDUCATION PROVIDER** shall employ certificated teachers and qualified administrative
20 staff and shall offer continuing education opportunities for teachers to allow them to
21 maintain certification.

22 (3) To be eligible to be a participant funded under this section, a person
23 shall be enrolled in an adult basic education program, an adult English as a second
24 language program, a general educational development (G.E.D.) test preparation program,
25 a job- or employment-related program, or a high school completion program, that meets
26 the requirements of this section, and for which instruction is provided, and shall
27 meet either of the following, as applicable:

1 (a) If the individual has obtained a high school diploma or a general
2 educational development (G.E.D.) certificate, the individual meets 1 of the following:

3 ~~(i) Is less than 20 years of age on September 1 of the school year and is~~
4 ~~enrolled in the Michigan career and technical institute.~~

5 (I) ~~(ii)~~ Is less than 20 years of age on September 1 of the school year, is not
6 attending an institution of higher education, and is enrolled in a job- or employment-
7 related program through a referral by an employer or by a Michigan workforce agency.

8 (II) ~~(iii)~~ Is enrolled in an English as a second language program.

9 (III) ~~(iv)~~ Is enrolled in a high school completion program.

10 (IV) IS 20 YEARS OF AGE ON SEPTEMBER 1 OF THE SCHOOL YEAR AND ENROLLED IN AN
11 ADULT BASIC EDUCATION PROGRAM AND DETERMINED BY A DEPARTMENT-APPROVED ASSESSMENT, IN A
12 FORM AND MANNER PRESCRIBED BY THE DEPARTMENT, TO BE BELOW NINTH GRADE LEVEL IN READING
13 OR MATHEMATICS, OR BOTH.

14 (b) If the individual has not obtained a high school diploma or G.E.D.
15 certificate, the individual meets 1 of the following:

16 (i) Is at least 20 years of age on September 1 of the school year.

17 (ii) Is at least 16 years of age on September 1 of the school year, has been
18 permanently expelled from school under section 1311(2) or 1311a of the revised school
19 code, MCL 380.1311 and 380.1311a, and has no appropriate alternative education program
20 available through his or her district of residence.

21 (4) BY APRIL 1 OF EACH FISCAL YEAR, INTERMEDIATE DISTRICTS WITHIN A PROSPERITY
22 REGION MUST DETERMINE WHICH INTERMEDIATE DISTRICT WILL SERVE AS THE REGION'S FISCAL
23 AGENT FOR THE FOLLOWING FISCAL YEAR AND MUST NOTIFY THE DEPARTMENT IN A FORM AND
24 MANNER DETERMINED BY THE DEPARTMENT. THE DEPARTMENT SHALL APPROVE OR DISAPPROVE OF THE
25 PROSPERITY REGION'S SELECTED FISCAL AGENT. From the funds allocated under subsection
26 (1), an amount as determined under this subsection shall be allocated to each
27 intermediate district serving as a fiscal agent for adult education programs in each

1 of the 10 prosperity regions identified by the department. An intermediate district
2 shall not use more than 5% of the funds allocated under this subsection for
3 administration costs for serving as the fiscal agent. ~~The department shall ensure that~~
4 ~~the funds allocated under this subsection for 2014-2015 will provide services in 2014-~~
5 ~~2015 to at least the same number of individuals as the number of individuals who were~~
6 ~~enrolled in programs funded under this section in 2013-2014.~~ For 2014-2015, 67% of the
7 allocation provided to each intermediate district serving as a fiscal agent shall be
8 based on the proportion of total funding formerly received by the adult education
9 providers in that prosperity region in 2013-2014, and 33% shall be allocated based on
10 the factors in subdivisions (a), (b), and (c). For 2015-2016, 33% of the allocation
11 provided to each intermediate district serving as a fiscal agent shall be based upon
12 the proportion of total funding formerly received by the adult education providers in
13 that prosperity region in 2013-2014 and 67% of the allocation shall be based upon the
14 factors in subdivisions (a), (b), and (c). For 2016-2017, 100% of the allocation
15 provided to each intermediate district serving as a fiscal agent shall be based on the
16 factors in subdivisions (a), (b), and (c). The funding factors for this section are as
17 follows:

18 (a) Sixty percent of this portion of the funding shall be distributed based
19 upon the proportion of the state population of individuals between the ages of 18 and
20 24 that are not high school graduates that resides in each of the prosperity regions,
21 as reported by the most recent 5-year estimates from the American community survey
22 (ACS) from the United States census bureau.

23 (b) Thirty-five percent of this portion of the funding shall be distributed
24 based upon the proportion of the state population of individuals age 25 or older who
25 are not high school graduates that resides in each of the prosperity regions, as
26 reported by the most recent 5-year estimates from the American community survey (ACS)
27 from the United States census bureau.

1 (c) Five percent of this portion of the funding shall be distributed based upon
2 the proportion of the state population of individuals age 18 or older who lack basic
3 English language proficiency that resides in each of the prosperity regions, as
4 reported by the most recent 5-year estimates from the American community survey (ACS)
5 from the United States census bureau.

6 (5) To be an eligible fiscal agent, an intermediate district must agree to do
7 the following in a form and manner determined by the department:

8 (a) Distribute funds to adult education programs in a prosperity region as
9 described in this section.

10 (b) Collaborate with ~~education advisory groups~~ **THE TALENT DISTRICT CAREER**
11 **COUNCIL, AN ADVISORY COUNCIL** of the workforce development boards, **OR ITS SUCCESSOR,**
12 located in the prosperity region to develop a regional strategy that aligns adult
13 education programs and services into an efficient and effective delivery system for
14 adult education learners, **WITH SPECIAL CONSIDERATION FOR PROVIDING CONTEXTUALIZED**
15 **LEARNING AND CAREER PATHWAYS.**

16 (c) Collaborate with ~~education advisory groups~~ **THE TALENT DISTRICT CAREER**
17 **COUNCIL, AN ADVISORY COUNCIL** of the workforce development boards, **OR ITS SUCCESSOR,**
18 located in the prosperity region to create a local process and criteria that will
19 identify eligible adult education providers to receive funds allocated under this
20 section based on location, demand for services, **PAST PERFORMANCE, QUALITY INDICATORS**
21 **AS IDENTIFIED BY THE DEPARTMENT,** and cost to provide instructional services. ~~All~~ **THE**
22 **FISCAL AGENT WILL DETERMINE ALL** local processes, criteria, and provider determinations
23 **WHICH** must be approved by the department before funds may be distributed to the fiscal
24 agent.

25 (D) **PROVIDE OVERSIGHT TO ITS ADULT EDUCATION PROVIDERS THROUGHOUT THE PROGRAM**
26 **YEAR TO ENSURE COMPLIANCE WITH SECTION 107 REQUIREMENTS.**

27 (E) ~~(d)~~ Report adult education program and participant data and information as

1 prescribed by the department.

2 (6) The amount allocated under this section per full-time equated participant
3 shall not exceed \$2,850.00 for a 450-hour program. The amount shall be proportionately
4 reduced for a program offering less than 450 hours of instruction.

5 (7) An adult basic education program or an adult English as a second language
6 program operated on a year-round or school year basis may be funded under this
7 section, subject to all of the following:

8 (a) The program enrolls adults who are determined by a department-approved
9 assessment, in a form and manner prescribed by the department, to be below ninth grade
10 level in reading or mathematics, or both, or to lack basic English proficiency.

11 (b) The program tests individuals for eligibility under subdivision (a) before
12 enrollment and upon completion of the program in compliance with the state-approved
13 assessment policy.

14 (c) A participant in an adult basic education program is eligible for
15 reimbursement until 1 of the following occurs:

16 (i) The participant's reading and mathematics proficiency are assessed at or
17 above the ninth grade level.

18 (ii) The participant fails to show progress on 2 successive assessments after
19 having completed at least 450 hours of instruction.

20 (d) A funding recipient enrolling a participant in an English as a second
21 language program is eligible for funding according to subsection (11) until the
22 participant meets 1 of the following:

23 (i) The participant is assessed as having attained basic English proficiency as
24 determined by a department-approved assessment.

25 (ii) The participant fails to show progress on 2 successive department-approved
26 assessments after having completed at least 450 hours of instruction. The department
27 shall provide information to a funding recipient regarding appropriate assessment

1 instruments for this program.

2 (8) A general educational development (G.E.D.) test preparation program
3 operated on a year-round or school year basis may be funded under this section,
4 subject to all of the following:

5 (a) The program enrolls adults who do not have a high school diploma.

6 (b) The program shall administer a pre-test approved by the department before
7 enrolling an individual to determine the individual's literacy levels, shall
8 administer a G.E.D. practice test to determine the individual's potential for success
9 on the G.E.D. test, and shall administer a post-test upon completion of the program in
10 compliance with the state-approved assessment policy.

11 (c) A funding recipient shall receive funding according to subsection (11) for
12 a participant, and a participant may be enrolled in the program until 1 of the
13 following occurs:

14 (i) The participant obtains the G.E.D.

15 (ii) The participant fails to show progress on 2 successive department-approved
16 assessments used to determine readiness to take the G.E.D. test after having completed
17 at least 450 hours of instruction.

18 (9) A high school completion program operated on a year-round or school year
19 basis may be funded under this section, subject to all of the following:

20 (a) The program enrolls adults who do not have a high school diploma.

21 (b) The program tests participants described in subdivision (a) before
22 enrollment and upon completion of the program in compliance with the state-approved
23 assessment policy.

24 (c) A funding recipient shall receive funding according to subsection (11) for
25 a participant in a course offered under this subsection until 1 of the following
26 occurs:

27 (i) The participant passes the course and earns a high school diploma.

1 (ii) The participant fails to earn credit in 2 successive semesters or terms in
2 which the participant is enrolled after having completed at least 900 hours of
3 instruction.

4 (10) A job- or employment-related adult education program operated on a year-
5 round or school year basis may be funded under this section, subject to all of the
6 following:

7 (a) The program enrolls adults referred by their employer who are less than 20
8 years of age, have a high school diploma, are determined to be in need of remedial
9 mathematics or communication arts skills and are not attending an institution of
10 higher education.

11 (b) The program tests participants described in subdivision (a) before
12 enrollment and upon completion of the program in compliance with the department-
13 approved assessment policy.

14 (c) An individual may be enrolled in this program and the grant recipient shall
15 receive funding according to subsection (11) until 1 of the following occurs:

16 (i) The individual achieves the requisite skills as determined by department-
17 approved assessment instruments.

18 (ii) The individual fails to show progress on 2 successive assessments after
19 having completed at least 450 hours of instruction.

20 (11) A funding recipient shall receive payments under this section in
21 accordance with the following:

22 (a) Seventy-five percent for enrollment of eligible participants.

23 (b) Twenty-five percent for participant completion of the adult basic education
24 objectives by achieving an educational gain as determined by the national reporting
25 system levels; for achieving basic English proficiency, **AS DETERMINED BY THE**
26 **DEPARTMENT**; for obtaining a G.E.D. or passage of 1 or more individual G.E.D. tests;
27 for attainment of a high school diploma or passage of a course required for a

1 participant to attain a high school diploma; for enrollment in a postsecondary
2 institution, or for entry into or retention of employment, as applicable.

3 (12) A person who is not eligible to be a participant funded under this section
4 may receive adult education services upon the payment of tuition. In addition, a
5 person who is not eligible to be served in a program under this section due to the
6 program limitations specified in subsection (7), (8), (9), or (10) may continue to
7 receive adult education services in that program upon the payment of tuition. The
8 tuition level shall be determined by the local or intermediate district conducting the
9 program.

10 (13) An individual who is an inmate in a state correctional facility shall not
11 be counted as a participant under this section.

12 (14) A funding recipient shall not commingle money received under this section
13 or from another source for adult education purposes with any other funds and shall
14 establish a separate ledger account for funds received under this section. This
15 subsection does not prohibit a district from using general funds of the district to
16 support an adult education or community education program.

17 (15) A funding recipient receiving funds under this section may establish a
18 sliding scale of tuition rates based upon a participant's family income. A funding
19 recipient may charge a participant tuition to receive adult education services under
20 this section from that sliding scale of tuition rates on a uniform basis. The amount
21 of tuition charged per participant shall not exceed the actual operating cost per
22 participant minus any funds received under this section per participant. A funding
23 recipient may not charge a participant tuition under this section if the participant's
24 income is at or below 200% of the federal poverty guidelines published by the United
25 States department of health and human services.

26 (16) In order to receive funds under this section, a funding recipient shall
27 furnish to the department, in a form and manner determined by the department, all

1 information needed to administer this program and meet federal reporting requirements;
2 shall allow the department or the department's designee to review all records related
3 to the program for which it receives funds; and shall reimburse the state for all
4 disallowances found in the review, as determined by the department.

5 (17) All intermediate district participant audits of adult education programs
6 shall be performed pursuant to the adult education participant auditing and accounting
7 manuals published by the department.

8 (18) As used in this section:

9 (A) "CAREER PATHWAY" MEANS A COMBINATION OF RIGOROUS AND HIGH-QUALITY
10 EDUCATION, TRAINING, AND OTHER SERVICES THAT COMPLY WITH ALL OF THE FOLLOWING:

11 (I) ALIGNS WITH THE SKILL NEEDS OF INDUSTRIES IN THE ECONOMY OF THE STATE OR
12 REGIONAL ECONOMY INVOLVED.

13 (II) PREPARES AN INDIVIDUAL TO BE SUCCESSFUL IN ANY OF A FULL RANGE OF
14 SECONDARY OR POSTSECONDARY EDUCATION OPTIONS, INCLUDING APPRENTICESHIPS REGISTERED
15 UNDER THE ACT OF AUGUST 16, 1937 (COMMONLY KNOWN AS THE ``NATIONAL APPRENTICESHIP
16 ACT''; 50 STAT. 664, CHAPTER 663; 29 U.S.C. 50 ET SEQ.).

17 (III) INCLUDES COUNSELING TO SUPPORT AN INDIVIDUAL IN ACHIEVING THE
18 INDIVIDUAL'S EDUCATION AND CAREER GOALS.

19 (IV) INCLUDES, AS APPROPRIATE, EDUCATION OFFERED CONCURRENTLY WITH AND IN THE
20 SAME CONTEXT AS WORKFORCE PREPARATION ACTIVITIES AND TRAINING FOR A SPECIFIC
21 OCCUPATION OR OCCUPATIONAL CLUSTER.

22 (V) ORGANIZES EDUCATION, TRAINING, AND OTHER SERVICES TO MEET THE PARTICULAR
23 NEEDS OF AN INDIVIDUAL IN A MANNER THAT ACCELERATES THE EDUCATIONAL AND CAREER
24 ADVANCEMENT OF THE INDIVIDUAL TO THE EXTENT PRACTICABLE.

25 (VI) ENABLES AN INDIVIDUAL TO ATTAIN A SECONDARY SCHOOL DIPLOMA OR ITS
26 RECOGNIZED EQUIVALENT, AND AT LEAST 1 RECOGNIZED POSTSECONDARY CREDENTIAL.

27 (VII) HELPS AN INDIVIDUAL ENTER OR ADVANCE WITHIN A SPECIFIC OCCUPATION OR

1 OCCUPATIONAL CLUSTER.

2 (B) ~~(a)~~ "Department" means the Michigan strategic fund.

3 (C) ~~(b)~~ "Eligible adult education provider" means a district, intermediate
4 district, a consortium of districts, a consortium of intermediate districts, or a
5 consortium of districts and intermediate districts that is identified as part of the
6 local process described in subsection (5)(c) and approved by the department.

7 (D) ~~(e)~~ "Participant" means the sum of the number of full-time equated
8 individuals enrolled in and attending a department-approved adult education program
9 under this section, using quarterly participant count days on the schedule described
10 in section 6(7)(b).

11 Sec. 147. (1) The allocation for ~~2014-2015~~ 2015-2016 for the public school
12 employees' retirement system pursuant to the public school employees retirement act of
13 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the individual
14 projected benefit entry age normal cost method of valuation and risk assumptions
15 adopted by the public school employees retirement board and the department of
16 technology, management, and budget.

17 (2) The annual level percentage of payroll contribution rates for the ~~2014-2015~~
18 2015-2016 fiscal year, as determined by the retirement system, are estimated as
19 follows:

20 (a) For public school employees who first worked for a public school reporting
21 unit before July 1, 2010 and who are enrolled in the health premium subsidy, the
22 annual level percentage of payroll contribution rate is estimated at ~~33.41%~~ 36.31%,
23 with 25.78% paid directly by the employer.

24 (b) For public school employees who first worked for a public school reporting
25 unit on or after July 1, 2010 and who are enrolled in the health premium subsidy, the
26 annual level percentage of payroll contribution rate is estimated at ~~32.33%~~ 35.09% ,
27 with ~~24.70%~~ 24.56% paid directly by the employer.

1 (c) For public school employees who first worked for a public school reporting
2 unit on or after July 1, 2010 and who participate in the personal healthcare fund, the
3 annual level percentage of payroll contribution rate is estimated at ~~31.82%~~ **34.66%**,
4 with ~~24.19%~~ **24.13%** paid directly by the employer.

5 (d) For public school employees who first worked for a public school reporting
6 unit on or after September 4, 2012, who elect defined contribution, and who
7 participate in the personal healthcare fund, the annual level percentage of payroll
8 contribution rate is estimated at ~~28.59%~~ **31.49%**, with 20.96% paid directly by the
9 employer.

10 (e) For public school employees who first worked for a public school reporting
11 unit before July 1, 2010, who elect defined contribution, and who are enrolled in the
12 health premium subsidy, the annual level percentage of payroll contribution rate is
13 estimated at ~~29.10%~~ **31.92%**, with ~~21.47%~~ **21.39%** paid directly by the employer.

14 (f) For public school employees who first worked for a public school reporting
15 unit before July 1, 2010, who elect defined contribution, and who participate in the
16 personal healthcare fund, the annual level percentage of payroll contribution rate is
17 estimated at ~~28.59%~~ **31.49%**, with 20.96% paid directly by the employer.

18 (g) For public school employees who first worked for a public school reporting
19 unit before July 1, 2010 and who participate in the personal healthcare fund, the
20 annual level percentage of payroll contribution rate is estimated at ~~32.90%~~ **35.88%**,
21 with ~~25.27%~~ **25.35%** paid directly by the employer.

22 (3) In addition to the employer payments described in subsection (2), the
23 employer shall pay the applicable contributions to the Tier 2 plan, as determined by
24 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
25 38.1408.

26 (4) The contribution rates in subsection (2) reflect an amortization period of
27 ~~24~~ 23 years for ~~2014-2015~~ **2015-2016**. The public school employees' retirement system

1 board shall notify each district and intermediate district by February 28 of each
2 fiscal year of the estimated contribution rate for the next fiscal year.

3 Sec. 147a. From the appropriation in section 11, there is allocated for ~~2014-~~
4 ~~2015~~ 2015-2016 an amount not to exceed \$100,000,000.00 for payments to participating
5 districts. A district that receives money under this section shall use that money
6 solely for the purpose of offsetting a portion of the retirement contributions owed by
7 the district for the fiscal year in which it is received. The amount allocated to each
8 participating district under this section shall be based on each participating
9 district's percentage of the total statewide payroll for all participating districts
10 for the immediately preceding fiscal year. As used in this section, "participating
11 district" means a district that is a reporting unit of the Michigan public school
12 employees' retirement system under the public school employees retirement act of 1979,
13 1980 PA 300, MCL 38.1301 to 38.1408, and that reports employees to the Michigan public
14 school employees' retirement system for the applicable fiscal year.

15 Sec. 147c. (1) From the appropriation in section 11, there is allocated for
16 ~~2014-2015~~ 2015-2016 an amount not to exceed ~~\$656,700,000.00~~ \$893,500,000.00 from the
17 state school aid fund, ~~and there is appropriated for 2014-2015 an amount not to exceed~~
18 ~~\$18,000,000.00 from the MPSERS retirement obligation reform reserve fund,~~ for payments
19 to districts, **DISTRICT LIBRARIES**, and intermediate districts that are participating
20 entities of the Michigan public school employees' retirement system.

21 (2) For ~~2014-2015~~ 2015-2016, the amounts allocated under subsection (1) are
22 estimated to provide an average MPSERS rate cap per pupil amount of ~~\$441.00~~ \$601.00
23 and are estimated to provide a rate cap per pupil for districts ranging between \$4.00
24 and ~~\$1,400.00~~ \$2,300.00.

25 (3) Payments made under this section for ~~2014-2015~~ 2015-2016 shall be equal to
26 the difference between the unfunded actuarial accrued liability contribution rate as
27 calculated pursuant to section 41 of the public school employees retirement act of

1 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum
2 employer rate of 20.96% included in section 41 of the public school employees
3 retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of
4 20.96% included in section 41 of the public school employees retirement act of 1979,
5 1980 PA 300, MCL 38.1341.

6 (4) The amount allocated to each participating entity under this section shall
7 be based on each participating entity's proportion of the total covered payroll for
8 the immediately preceding fiscal year for the same type of participating entities. A
9 participating entity that receives funds under this section shall use the funds solely
10 for the purpose of retirement contributions as specified in subsection (5).

11 (5) Each participating entity receiving funds under this section shall forward
12 an amount equal to the amount allocated under subsection (4) to the retirement system
13 in a form, manner, and time frame determined by the retirement system.

14 (6) Funds allocated under this section should be considered when comparing a
15 district's growth in total state aid funding from 1 fiscal year to the next.

16 (7) Not later than ~~October 20, 2014~~ **DECEMBER 20, 2015**, the department shall
17 publish and post on its website an estimated MPSERS rate cap per pupil for each
18 district.

19 (8) As used in this section:

20 (a) "MPSERS rate cap per pupil" means an amount equal to the quotient of the
21 district's payment under this section divided by the district's pupils in membership.

22 (b) "Participating entity" means a district, intermediate district, or district
23 library that is a reporting unit of the Michigan public school employees' retirement
24 system under the public school employees retirement act of 1979, 1980 PA 300, MCL
25 38.1301 to 38.1437, and that reports employees to the Michigan public school
26 employees' retirement system for the applicable fiscal year.

27 (c) "Retirement board" means the board that administers the retirement system

1 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
2 38.1437.

3 (d) "Retirement system" means the Michigan public school employees' retirement
4 system under the public school employees retirement act of 1979, 1980 PA 300, MCL
5 38.1301 to 38.1437.

6 Sec. 152a. (1) As required by the court in the consolidated cases known as
7 Adair v State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from
8 the state school aid fund money appropriated in section 11 there is allocated for
9 ~~2014-2015~~ 2015-2016 an amount not to exceed \$38,000,500.00 to be used solely for the
10 purpose of paying necessary costs related to the state-mandated collection,
11 maintenance, and reporting of data to this state.

12 (2) From the allocation in subsection (1), the department shall make payments
13 to districts and intermediate districts in an equal amount per pupil based on the
14 total number of pupils in membership in each district and intermediate district. The
15 department shall not make any adjustment to these payments after the final installment
16 payment under section 17b is made.

17 Sec. 163. (1) Except as provided in the revised school code, the board of a
18 district or intermediate district shall not permit any of the following:

19 (a) A noncertificated ~~teacher~~ **EDUCATOR** to teach in an elementary or secondary
20 school or in an adult basic education or high school completion program.

21 (b) A noncertificated ~~counselor~~ **EDUCATOR** to provide counseling services to
22 pupils in an elementary or secondary school or in an adult basic education or high
23 school completion program.

24 **(C) A NONCERTIFICATED EDUCATOR TO ADMINISTER INSTRUCTIONAL PROGRAMS IN AN**
25 **ELEMENTARY OR SECONDARY SCHOOL, OR IN AN ADULT BASIC EDUCATION OR HIGH SCHOOL**
26 **COMPLETION PROGRAM, UNLESS THAT EDUCATOR IS FULFILLING APPLICABLE CONTINUING EDUCATION**
27 **REQUIREMENTS.**

1 (2) Except as provided in the revised school code, a district or intermediate
2 district employing ~~teachers or counselors~~ **EDUCATORS** not legally certificated **OR**
3 **LICENSED** shall have deducted the sum equal to the amount paid the ~~teachers or~~
4 ~~counselors~~ **EDUCATORS** for the period of noncertificated, **NONLICENSED** or illegal
5 employment. Each intermediate superintendent shall notify the department of the name
6 of the noncertificated ~~teacher or counselor~~ **OR NONLICENSED EDUCATOR**, and the district
7 employing that individual and the amount of salary the noncertificated ~~teacher or~~
8 ~~counselor~~ **OR NONLICENSED EDUCATOR** was paid within a constituent district.

9 (3) If a school official is notified by the department that he or she is
10 employing a nonapproved noncertificated ~~teacher or counselor~~ **OR NONLICENSED EDUCATOR**
11 in violation of this section and knowingly continues to employ that teacher or
12 counselor, the school official is guilty of a misdemeanor, punishable by a fine of
13 \$1,500.00 for each incidence. This penalty is in addition to all other financial
14 penalties otherwise specified in this article.

1 **ARTICLE II**

2 **STATE AID TO COMMUNITY COLLEGES**

3 Sec. 201. (1) Subject to the conditions set forth in this article, the amounts
4 listed in this section are appropriated for community colleges for the fiscal year
5 ending September 30, ~~2015, 2016~~, from the funds indicated in this section. The
6 following is a summary of the appropriations in this section:

7 (a) The gross appropriation is ~~\$364,724,900.00~~ **\$393,825,600.00**. After
8 deducting total interdepartmental grants and intradepartmental transfers in the amount
9 of \$0.00, the adjusted gross appropriation is ~~\$364,724,900.00~~ **\$393,825,600.00**.

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

12 (i) Total federal revenues, \$0.00.

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

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

15 (iv) Total other state restricted revenues, ~~\$197,614,100.00~~ **\$256,714,800.00**.

16 (v) State general fund/general purpose money, ~~\$167,110,800.00~~ **\$137,110,800.00**.

17 (2) Subject to subsection (3), the amount appropriated for community college
18 operations is ~~\$307,191,300.00~~ **\$311,492,000.00**, allocated as follows:

19 (a) The appropriation for Alpena Community College is ~~\$5,390,700.00~~,
20 **\$5,462,000.00**, ~~\$5,236,500.00~~ **\$5,390,700.00** for operations and ~~\$154,200.00~~ **\$71,300.00**
21 for performance funding.

22 (b) The appropriation for Bay de Noc Community College is ~~\$5,419,500.00~~,
23 **\$5,488,300.00**, ~~\$5,279,300.00~~ **\$5,419,500.00** for operations and ~~\$140,200.00~~ **\$68,800.00**
24 for performance funding.

25 (c) The appropriation for Delta College is ~~\$14,498,900.00~~ **\$14,706,700.00**,
26 ~~\$14,063,500.00~~ **\$14,498,900.00** for operations and ~~\$435,400.00~~ **\$207,800.00** for

1 performance funding.

2 (d) The appropriation for Glen Oaks Community College is ~~\$2,516,100.00,~~
3 ~~\$2,553,400.00,~~ ~~\$2,441,500.00~~ **\$2,516,100.00** for operations and ~~\$74,600.00~~ **\$37,300.00**
4 for performance funding.

5 (e) The appropriation for Gogebic Community College is ~~\$4,451,400.00,~~
6 ~~\$4,506,400.00,~~ ~~\$4,330,300.00~~ **\$4,451,400.00** for operations and ~~\$121,100.00~~ **\$55,000.00**
7 for performance funding.

8 (f) The appropriation for Grand Rapids Community College is ~~\$17,947,500.00,~~
9 ~~\$18,176,600.00,~~ ~~\$17,454,900.00~~ **\$17,947,500.00** for operations and ~~\$492,600.00~~
10 **\$229,100.00** for performance funding.

11 (g) The appropriation for Henry Ford Community College is ~~\$21,623,800.00,~~
12 ~~\$21,876,700.00,~~ ~~\$21,060,000.00~~ **\$21,623,800.00** for operations and ~~\$563,800.00~~
13 **\$252,900.00** for performance funding.

14 (h) The appropriation for Jackson College is ~~\$12,087,300.00,~~ **\$12,242,500.00,**
15 ~~\$11,758,200.00~~ **\$12,087,300.00** for operations and ~~\$329,100.00~~ **\$155,200.00** for
16 performance funding.

17 (i) The appropriation for Kalamazoo Valley Community College is ~~\$12,503,100.00,~~
18 ~~\$12,694,900.00,~~ ~~\$12,122,500.00~~ **\$12,503,100.00** for operations and ~~\$380,600.00~~
19 **\$191,800.00** for performance funding.

20 (j) The appropriation for Kellogg Community College is ~~\$9,813,500.00,~~
21 ~~\$9,947,300.00,~~ ~~\$9,522,000.00~~ **\$9,813,500.00** for operations and ~~\$291,500.00~~ **\$133,800.00**
22 for performance funding.

23 (k) The appropriation for Kirtland Community College is ~~\$3,167,700.00,~~
24 ~~\$3,224,300.00,~~ ~~\$3,055,700.00~~ **\$3,167,700.00** for operations and ~~\$112,000.00~~ **\$56,600.00**
25 for performance funding.

26 (l) The appropriation for Lake Michigan College is ~~\$5,342,900.00,~~
27 ~~\$5,414,800.00,~~ ~~\$5,178,100.00~~ **\$5,342,900.00** for operations and ~~\$164,800.00~~ **\$71,900.00**

1 for performance funding.

2 (m) The appropriation for Lansing Community College is ~~\$30,877,600.00,~~
 3 ~~\$31,289,900.00, \$30,023,700.00~~ \$30,877,600.00 for operations and ~~\$853,900.00~~
 4 ~~\$412,300.00~~ for performance funding.

5 (n) The appropriation for Macomb Community College is ~~\$32,816,600.00,~~
 6 ~~\$33,222,400.00, \$31,931,200.00~~ \$32,816,600.00 for operations and ~~\$885,400.00~~
 7 ~~\$405,800.00~~ for performance funding.

8 (o) The appropriation for Mid Michigan Community College is ~~\$4,682,000.00,~~
 9 ~~\$4,761,500.00, \$4,517,900.00~~ \$4,682,000.00 for operations and ~~\$164,100.00~~ \$79,500.00
 10 for performance funding.

11 (p) The appropriation for Monroe County Community College is ~~\$4,492,900.00,~~
 12 ~~\$4,565,100.00, \$4,342,600.00~~ \$4,492,900.00 for operations and ~~\$150,300.00~~ \$72,200.00
 13 for performance funding.

14 (q) The appropriation for Montcalm Community College is ~~\$3,226,700.00,~~
 15 ~~\$3,281,800.00, \$3,121,200.00~~ \$3,226,700.00 for operations and ~~\$105,500.00~~ \$55,100.00
 16 for performance funding.

17 (r) The appropriation for C.S. Mott Community College is ~~\$15,686,100.00,~~
 18 ~~\$15,900,900.00, \$15,247,100.00~~ \$15,686,100.00 for operations and ~~\$439,000.00~~
 19 ~~\$214,800.00~~ for performance funding.

20 (s) The appropriation for Muskegon Community College is ~~\$8,901,000.00,~~
 21 ~~\$9,013,800.00, \$8,653,500.00~~ \$8,901,000.00 for operations and ~~\$247,500.00~~ \$112,800.00
 22 for performance funding.

23 (t) The appropriation for North Central Michigan College is ~~\$3,172,400.00,~~
 24 ~~\$3,223,300.00, \$3,064,400.00~~ \$3,172,400.00 for operations and ~~\$108,000.00~~ \$50,900.00
 25 for performance funding.

26 (u) The appropriation for Northwestern Michigan College is ~~\$9,078,800.00,~~
 27 ~~\$9,195,100.00, \$8,825,300.00~~ \$9,078,800.00 for operations and ~~\$253,500.00~~ \$116,300.00

1 for performance funding.

2 (v) The appropriation for Oakland Community College is ~~\$21,123,300.00,~~
 3 \$21,430,800.00, ~~\$20,483,100.00~~ \$21,123,300.00 for operations and ~~\$640,200.00~~
 4 \$307,500.00 for performance funding.

5 (w) The appropriation for St. Clair County Community College is ~~\$7,061,600.00,~~
 6 \$7,154,600.00, ~~\$6,860,100.00~~ \$7,061,600.00 for operations and ~~\$201,500.00~~ \$93,000.00
 7 for performance funding.

8 (x) The appropriation for Schoolcraft College is ~~\$12,513,700.00,~~
 9 \$12,716,100.00, ~~\$12,112,200.00~~ \$12,513,700.00 for operations and ~~\$401,500.00~~
 10 \$202,400.00 for performance funding.

11 (y) The appropriation for Southwestern Michigan College is ~~\$6,576,400.00,~~
 12 \$6,653,000.00, ~~\$6,404,300.00~~ \$6,576,400.00 for operations and ~~\$172,100.00~~ \$76,600.00
 13 for performance funding.

14 (z) The appropriation for Washtenaw Community College is ~~\$13,077,300.00,~~
 15 \$13,330,000.00, ~~\$12,610,800.00~~ \$13,077,300.00 for operations and ~~\$466,500.00~~
 16 \$252,700.00 for performance funding.

17 (aa) The appropriation for Wayne County Community College is ~~\$16,727,600.00,~~
 18 \$17,014,900.00, ~~\$16,194,300.00~~ \$16,727,600.00 for operations and ~~\$533,300.00~~
 19 \$287,300.00 for performance funding.

20 (bb) The appropriation for West Shore Community College is ~~\$2,414,900.00,~~
 21 \$2,444,900.00, ~~\$2,349,800.00~~ \$2,414,900.00 for operations and ~~\$65,100.00~~ \$30,000.00
 22 for performance funding.

23 (3) The amount appropriated in subsection (2) for community college operations
 24 is appropriated from the following:

25 (a) State school aid fund, ~~\$195,880,500.00.~~ \$230,181,200.00.

26 (b) State general fund/general purpose money, ~~\$111,310,800.00.~~ \$81,310,800.00.

27 (4) From the appropriations described in subsection (1), subject to section

1 207a, the amount appropriated for fiscal year ~~2014-2015-2015-2016~~ to offset certain
2 fiscal year ~~2014-2015-2015-2016~~ retirement contributions is \$1,733,600.00,
3 appropriated from the state school aid fund.

4 (5) From the appropriations described in subsection (1), subject to section
5 207b, the amount appropriated for payments to community colleges that are
6 participating entities of the retirement system is ~~\$69,500,000.00, \$17,200,000.00 FROM~~
7 ~~THE STATE SCHOOL AID FUND AND \$52,300,000.00,~~ appropriated from general fund/general
8 purpose money.

9 (6) From the appropriations described in subsection (1), subject to section
10 207c, the amount appropriated for renaissance zone tax reimbursements is
11 ~~\$5,100,000.00, \$1,600,000.00 FROM THE STATE SCHOOL AID FUND AND \$3,500,000.00,~~
12 ~~appropriated~~ from general fund/general purpose money.

13 (7) **FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), SUBJECT TO 1986 PA**
14 **102, MCL 390.1281 TO 390.1288, THE AMOUNT APPROPRIATED FOR INDEPENDENT PART-TIME**
15 **STUDENT GRANTS IS \$6,000,000.00, APPROPRIATED FROM THE STATE SCHOOL AID FUND.**

16 Sec. 206. The funds appropriated in section 201 are appropriated for community
17 colleges with fiscal years ending June 30, ~~2015-2016~~ and shall be paid out of the
18 state treasury and distributed by the state treasurer to the respective community
19 colleges in 11 monthly installments on the sixteenth of each month, or the next
20 succeeding business day, beginning with October 16, ~~2014-2015~~. Each community college
21 shall accrue its July and August ~~2015-2016~~ payments to its institutional fiscal year
22 ending June 30, ~~2015-2016~~. However, if the state budget director determines that a
23 community college failed to submit all verified Michigan community colleges activities
24 classification structure data for school year ~~2013-2014-2014-2015~~ to the workforce
25 development agency by November 1, ~~2014-2015~~, or failed to submit its longitudinal data
26 system data set for school year ~~2013-2014-2014-2015~~ to the center for educational
27 performance and information under section 219, the state treasurer shall withhold the

1 monthly installments from that community college until those data are submitted. The
2 state budget director shall notify the chairs of the house and senate appropriations
3 subcommittees on community colleges at least 10 days before withholding funds from any
4 community college.

5 Sec. 207a. All of the following apply to the allocation of the **FISCAL YEAR**
6 **2015-2016** appropriations described in section 201(4):

7 (a) A community college that receives money under section 201(4) shall use that
8 money solely for the purpose of offsetting a portion of the retirement contributions
9 owed by the college for the **CURRENT** fiscal year ~~ending September 30, 2015~~.

10 (b) The amount allocated to each participating community college under section
11 201(4) shall be based on each ~~participating~~ college's **PERCENTAGE OF THE** total **COVERED**
12 payroll ~~covered by the retirement system covered payroll~~ for all **COMMUNITY COLLEGES**
13 **THAT ARE** participating colleges ~~for~~ **IN THE IMMEDIATELY PRECEDING** fiscal year ~~2013-~~
14 ~~2014~~.

15 Sec. 207b. All of the following apply to the allocation of the **FISCAL YEAR**
16 **2015-2016** appropriations described in section 201(5) for payments to community
17 colleges that are participating entities of the retirement system:

18 (a) The amount of a payment under section 201(5) shall be the difference
19 between the unfunded actuarial accrued liability contribution rate as calculated under
20 section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL
21 38.1341, and the maximum employer rate of 20.96% under section 41 of the public school
22 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

23 (b) The amount allocated to each community college under section 201(5) shall
24 be based on each community college's percentage of the total covered payroll for all
25 community colleges that are participating colleges in the immediately preceding fiscal
26 year. A community college that receives funds under this subdivision shall use the
27 funds solely for the purpose of retirement contributions under section 201(5).

1 (c) Each participating college that receives funds under section 201(5) shall
2 forward an amount equal to the amount allocated under subdivision (b) to the
3 retirement system in a form and manner determined by the retirement system.

4 Sec. 207c. All of the following apply to the allocation of the appropriations
5 described in section 201(6) to community colleges described in section 12(3) of the
6 Michigan renaissance zone act, MCL 125.2692:

7 (a) The amount allocated to each community college under section 201(6) **FOR**
8 **FISCAL YEAR 2015-2016** shall be based on that community college's proportion of total
9 revenue lost by community colleges ~~in fiscal year 2013-2014~~ as a result of the
10 exemption of property **TAXES LEVIED IN 2015** under the Michigan renaissance zone act.

11 (b) The appropriations described in section 201(6) shall be made to each
12 eligible community college within 60 days after the department of treasury certifies
13 to the state budget director that it has received all necessary information to
14 properly determine the amounts ~~of tax revenue lost by~~ **DUE TO** each eligible community
15 college ~~in fiscal year 2013-2014~~ under section 12 of the Michigan renaissance zone
16 act, MCL 125.2692.

17 Sec. 209. (1) Within 30 days after the board of a community college adopts its
18 annual operating budget for the following ~~school~~ fiscal year, or after the board
19 adopts a subsequent revision to that budget, the community college shall make all of
20 the following available through a link on its website homepage:

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

22 (b) A link to the most recent "Activities Classification Structure Data Book
23 and Companion".

24 (c) General fund revenue and expenditure projections for **THE CURRENT** fiscal
25 year ~~2014-2015~~ and **THE NEXT** fiscal year ~~2015-2016~~.

26 (d) A listing of all debt service obligations, detailed by project, anticipated
27 ~~fiscal year 2014-2015~~ payment of each project, and total outstanding debt **FOR THE**

1 **CURRENT FISCAL YEAR.**

2 ~~(e) The estimated cost to the community college resulting from the patient~~
 3 ~~protection and affordable care act, Public Law 111 148, as amended by the health care~~
 4 ~~and education reconciliation act of 2010, Public Law 111 152.~~

5 **(E)** ~~(f)~~—Links to all of the following for the community college:

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

7 (ii) Each health care benefits plan, including, but not limited to, medical,
 8 dental, vision, disability, long-term care, or any other type of benefits that would
 9 constitute health care services, offered to any bargaining unit or employee of the
 10 community college.

11 (iii) Audits and financial reports for the most recent fiscal year for which
 12 they are available.

13 ~~(iv) A copy of the board of trustees resolution regarding compliance with best~~
 14 ~~practices for the local strategic value component described in section 230(2).~~

15 (2) For statewide consistency and public visibility, community colleges must
 16 use the icon badge provided by the department of technology, management, and budget
 17 consistent with the icon badge developed by the department of education for K-12
 18 school districts. It must appear on the front of each community college's homepage.
 19 The size of the icon may be reduced to 150 x 150 pixels.

20 ~~(3) The state budget director shall determine whether a community college has~~
 21 ~~complied with this section. The state budget director may withhold a community~~
 22 ~~college's monthly installments described in section 206 until the community college~~
 23 ~~complies with this section. The state budget director shall notify the chairs of the~~
 24 ~~house and senate appropriations subcommittee on community colleges at least 10 days~~
 25 ~~before withholding funds from any community college.~~

26 (3) ~~(4)~~—Each community college shall report the following information to the
 27 senate and house appropriations subcommittees on community colleges, the senate and

1 house fiscal agencies, and the state budget office by November 15 of each fiscal year
2 and post that information on the internet website required under subsection (1):

3 (a) Budgeted **CURRENT** fiscal year ~~2014-2015~~ general fund revenue from tuition
4 and fees.

5 (b) Budgeted **CURRENT** fiscal year ~~2014-2015~~ general fund revenue from state
6 appropriations.

7 (c) Budgeted **CURRENT** fiscal year ~~2014-2015~~ general fund revenue from property
8 taxes.

9 (d) Budgeted **CURRENT** fiscal year ~~2014-2015~~ total general fund revenue.

10 (e) Budgeted **CURRENT** fiscal year ~~2014-2015~~ total general fund expenditures.

11 ~~(5) By November 15 of each year, a community college shall report the following~~
12 ~~information to the center for educational performance and information and post the~~
13 ~~information on its website under the budget transparency icon badge.~~

14 ~~(a) Opportunities for earning college credit through the following programs:~~

15 ~~(i) State approved career and technical education or a tech prep articulated~~
16 ~~program of study.~~

17 ~~(ii) Direct college credit or concurrent enrollment.~~

18 ~~(iii) Dual enrollment.~~

19 ~~(iv) An early college/middle college program.~~

20 ~~(b) For each program described in subdivision (a) that the community college~~
21 ~~offers, all of the following information:~~

22 ~~(i) The number of high school students participating in the program.~~

23 ~~(ii) The number of school districts that participate in the program with the~~
24 ~~community college.~~

25 ~~(iii) Whether a college professor, qualified local school district employee, or~~
26 ~~other individual teaches the course or courses in the program.~~

27 ~~(iv) The total cost to the community college to operate the program.~~

1 ~~(v) The cost per credit hour for the course or courses in the program.~~

2 ~~(vi) The location where the course or courses in the program are held.~~

3 ~~(vii) Instructional resources offered to the program instructors.~~

4 ~~(viii) Resources offered to the student in the program.~~

5 ~~(ix) Transportation services provided to students in the program.~~

6 Sec. 210. (1) Recognizing the critical importance of education in strengthening
7 Michigan's workforce, ~~the legislature encourages~~ each community college **IS ENCOURAGED**
8 to explore ways of increasing collaboration and cooperation with 4-year universities,
9 particularly in the areas related to training, instruction, and program articulation.

10 (2) Recognizing the central role of community colleges in responding to local
11 employment needs and challenges, community colleges shall develop and continue efforts
12 to collaborate with local employers and students to identify local employment needs
13 and strategies to meet them.

14 (3) Community colleges are encouraged to collaborate with each other on
15 innovations to identify and meet local employment needs.

16 (4) Community colleges are encouraged to work with universities to develop
17 equivalency standards of core college courses and identify equivalent courses offered
18 by postsecondary institutions.

19 Sec. 213. ~~It is the intent of the legislature that community~~ (1) **COMMUNITY**
20 colleges **ARE ENCOURAGED TO** work with public universities in the state to implement
21 statewide reverse transfer agreements to increase the number of students that are
22 awarded credentials of value upon completion of the necessary credits. These statewide
23 agreements shall enable students who have earned a significant number of credits at a
24 community college and transferred to a baccalaureate-granting institution before
25 completing a degree to transfer the credits earned at the baccalaureate institution
26 back to the community college in order to be awarded a credential of value.

27 (2) **IT IS EXPECTED THAT COMMUNITY COLLEGES SHALL WORK WITH THE MICHIGAN**

1 ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS AND PUBLIC UNIVERSITIES
2 TO IMPLEMENT THE MICHIGAN TRANSFER AGREEMENT AS RECOMMENDED BY THE FINAL REPORT OF THE
3 COMMITTEE ON THE TRANSFERABILITY OF CORE COLLEGE COURSES.

4 SEC. 215. IN ORDER TO INCREASE THE NUMBER OF RESIDENTS IN THIS STATE WITH A
5 POSTSECONDARY CREDENTIAL, A COMMUNITY COLLEGE RECEIVING FUNDS FROM THE INDEPENDENT
6 PART-TIME STUDENT GRANTS UNDER SECTION 201 IS ENCOURAGED TO PRIORITIZE THESE FUNDS FOR
7 AID TO STUDENTS WHO HAVE ENROLLED IN AN ACADEMIC PROGRAM AFTER NOT BEING ENROLLED FOR
8 MORE THAN A SEMESTER OR TERM, WHO HAVE PREVIOUSLY EARNED CREDITS IN AN ACADEMIC
9 PROGRAM, AND WHO HAVE NOT YET EARNED A CERTIFICATE OR DEGREE.

10 Sec. 217. (1) The workforce development agency shall do all of the following:

11 (a) Establish, maintain, and coordinate the state community college database
12 commonly known as the "activities classification structure" or "ACS" database.

13 (b) Collect data concerning community colleges and community college programs
14 in this state, including data required by law.

15 (c) Establish procedures to ensure the validity and reliability of the data and
16 the collection process.

17 (d) Develop model data collection policies, including, but not limited to,
18 policies that ensure the privacy of any individual student data. Privacy policies
19 shall ensure that student social security numbers are not released to the public for
20 any purpose.

21 (e) Provide data in a useful manner to allow state policymakers and community
22 college officials to make informed policy decisions.

23 (f) Assist community colleges in complying with audits under this section or
24 federal law.

25 (2) There is created within the workforce development agency the activities
26 classification structure advisory committee. The committee shall provide advice to the
27 director of the workforce development agency regarding the management of the state

1 community college database, including, but not limited to:

2 (a) Determining what data are necessary to collect and maintain to enable state
3 and community college officials to make informed policy decisions.

4 (b) Defining the roles of all stakeholders in the data collection system.

5 (c) Recommending timelines for the implementation and ongoing collection of
6 data.

7 (d) Establishing and maintaining data definitions, data transmission protocols,
8 and system specifications and procedures for the efficient and accurate transmission
9 and collection of data.

10 (e) Establishing and maintaining a process for ensuring the accuracy of the
11 data.

12 (f) Establishing and maintaining policies related to data collection,
13 including, but not limited to, privacy policies related to individual student data.

14 (g) Ensuring that the data are made available to state policymakers and
15 citizens of this state in the most useful format possible.

16 (h) Addressing other matters as determined by the director of the workforce
17 development agency or as required by law.

18 (3) The activities classification structure advisory committee created in
19 subsection (2) shall consist of the following members:

20 (a) One representative from the house fiscal agency, appointed by the director
21 of the house fiscal agency.

22 (b) One representative from the senate fiscal agency, appointed by the director
23 of the senate fiscal agency.

24 (c) One representative from the workforce development agency, appointed by the
25 director of the workforce development agency.

26 (d) One representative from the state budget office, appointed by the state
27 budget director.

1 (e) One representative from the governor's policy office, appointed by that
2 office.

3 (f) Four representatives of the Michigan community colleges association,
4 appointed by the president of the association. From the groupings of community
5 colleges given in table 17 of the activities classification structure ~~report~~ **DATABASE**
6 described in subsection ~~(4)~~, **(1)**, the association shall appoint 1 representative each
7 from group 1, group 2, and group 3, and 1 representative from either group 3 or 4.

8 ~~(4) The activities classification structure advisory committee shall review the~~
9 ~~existing activities classification structure report, data, definitions, processes, and~~
10 ~~other items as needed and publish an initial report on their findings and~~
11 ~~recommendations by July 30, 2015. This report shall be submitted to the senate and~~
12 ~~house appropriations subcommittees on community colleges, the senate and house fiscal~~
13 ~~agencies, the director of the workforce development agency, the state budget director,~~
14 ~~and the Michigan community colleges association.~~

15 Sec. 222. Each community college shall have an annual audit of all income and
16 expenditures performed by an independent auditor and shall furnish the independent
17 auditor's management letter and an annual audited accounting of all general and
18 current funds income and expenditures including audits of college foundations to the
19 members of the senate and house appropriations subcommittees on community colleges,
20 the senate and house fiscal agencies, the auditor general, the workforce development
21 agency, and the state budget director before November 15 of each year. If a community
22 college fails to furnish the audit materials, the monthly state aid installments shall
23 be withheld from that college until the information is submitted. All reporting shall
24 conform to the requirements set forth in the "2001 Manual for Uniform Financial
25 Reporting, Michigan Public Community Colleges". ~~It is the intent of the legislature~~
26 ~~that a~~ **A** community college shall make the information the community college is
27 required to provide under this section available to the public on its internet

1 website.

2 Sec. 225. Each community college shall report to the house and senate fiscal
3 agencies, the state budget director, and the workforce development agency by August
4 31, ~~2014-2015~~, the tuition and mandatory fees paid by a full-time in-district student
5 and a full-time out-of-district student as established by the college governing board
6 for the ~~2014-2015-2015-2016~~ academic year. This report should also include the annual
7 cost of attendance based on a full-time course load of 30 credits. Each community
8 college shall also report any revisions to the reported ~~2014-2015-2015-2016~~ academic
9 year tuition and mandatory fees adopted by the college governing board to the house
10 and senate fiscal agencies, the state budget director, and the workforce development
11 agency within 15 days of being adopted.

12 Sec. 226. Each community college shall report to the workforce development
13 agency the numbers and type of associate degrees and other certificates awarded during
14 the previous fiscal year. The report shall be made not later than November 15 of each
15 year. **COMMUNITY COLLEGES SHALL WORK WITH THE WORKFORCE DEVELOPMENT AGENCY AND THE
16 CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO DEVELOP A SYSTEMATIC APPROACH
17 FOR ACCOMPLISHING THIS TASK.**

18 Sec. 229. (1) It is ~~the intent of the legislature-EXPECTED~~ that each community
19 college that receives an appropriation in section 201 include in its admission
20 application process a specific question as to whether an applicant for admission has
21 ever served or is currently serving in the United States armed forces or is the spouse
22 or dependent of an individual who has served or is currently serving in the United
23 States armed forces, in order to more quickly identify potential educational
24 assistance available to that applicant.

25 (2) It is ~~the intent of the legislature-EXPECTED~~ that each public community
26 college that receives an appropriation in section 201 shall work with the house and
27 senate community college subcommittees, the Michigan community college association,

1 and veterans groups to review the issue of in-district tuition for veterans of this
2 state when determining tuition rates and fees.

3 (3) As used in this section, "veteran" means an honorably discharged veteran
4 entitled to educational assistance under the provisions of section 5003 of the post-
5 911 veterans educational assistance act of 2008, 38 USC 3301 to 3324.

6 Sec. 229a. Included in the fiscal year ~~2014-2015-2015-2016~~ appropriations for
7 the department of technology, management, and budget are appropriations **TOTALING**
8 **\$29,479,600.00** to provide funding for the state share of costs for previously
9 constructed capital projects for community colleges. Those appropriations for state
10 building authority rent represent additional state general fund support for community
11 colleges, and the following is an estimate of the amount of that support to each
12 community college:

- 13 (a) Alpena Community College, ~~\$485,400.00.~~ **\$652,700.00.**
14 (b) Bay de Noc Community College, ~~\$636,600.00.~~ **\$685,900.00.**
15 (c) Delta College, ~~\$2,842,800.00.~~ **\$3,510,900.00.**
16 (d) Glen Oaks Community College, ~~\$123,300.00.~~ **\$123,100.00.**
17 (e) Gogebic Community College, ~~\$16,900.00.~~ **\$67,600.00.**
18 (f) Grand Rapids Community College, ~~\$1,792,400.00.~~ **\$2,126,000.00.**
19 (g) Henry Ford Community College, ~~\$1,030,800.00.~~ **\$1,028,500.00.**
20 (h) Jackson College, ~~\$1,787,300.00.~~ **\$1,677,800.00.**
21 (i) Kalamazoo Valley Community College, ~~\$1,471,000.00.~~ **\$1,557,700.00.**
22 (j) Kellogg Community College, ~~\$521,400.00.~~ **\$520,200.00.**
23 (k) Kirtland Community College, ~~\$364,000.00.~~ **\$363,200.00.**
24 (l) Lake Michigan College, ~~\$340,900.00.~~ **\$340,200.00.**
25 (m) Lansing Community College, ~~\$610,100.00.~~ **\$1,282,200.00.**
26 (n) Macomb Community College, ~~\$1,316,600.00.~~ **\$1,377,400.00.**
27 (o) Mid Michigan Community College, ~~\$1,117,300.00.~~ **\$1,712,600.00.**

1 (p) Monroe County Community College, ~~\$1,266,500.00.~~ \$1,263,600.00.

2 (q) Montcalm Community College, ~~\$973,700.00.~~ \$971,500.00.

3 (r) C.S. Mott Community College, ~~\$1,808,000.00.~~ \$1,803,900.00.

4 (s) Muskegon Community College, ~~\$198,500.00.~~ \$267,800.00.

5 (t) North Central Michigan College, ~~\$117,600.00.~~ \$469,400.00.

6 (u) Northwestern Michigan College, ~~\$1,308,600.00.~~ \$1,305,600.00.

7 (v) Oakland Community College, ~~\$466,300.00.~~ \$465,200.00.

8 (w) St. Clair County Community College, ~~\$357,000.00.~~ \$356,200.00.

9 (x) Schoolcraft College, ~~\$1,550,300.00.~~ \$1,546,700.00.

10 (y) Southwestern Michigan College, ~~\$231,100.00.~~ \$286,900.00.

11 (z) Washtenaw Community College, ~~\$1,680,600.00.~~ \$1,676,800.00.

12 (aa) Wayne County Community College, ~~\$1,466,000.00.~~ \$1,462,700.00.

13 (bb) West Shore Community College, ~~\$578,600.00.~~ \$577,300.00.

14 Sec. 230. (1) Money included in the appropriations for community college
15 operations under section 201(2) in fiscal year ~~2014-2015-2015-2016~~ for performance
16 funding is distributed based on the following formula:

17 (a) Allocated proportionate to fiscal year ~~2013-2014-2014-2015~~ base
18 appropriations, 50%.

19 (b) Based on contact hour equated students, 10%.

20 (c) Based on administrative costs, 7.5%.

21 (d) Based on a weighted degree formula, ~~as provided for in the 2006~~
22 ~~recommendations of the performance indicators task force, 17.5%-32.5%.~~

23 ~~(e) Based on the local strategic value component, as developed in cooperation~~
24 ~~with the Michigan community college association and described in subsection (2), 15%.~~

25 ~~(2) Money included in the appropriations for community college operations under~~
26 ~~section 201(2) for local strategic value shall be allocated to each community college~~
27 ~~that certifies to the state budget director, through a board of trustees resolution on~~

1 ~~or before October 15, 2014, that the college has met 4 out of 5 best practices listed~~
2 ~~in each category described in subsection (3). The resolution shall provide specifics~~
3 ~~as to how the community college meets each best practice measure within each category.~~
4 ~~One third of funding available under the strategic value component shall be allocated~~
5 ~~to each category described in subsection (3). Amounts distributed under local~~
6 ~~strategic value shall be on a proportionate basis to each college's fiscal year 2013-~~
7 ~~2014 operations funding. Payments to community colleges that qualify for local~~
8 ~~strategic value funding shall be distributed with the November installment payment~~
9 ~~described in section 206.~~

10 ~~(3) For purposes of subsection (2), the following categories of best practices~~
11 ~~reflect functional activities of community colleges that have strategic value to the~~
12 ~~local communities and regional economies:~~

13 ~~(a) For Category A, economic development and business or industry partnerships,~~
14 ~~the following:~~

15 ~~(i) The community college has active partnerships with local employers~~
16 ~~including hospitals and health care providers.~~

17 ~~(ii) The community college provides customized on-site training for area~~
18 ~~companies, employees, or both.~~

19 ~~(iii) The community college supports entrepreneurship through a small business~~
20 ~~assistance center or other training or consulting activities targeted toward small~~
21 ~~businesses.~~

22 ~~(iv) The community college supports technological advancement through industry~~
23 ~~partnerships, incubation activities, or operation of a Michigan technical education~~
24 ~~center or other advanced technology center.~~

25 ~~(v) The community college has active partnerships with local or regional~~
26 ~~workforce and economic development agencies.~~

27 ~~(b) For Category B, educational partnerships, the following:~~

1 ~~(i) The community college has active partnerships with regional high schools,~~
2 ~~intermediate school districts, and career tech centers to provide instruction through~~
3 ~~dual enrollment, concurrent enrollment, direct credit, middle college, or academy~~
4 ~~programs.~~

5 ~~(ii) The community college hosts, sponsors, or participates in enrichment~~
6 ~~programs for area K 12 students, such as college days, summer or after school~~
7 ~~programming, or science Olympiad.~~

8 ~~(iii) The community college provides, supports, or participates in programming~~
9 ~~to promote successful transitions to college for traditional age students, including~~
10 ~~grant programs such as talent search, upward bound, or other activities to promote~~
11 ~~college readiness in area high schools and community centers.~~

12 ~~(iv) The community college provides, supports, or participates in programming~~
13 ~~to promote successful transitions to college for new or reentering adult students,~~
14 ~~such as adult basic education, general education development certificate preparation~~
15 ~~and testing, or recruiting, advising, or orientation activities specific to adults.~~

16 ~~(v) The community college has active partnerships with regional 4 year colleges~~
17 ~~and universities to promote successful transfer, such as articulation, 2+2, or reverse~~
18 ~~transfer agreements or operation of a university center.~~

19 ~~(c) For Category C, community services, the following:~~

20 ~~(i) The community college provides continuing education programming for~~
21 ~~leisure, wellness, personal enrichment, or professional development.~~

22 ~~(ii) The community college operates or sponsors opportunities for community~~
23 ~~members to engage in activities that promote leisure, wellness, cultural or personal~~
24 ~~enrichment such as community sports teams, theater or musical ensembles, or artist~~
25 ~~guilds.~~

26 ~~(iii) The community college operates public facilities to promote cultural,~~
27 ~~educational, or personal enrichment for community members, such as libraries, computer~~

1 ~~labs, performing arts centers, museums, art galleries, or television or radio~~
2 ~~stations.~~

3 ~~(iv) The community college operates public facilities to promote leisure or~~
4 ~~wellness activities for community members, including gymnasiums, athletic fields,~~
5 ~~tennis courts, fitness centers, hiking or biking trails, or natural areas.~~

6 ~~(v) The community college promotes, sponsors, or hosts community service~~
7 ~~activities for students, staff, or community members.~~

8 (2) PAYMENTS FOR PERFORMANCE FUNDING UNDER SECTION 201(2) SHALL BE MADE TO A
9 COMMUNITY COLLEGE ONLY IF THAT COMMUNITY COLLEGE ACTIVELY PARTICIPATES IN AND SUBMITS
10 TIMELY UPDATES TO THE MICHIGAN TRANSFER NETWORK SPONSORED BY THE MICHIGAN ASSOCIATION
11 OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS. THE STATE BUDGET DIRECTOR SHALL
12 DETERMINE IF A COMMUNITY COLLEGE HAS NOT SATISFIED THIS REQUIREMENT. THE STATE BUDGET
13 DIRECTOR MAY WITHHOLD PAYMENTS FOR PERFORMANCE FUNDING UNTIL A COMMUNITY COLLEGE IS IN
14 COMPLIANCE WITH THIS SECTION.

ARTICLE III

STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, ~~2015,~~ 2016, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$1,516,496,300.00.~~ \$1,541,219,200.00. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,516,496,300.00.~~ \$1,541,219,200.00.

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

(i) Total federal revenues, \$97,026,400.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$204,567,900.00.~~ \$205,279,500.00.

(v) State general fund/general purpose money, ~~\$1,214,902,000.00.~~

\$1,238,913,300.00.

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

(a) The appropriation for Central Michigan University is ~~\$79,115,000.00,~~ ~~\$73,540,100.00~~ \$81,502,900.00, \$79,164,800.00 for operations and ~~\$5,574,900.00~~ \$2,338,100.00 for performance funding.

(b) The appropriation for Eastern Michigan University is ~~\$71,771,100.00,~~ ~~\$67,275,400.00~~ \$73,196,700.00, \$71,782,500.00 for operations and ~~\$4,495,700.00~~ \$1,414,200.00 for performance funding.

(c) The appropriation for Ferris State University is ~~\$49,087,000.00,~~ ~~\$45,636,500.00~~ \$50,606,700.00, \$49,119,100.00 for operations and ~~\$3,450,500.00~~

1 \$1,487,600.00 for performance funding.

2 (d) The appropriation for Grand Valley State University is ~~\$63,136,000.00,~~
3 ~~\$57,823,500.00~~-\$65,680,200.00, \$63,156,500.00 for operations and ~~\$5,312,500.00~~
4 \$2,523,700.00 for performance funding.

5 (e) The appropriation for Lake Superior State University is ~~\$12,782,500.00,~~
6 ~~\$12,231,000.00~~-\$13,247,300.00, \$12,997,500.00 for operations and ~~\$551,500.00~~
7 \$249,800.00 for performance funding.

8 (f) The appropriation for Michigan State University is ~~\$324,038,100.00,~~
9 ~~\$249,597,800.00~~-\$330,391,700.00, \$264,437,900.00 for operations, ~~\$14,831,300.00~~
10 \$5,152,600.00 for performance funding, ~~\$32,027,900.00~~-\$32,668,500.00 for MSU
11 AgBioResearch, and ~~\$27,581,100.00~~-\$28,132,700.00 for MSU extension.

12 (g) The appropriation for Michigan Technological University is ~~\$45,923,100.00,~~
13 ~~\$43,473,800.00~~-\$46,908,000.00, \$45,938,000.00 for operations and ~~\$2,449,300.00~~
14 \$970,000.00 for performance funding.

15 (h) The appropriation for Northern Michigan University is ~~\$44,277,200.00,~~
16 ~~\$41,741,400.00~~-\$45,254,400.00, \$44,338,300.00 for operations and ~~\$2,535,800.00~~
17 \$916,100.00 for performance funding.

18 (i) The appropriation for Oakland University is ~~\$48,364,100.00,~~ ~~\$45,651,600.00~~
19 \$50,021,000.00, \$48,371,900.00 for operations and ~~\$2,712,500.00~~-\$1,649,100.00 for
20 performance funding.

21 (j) The appropriation for Saginaw Valley State University is ~~\$27,610,200.00,~~
22 ~~\$25,991,000.00~~-\$28,120,400.00, \$27,621,600.00 for operations and ~~\$1,619,200.00~~
23 \$498,800.00 for performance funding.

24 (k) The appropriation for University of Michigan - Ann Arbor is
25 ~~\$295,174,100.00,~~ ~~\$279,232,700.00~~-\$300,874,900.00, \$295,178,500.00 for operations and
26 ~~\$15,941,400.00~~-\$5,696,400.00 for performance funding.

27 (l) The appropriation for University of Michigan - Dearborn is ~~\$23,689,300.00,~~

1 ~~\$22,510,400.00~~ ~~\$24,095,700.00~~, \$23,701,000.00 for operations and ~~\$1,178,900.00~~
 2 \$394,700.00 for performance funding.

3 (m) The appropriation for University of Michigan - Flint is ~~\$21,337,700.00~~,
 4 ~~\$19,938,200.00~~ ~~\$21,901,700.00~~, \$21,359,600.00 for operations and ~~\$1,399,500.00~~
 5 \$542,100.00 for performance funding.

6 (n) The appropriation for Wayne State University is ~~\$190,519,800.00~~,
 7 ~~\$183,398,300.00~~ \$191,623,200.00, \$190,529,900.00 for operations and ~~\$7,121,500.00~~
 8 \$1,093,300.00 for performance funding.

9 (o) The appropriation for Western Michigan University is ~~\$102,742,000.00~~,
 10 ~~\$97,279,000.00~~ ~~\$104,633,700.00~~, \$102,761,100.00 for operations and ~~\$5,463,000.00~~
 11 \$1,872,600.00 for performance funding.

12 (3) The amount appropriated in subsection (2) for public universities is
 13 appropriated from the following:

14 (a) State school aid fund, \$200,019,500.00.

15 (b) State general fund/general purpose money, ~~\$1,199,547,700.00~~.
 16 \$1,228,039,000.00.

17 (4) The amount appropriated for Michigan public school employees' retirement
 18 system reimbursement is ~~\$2,446,200.00~~, ~~\$446,200.00~~ ~~\$5,160,000.00~~, appropriated from
 19 the state school aid fund and ~~\$2,000,000.00~~ appropriated from general fund/general
 20 purpose money.

21 (5) For fiscal year 2014 2015 only, in addition to the amount appropriated
 22 under subsection (4), ~~\$4,002,200.00~~ is appropriated for Michigan public school
 23 employees' retirement system reimbursement, appropriated from the state school aid
 24 fund.

25 (5) ~~(6)~~ The amount appropriated for state and regional programs is
 26 ~~\$2,295,000.00~~ \$315,000.00 appropriated from general fund/general purpose money and
 27 allocated as follows:

1 ~~(a) College access program, \$2,000,000.00.~~

2 (A) ~~(b)~~ Higher education database modernization and conversion, \$200,000.00.

3 (B) ~~(c)~~ Midwestern higher education compact, ~~\$95,000.00.~~ **\$115,000.00.**

4 (6) ~~(7)~~ The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez
5 - Rosa Parks program is \$2,691,500.00, appropriated from general fund/general purpose
6 money and allocated as follows:

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

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

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

10 (7) ~~(8)~~ Subject to subsection ~~(9)~~, (8), the amount appropriated for grants and
11 financial aid is ~~\$105,494,200.00.~~ **\$104,994,200.00**, allocated as follows:

12 (a) State competitive scholarships, \$18,361,700.00.

13 (b) Tuition grants, \$33,532,500.00.

14 (c) Tuition incentive program, \$48,500,000.00.

15 (d) Children of veterans and officer's survivor tuition grant programs,
16 \$1,400,000.00.

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

18 ~~(f) North American Indian tuition waivers, \$500,000.00.~~

19 (8) ~~(9)~~ The money appropriated in subsection ~~(8)~~ (7) for grants and financial
20 aid is appropriated from the following:

21 (a) Federal revenues under the United States department of education, office of
22 elementary and secondary education, GEAR-UP program, \$3,200,000.00.

23 (b) Federal revenues under the social security act, temporary assistance for
24 needy families, \$93,826,400.00.

25 (c) Contributions to children of veterans tuition grant program, \$100,000.00.

26 (d) State general fund/general purpose money, ~~\$8,367,800.00.~~ **\$7,867,800.00.**

27 Sec. 236b. In addition to the funds appropriated in section 236, there is

1 appropriated for grants and financial aid in fiscal year ~~2014-2015-2015-2016~~ an amount
 2 not to exceed \$6,000,000.00 for federal contingency funds. These funds are not
 3 available for expenditure until they have been transferred under section 393(2) of the
 4 management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this
 5 article.

6 Sec. 236c. In addition to the funds appropriated for fiscal year ~~2014-2015~~
 7 ~~2015-2016~~ in section 236, appropriations to the department of technology, management,
 8 and budget in the act providing general appropriations for fiscal year ~~2014-2015-2015-~~
 9 ~~2016~~ for state building authority rent, totaling an estimated ~~\$124,825,300.00,~~
 10 ~~\$135,995,300.00,~~ provide funding for the state share of costs for previously
 11 constructed capital projects for state universities. These appropriations for state
 12 building authority rent represent additional state general fund support provided to
 13 public universities, and the following is an estimate of the amount of that support to
 14 each university:

- 15 (a) Central Michigan University, ~~\$9,103,200.00.~~ **\$9,551,800.00.**
- 16 (b) Eastern Michigan University, ~~\$4,861,700.00.~~ **\$4,860,900.00.**
- 17 (c) Ferris State University, ~~\$6,252,200.00.~~ **\$6,251,200.00.**
- 18 (d) Grand Valley State University, ~~\$4,252,500.00.~~ **\$6,952,300.00.**
- 19 (e) Lake Superior State University, ~~\$1,112,900.00.~~ **\$1,720,300.00.**
- 20 (f) Michigan State University, ~~\$16,101,200.00.~~ **\$16,549,200.00.**
- 21 (g) Michigan Technological University, ~~\$7,444,600.00.~~ **\$7,443,400.00.**
- 22 (h) Northern Michigan University, ~~\$8,016,400.00.~~ **\$9,706,200.00.**
- 23 (i) Oakland University, ~~\$10,969,800.00.~~ **\$12,993,400.00.**
- 24 (j) Saginaw Valley State University, ~~\$9,777,400.00.~~ **\$9,865,800.00.**
- 25 (k) University of Michigan - Ann Arbor, ~~\$9,159,200.00.~~ **\$9,607,800.00.**
- 26 (l) University of Michigan - Dearborn, ~~\$6,296,200.00.~~ **\$6,745,200.00.**
- 27 (m) University of Michigan - Flint, ~~\$2,855,000.00.~~ **\$3,104,000.00.**

1 (n) Wayne State University, ~~\$13,679,800.00~~ \$15,703,000.00.

2 (o) Western Michigan University, ~~\$14,943,200.00~~ \$14,940,800.00.

3 Sec. 241. (1) Subject to ~~section~~ **SECTIONS 244 AND** 265a, the funds appropriated
4 in section 236 to public universities shall be paid out of the state treasury and
5 distributed by the state treasurer to the respective institutions in 11 equal monthly
6 installments on the sixteenth of each month, or the next succeeding business day,
7 beginning with October 16, ~~2014-2015~~. Except for Wayne State University, each
8 institution shall accrue its July and August ~~2015~~ 2016 payments to its institutional
9 fiscal year ending June 30, ~~2015-2016~~.

10 (2) All public universities shall submit higher education institutional data
11 inventory (HEIDI) data and associated financial and program information requested by
12 and in a manner prescribed by the state budget director. For public universities with
13 fiscal years ending June 30, ~~2014-2015~~, these data shall be submitted to the state
14 budget director by October 15, ~~2014-2015~~. Public universities with a fiscal year
15 ending September 30, ~~2014-2015~~ shall submit preliminary HEIDI data by November 15,
16 ~~2014-2015~~ and final data by December 15, ~~2014-2015~~. If a public university fails to
17 submit HEIDI data and associated financial aid program information in accordance with
18 this reporting schedule, the state treasurer may withhold the monthly installments
19 under subsection (1) to the public university until those data are submitted.

20 Sec. 242. Funds received by the state from the federal government or private
21 sources for the use of a college or university are appropriated for the purposes for
22 which they are provided. ~~The acceptance and use of federal or private funds do not~~
23 ~~place an obligation on the legislature to continue the purposes for which the funds~~
24 ~~are made available.~~

25 Sec. 245. (1) A public university shall maintain a public transparency website
26 available through a link on its website homepage. The public university shall update
27 this website within 30 days after the university's governing board adopts its annual

1 operating budget for the next academic year, or after the governing board adopts a
2 subsequent revision to that budget.

3 (2) The website required under subsection (1) shall include all of the
4 following concerning the public university:

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

6 (b) A summary of current expenditures for the most recent fiscal year for which
7 they are available, expressed as pie charts in the following 2 categories:

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

9 (A) Earnings and wages.

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

12 (C) Retirement benefit costs.

13 (D) All other personnel costs.

14 (ii) A chart of all current expenditures the public university reported as part
15 of its higher education institutional data inventory data under section 241(2), broken
16 into the same subcategories in which it reported those data.

17 (c) Links to all of the following for the public university:

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

19 (ii) Each health care benefits plan, including, but not limited to, medical,
20 dental, vision, disability, long-term care, or any other type of benefits that would
21 constitute health care services, offered to any bargaining unit or employee of the
22 public university.

23 (iii) Audits and financial reports for the most recent fiscal year for which
24 they are available.

25 (iv) Campus security policies and crime statistics pursuant to the student
26 right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381. Information
27 shall include all material prepared pursuant to the public information reporting

1 requirements under the crime awareness and campus security act of 1990, title II of
2 the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381.

3 (d) A list of all positions funded partially or wholly through institutional
4 general fund revenue that includes the position title and annual salary or wage amount
5 for each position.

6 (e) General fund revenue and expenditure projections for the current fiscal
7 year and the next fiscal year.

8 (f) A listing of all debt service obligations, detailed by project, anticipated
9 fiscal year payment for each project, and total outstanding debt for the current
10 fiscal year.

11 (g) The institution's policy regarding the transferability of core college
12 courses between community colleges and the university.

13 (h) A listing of all community colleges that have entered into reverse transfer
14 agreements with the university.

15 (3) On the website required under subsection (1), a public university shall
16 provide a dashboard or report card demonstrating the university's performance in
17 several "best practice" measures. The dashboard or report card shall include at least
18 all of the following for the 3 most recent academic years for which the data are
19 available:

20 (a) Enrollment.

21 (b) Student retention rate.

22 (c) Six-year graduation rates.

23 (d) Number of Pell grant recipients and graduating Pell grant recipients.

24 (e) Geographic origination of students, categorized as in-state, out-of-state,
25 and international.

26 (f) Faculty to student ratios and total university employee to student ratios.

27 (g) Teaching load by faculty classification.

1 (h) Graduation outcome rates, including employment and continuing education.

2 (4) For statewide consistency and public visibility, public universities must
3 use the icon badge provided by the department of technology, management, and budget
4 consistent with the icon badge developed by the department of education for K-12
5 school districts. It must appear on the front of each public university's homepage.
6 The size of the icon may be reduced to 150 x 150 pixels. The font size and style for
7 this reporting must be consistent with other documents on each university's website.

8 ~~(5) The state budget director shall determine whether a public university has~~
9 ~~complied with this section. The state budget director may withhold a public~~
10 ~~university's monthly installments described in section 241 until the public university~~
11 ~~complies with this section.~~

12 ~~(6) By November 15 of each year, a public university shall report the following~~
13 ~~information to the center for educational performance and information and post the~~
14 ~~information on its website under the budget transparency icon badge.~~

15 ~~(a) Opportunities for earning college credit through the following programs:~~

16 ~~(i) State approved career and technical education or a tech prep articulated~~
17 ~~program of study.~~

18 ~~(ii) Direct college credit or concurrent enrollment.~~

19 ~~(iii) Dual enrollment.~~

20 ~~(iv) An early college/middle college program.~~

21 ~~(b) For each program described in subdivision (a) that the public university~~
22 ~~offers, all of the following information:~~

23 ~~(i) The number of high school students participating in the program.~~

24 ~~(ii) The number of school districts that participate in the program with the~~
25 ~~public university.~~

26 ~~(iii) Whether a university professor, qualified local school district employee,~~
27 ~~or other individual teaches the course or courses in the program.~~

1 ~~(iv) The total cost to the public university to operate the program.~~

2 ~~(v) The cost per credit hour for the course or courses in the program.~~

3 ~~(vi) The location where the course or courses in the program are held.~~

4 ~~(vii) Instructional resources offered to the program instructors.~~

5 ~~(viii) Resources offered to the student in the program.~~

6 ~~(ix) Transportation services provided to students in the program.~~

7 Sec. 246. (1) **ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF THE FISCAL YEAR**
 8 **2015-2016 APPROPRIATIONS DESCRIBED IN SECTION 236(4) FOR PAYMENTS TO UNIVERSITIES THAT**
 9 **ARE PARTICIPATING ENTITIES OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM:**

10 (A) The funds appropriated in section 236(4) for Michigan public school
 11 employees' retirement system reimbursement shall be allocated to each participating
 12 public university under this section based on each participating public university's
 13 percentage of the total combined payrolls of the universities' employees who are
 14 members of the retirement system and who were hired before January 1, 1996 and the
 15 universities' employees who would have been members of the retirement system on or
 16 after January 1, 1996, but for the enactment of 1995 PA 272 for all public
 17 universities that are participating public universities for the immediately preceding
 18 state fiscal year.

19 (B) **THE AMOUNT OF A PAYMENT UNDER SECTION 236(4) SHALL BE EQUAL TO THE**
 20 **DIFFERENCE BETWEEN THE UNFUNDED ACTUARIAL ACCRUED LIABILITY CONTRIBUTION RATE FOR**
 21 **UNIVERSITY REPORTING UNITS AS CALCULATED UNDER SECTION 41 OF THE PUBLIC SCHOOL**
 22 **EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, AS CALCULATED WITHOUT**
 23 **TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 25.73% INCLUDED IN SECTION 41 OF THE**
 24 **PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, AND THE**
 25 **MAXIMUM EMPLOYER RATE FOR UNIVERSITY REPORTING UNITS OF 25.73% UNDER SECTION 41 OF THE**
 26 **PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341.** Payments
 27 shall be made in a form and manner determined by the office of retirement services.

1 (C) A public university that receives money under ~~this~~ section 236(4) shall use
2 that money solely for the purpose of ~~offsetting a portion of the~~ retirement
3 contributions ~~owed by the university~~. **EACH PARTICIPATING UNIVERSITY THAT RECEIVES**
4 **FUNDS UNDER SECTION 236(4) SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT RECEIVED UNDER**
5 **SECTION 236(4) TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM IN A FORM AND**
6 **MANNER DETERMINED BY THE OFFICE OF RETIREMENT SERVICES.**

7 (2) As used in this section, "participating public university" means a public
8 university that is a reporting unit of the Michigan public school employees'
9 retirement system under the public school employees retirement act of 1979, 1980 PA
10 300, MCL 38.1301 to 38.1408, and that pays contributions to the Michigan public school
11 employees' retirement system for the state fiscal year.

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

14 (2) Tuition grant awards shall be made to all eligible Michigan residents
15 enrolled in undergraduate degree programs who are qualified and who apply before July
16 1, 2014 **FOR THE 2014-2015 ACADEMIC YEAR AND MARCH 1** of each year ~~for the next~~
17 **THEREAFTER BEGINNING WITH THE 2015-2016** academic year.

18 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to
19 subsections ~~(7)~~ (6) and ~~(8)~~, (7), the department of treasury shall determine an actual
20 maximum tuition grant award per student, which shall be no less than \$1,512.00, that
21 ensures that the aggregate payments for the tuition grant program do not exceed the
22 appropriation contained in section 236 for the state tuition grant program. If the
23 department determines that insufficient funds are available to establish a maximum
24 award amount equal to at least \$1,512.00, the department shall immediately report to
25 the house and senate appropriations subcommittees on higher education, the house and
26 senate fiscal agencies, and the state budget director regarding the estimated amount
27 of additional funds necessary to establish a \$1,512.00 maximum award amount. If the

1 department determines that sufficient funds are available to establish a maximum award
2 amount equal to at least \$1,512.00, the department shall immediately report to the
3 house and senate appropriations subcommittees on higher education, the house and
4 senate fiscal agencies, and the state budget director regarding the maximum award
5 amount established. ~~and the projected amount of any projected year-end appropriation~~
6 ~~balance based on that maximum award amount. By December 15, and again by BY February~~
7 18 of each fiscal year, the department shall analyze the status of award commitments,
8 shall make any necessary adjustments, and shall confirm that those award commitments
9 will not exceed the appropriation contained in section 236 for the tuition grant
10 program. The determination and actions shall be reported to the state budget director
11 and the house and senate fiscal agencies no later than the final day of February of
12 each year. If award adjustments are necessary, the students shall be notified of the
13 adjustment by March 4 of each year.

14 ~~(4) Any unexpended and unencumbered funds remaining on September 30, 2015 from~~
15 ~~the amounts appropriated in section 236 for the tuition grant program for fiscal year~~
16 ~~2014 2015 shall not lapse on September 30, 2015, but shall continue to be available~~
17 ~~for expenditure for tuition grants provided in the 2015 2016 fiscal year under a work~~
18 ~~project account. The use of these unexpended fiscal year 2014 2015 funds shall~~
19 ~~terminate at the end of the 2015 2016 fiscal year.~~

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

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

1 (6) ~~(7) Except as provided in subsection (4), the~~ **THE** department of treasury
2 shall not award more than ~~\$3,200,000.00~~ **\$3,000,000.00** in tuition grants to eligible
3 students enrolled in the same independent nonprofit college or university in this
4 state. Any decrease in the maximum grant shall be proportional for all eligible
5 students enrolled in that college or university, as determined by the department.

6 (7) ~~(8) The~~ department of treasury shall not award tuition grants to otherwise
7 eligible students enrolled in an independent college or university that does not
8 report, in a form and manner directed by and satisfactory to the department of
9 treasury, by ~~August 31~~ **SEPTEMBER 30** of each year, ~~beginning with August 31, 2015,~~ all
10 of the following:

11 (a) The number of students in the most recently completed academic year that
12 **EVER** received a state tuition grant **AT THE REPORTING INSTITUTION** and successfully
13 completed a program or graduated.

14 (b) The number of students in the most recently completed academic year that
15 **EVER** received a state tuition grant **AT THE REPORTING INSTITUTION** and took a remedial
16 education class.

17 (c) The number of students in the most recently completed academic year that
18 **EVER** received a Pell grant **AT THE REPORTING INSTITUTION** and successfully completed a
19 program or graduated.

20 (8) **THE DEPARTMENT OF TREASURY SHALL NOT AWARD TUITION GRANTS TO OTHERWISE**
21 **ELIGIBLE STUDENTS ENROLLED IN AN INDEPENDENT COLLEGE OR UNIVERSITY THAT DOES NOT**
22 **SUBMIT THE ANNUAL P-20 LONGITUDINAL DATA SYSTEM DATA SETS TO THE CENTER FOR**
23 **EDUCATIONAL PERFORMANCE AND INFORMATION, IN A FORM AND MANNER DIRECTED BY AND**
24 **SATISFACTORY TO THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION, BY SEPTEMBER**
25 **30 OF EACH YEAR, BEGINNING WITH SEPTEMBER 30, 2016.**

26 Sec. 254. The sums appropriated in **SECTION 201 AND** section 236 for ~~the state~~
27 ~~competitive scholarship, tuition incentive, and tuition grant programs~~ **STUDENT**

1 **FINANCIAL AID PROGRAMS** shall be paid out of the state treasury and shall be
2 distributed to the respective institutions under a quarterly payment system as
3 follows: 50% shall be paid at the beginning of the state's first fiscal quarter, 30%
4 during the state's second fiscal quarter, 10% during the state's third fiscal quarter,
5 and 10% during the state's fourth fiscal quarter.

6 Sec. 255. The department of treasury shall determine the needs analysis
7 criteria for students to qualify for the state competitive scholarship program, ~~and~~
8 tuition grant program, **AND INDEPENDENT PART-TIME STUDENT GRANTS PROGRAM**. To be
9 consistent with federal requirements, the department of treasury may take student
10 wages into consideration when determining the amount of the award.

11 Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive
12 program shall be distributed as provided in this section and pursuant to the
13 administrative procedures for the tuition incentive program of the department of
14 treasury.

15 (2) As used in this section:

16 (a) "Phase I" means the first part of the tuition incentive assistance program
17 defined as the academic period of 80 semester or 120 term credits, or less, leading to
18 an associate degree or certificate.

19 (b) "Phase II" means the second part of the tuition incentive assistance
20 program which provides assistance in the third and fourth year of 4-year degree
21 programs.

22 (c) "Department" means the department of treasury.

23 (3) An individual shall meet the following basic criteria and financial
24 thresholds to be eligible for tuition incentive benefits:

25 (a) To be eligible for phase I, an individual shall meet all of the following
26 criteria:

27 (i) Apply for certification to the department any time after he or she begins

1 the sixth grade but before August 31 of the school year in which he or she graduates
2 from high school or before completing a general education development certificate.

3 (ii) Be less than 20 years of age at the time he or she graduates from high
4 school with a diploma or certificate of completion or completes a general education
5 development certificate.

6 (iii) Be a United States citizen and a resident of Michigan according to
7 institutional criteria.

8 (iv) Be at least a half-time student, earning less than 80 semester or 120 term
9 credits at a participating educational institution within 4 years of high school
10 graduation or completion of a general education development certificate.

11 (v) Request information on filing a FAFSA.

12 (vi) Must meet the satisfactory academic progress policy of the educational
13 institution he or she attends.

14 (b) To be eligible for phase II, an individual shall meet either of the
15 following criteria in addition to the criteria in subdivision (a):

16 (i) Complete at least 56 transferable semester or 84 transferable term credits.

17 (ii) Obtain an associate degree or certificate at a participating institution.

18 (c) To be eligible for phase I or phase II, an individual must not be
19 incarcerated and must be financially eligible as determined by the department. An
20 individual is financially eligible for the tuition incentive program if he or she was
21 eligible for Medicaid from the state of Michigan for 24 months within the 36 months
22 before application. The department shall accept certification of Medicaid eligibility
23 only from the department of human services for the purposes of verifying if a person
24 is Medicaid eligible for 24 months within the 36 months before application.

25 Certification of eligibility may begin in the sixth grade. As used in this
26 subdivision, "incarcerated" does not include detention of a juvenile in a state-
27 operated or privately operated juvenile detention facility.

1 (4) For phase I, the department shall provide payment on behalf of a person
2 eligible under subsection (3). The department shall reject billings that are excessive
3 or outside the guidelines for the type of educational institution.

4 (5) For phase I, all of the following apply:

5 (a) Payments for associate degree or certificate programs shall not be made for
6 more than 80 semester or 120 term credits for any individual student at any
7 participating institution.

8 (b) For persons enrolled at a Michigan community college, the department shall
9 pay the current in-district tuition and mandatory fees. For persons residing in an
10 area that is not included in any community college district, the out-of-district
11 tuition rate may be authorized.

12 (c) For persons enrolled at a Michigan public university, the department shall
13 pay lower division resident tuition and mandatory fees for the current year.

14 (d) For persons enrolled at a Michigan independent, nonprofit degree-granting
15 college or university, or a Michigan federal tribally controlled community college, or
16 Focus: HOPE, the department shall pay mandatory fees for the current year and a per-
17 credit payment that does not exceed the average community college in-district per-
18 credit tuition rate as reported on August 1, for the immediately preceding academic
19 year.

20 (6) A person participating in phase II may be eligible for additional funds not
21 to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00
22 subject to the following conditions:

23 (a) Credits are earned in a 4-year program at a Michigan degree-granting ~~4-year~~
24 college or university.

25 (b) The tuition reimbursement is for coursework completed within 30 months of
26 completion of the phase I requirements.

27 (7) The department shall work closely with participating institutions to

1 develop an application and eligibility determination process that will provide the
2 highest level of participation and ensure that all requirements of the program are
3 met.

4 (8) Applications for the tuition incentive program may be approved at any time
5 after the student begins the sixth grade. If a determination of financial eligibility
6 is made, that determination is valid as long as the student meets all other program
7 requirements and conditions.

8 (9) Each institution shall ensure that all known available restricted grants
9 for tuition and fees are used prior to billing the tuition incentive program for any
10 portion of a student's tuition and fees.

11 (10) The department shall ensure that the tuition incentive program is well
12 publicized and that eligible Medicaid clients are provided information on the program.
13 The department shall provide the necessary funding and staff to fully operate the
14 program.

15 Sec. 258. By February 15 of each year, the department of treasury shall post to
16 its publicly available website a report for the preceding fiscal year on all student
17 financial aid programs for which funds are appropriated in **SECTION 201 OR** section 236.
18 For each student financial aid program, the report shall include, but is not limited
19 to, the total number of awards paid in the preceding fiscal year, the total dollar
20 amount of those awards, and the number of students receiving awards and the total
21 amount of those awards at each eligible postsecondary institution. To the extent
22 information is available, the report shall also include information on household
23 income and other demographic characteristics of students receiving awards under each
24 program and historical information on the number of awards and total award amounts for
25 each program.

26 **SEC. 260. A PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236 IS ENCOURAGED TO**
27 **ADOPT THE COMMON APPLICATION, MANAGED BY THE COMMON APPLICATION, INCORPORATED, TO MAKE**

1 **POSTSECONDARY EDUCATION MORE ACCESSIBLE TO STUDENTS IN THIS STATE.**

2 Sec. 263. (1) Included in the appropriation in section 236 for fiscal year
3 ~~2014-2015~~ **2015-2016** for MSU AgBioResearch is \$2,982,900.00 and included in the
4 appropriation in section 236 for MSU extension is \$2,645,200.00 for project GREEN.
5 Project GREEN is intended to address critical regulatory, food safety, economic, and
6 environmental problems faced by this state's plant-based agriculture, forestry, and
7 processing industries. "GREEN" is an acronym for generating research and extension to
8 meet environmental and economic needs.

9 (2) The department of agriculture and rural development and Michigan State
10 University, in consultation with agricultural commodity groups and other interested
11 parties, shall develop project GREEN and its program priorities.

12 Sec. 263a. (1) Not later than September 30 of each year, Michigan State
13 University shall submit a report on MSU AgBioResearch and MSU extension to the house
14 and senate appropriations subcommittees on agriculture and on higher education, the
15 house and senate standing committees on agriculture, the house and senate fiscal
16 agencies, and the state budget director for the preceding academic fiscal year.

17 (2) The report required under subsection (1) shall include all of the
18 following:

19 (a) Total funds expended by MSU AgBioResearch and by MSU extension service
20 identified by state, local, private, federal, and university fund sources.

21 (b) The metric goals that were used to evaluate the impacts of programs
22 operated by MSU extension and MSU AgBioResearch. ~~It is the intent of the legislature~~
23 ~~that the~~ **THE** following metric goals will be used to evaluate the impacts of those
24 programs:

25 (i) Increasing the number of agriculture and food-related firms collaborating
26 with and using services of research and extension faculty and staff by 3% per year.

27 (ii) Increasing the number of individuals utilizing MSU extension's educational

1 services by 5% per year.

2 (iii) Increasing external funds generated in support of research and extension,
3 beyond state appropriations, by 10% over the amounts generated in the past 3 state
4 fiscal years.

5 (iv) Increasing the sector's total economic impact ~~from today's~~
6 ~~\$71,000,000,000.00~~ to **AT LEAST** \$100,000,000,000.00.

7 (v) ~~Doubling~~**INCREASING** Michigan's agricultural exports ~~from \$1,750,000,000.00~~
8 to **AT LEAST** \$3,500,000,000.00.

9 (vi) Increasing jobs in the food and agriculture sector by 10%.

10 (vii) Improving access by Michigan consumers to healthy foods by 20%.

11 (c) A review of major programs within both MSU AgBioResearch and MSU extension
12 with specific reference to accomplishments, impacts, and the metrics described in
13 subdivision (b), including a specific accounting of Project GREEN expenditures and
14 the impact of those expenditures.

15 Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2014-~~
16 ~~2015-2015-2016~~ for Michigan State University is \$80,000.00 for the Michigan future
17 farmers of America association. This \$80,000.00 allocation shall not supplant any
18 existing support that Michigan State University provides to the Michigan future
19 farmers of America association.

20 Sec. 265. (1) Payments under section 265a for performance funding shall only be
21 made to a public university that certifies to the state budget director by August 31,
22 ~~2014-2015~~ that its board did not adopt an increase in tuition and fee rates for
23 resident undergraduate students after September 1, ~~2013-2014~~ for the ~~2013-2014~~ **2014-**
24 **2015** academic year and that its board will not adopt an increase in tuition and fee
25 rates for resident undergraduate students for the ~~2014-2015~~ **2015-2016** academic year
26 that is greater than ~~3.2%~~ **2.8%**. As used in this subsection:

27 (a) ~~Subject to subdivision (c), "fee"~~**"FEE"** means any board-authorized fee that

1 will be paid by more than 1/2 of all resident undergraduate students at least once
2 during their enrollment at a public university. A university increasing a fee that
3 applies to a specific subset of students or courses shall provide sufficient
4 information to prove that the increase applied to that subset will not cause the
5 increase in the average amount of board-authorized total tuition and fees paid by
6 resident undergraduate students in the ~~2014-2015~~ 2015-2016 academic year to exceed the
7 limit established in this subsection.

8 (b) "Tuition and fee rate" means the average of full-time rates for all
9 undergraduate classes, based on an average of the rates authorized by the university
10 board and actually charged to students, deducting any uniformly-rebated or refunded
11 amounts, for the 2 semesters with the highest levels of full-time equated resident
12 undergraduate enrollment during the academic year.

13 ~~(c) For purposes of subdivision (a), for a public university that compels~~
14 ~~resident undergraduate students to be covered by health insurance as a condition to~~
15 ~~enroll at the university, "fee" includes the annual amount a student is charged for~~
16 ~~coverage by the university affiliated group health insurance policy if he or she does~~
17 ~~not provide proof that he or she is otherwise covered by health insurance. This~~
18 ~~subdivision does not apply to limited subsets of resident undergraduate students to be~~
19 ~~covered by health insurance for specific reasons other than general enrollment at the~~
20 ~~university.~~

21 (2) The state budget director shall implement uniform reporting requirements to
22 ensure that a public university receiving a payment under section 265a for performance
23 funding has satisfied the tuition restraint requirements of this section. The state
24 budget director shall have the sole authority to determine if a public university has
25 met the requirements of this section. Information reported by a public university to
26 the state budget director under this subsection shall also be reported to the house
27 and senate appropriations subcommittees on higher education and the house and senate

1 fiscal agencies.

2 Sec. 265a. (1) Appropriations to public universities in section 236 for fiscal
3 year ~~2014-2015~~ **2015-2016** for performance funding shall be paid only to a public
4 university that complies with section 265 and certifies to the state budget director,
5 the house and senate appropriations subcommittees on higher education, and the house
6 and senate fiscal agencies by August 31, ~~2014~~ **2015** that it complies with all of the
7 following requirements:

8 (a) The university participates in reverse transfer agreements described in
9 section 286 with at least 3 Michigan community colleges or has made a good-faith
10 effort to enter into reverse transfer agreements.

11 (b) The university does not and will not consider whether dual enrollment
12 credits earned by an incoming student were utilized towards his or her high school
13 graduation requirements when making a determination as to whether those credits may be
14 used by the student toward completion of a university degree or certificate program.

15 (c) The university **ACTIVELY** participates in **AND SUBMITS TIMELY UPDATES TO** the
16 Michigan transfer network created as part of the Michigan association of collegiate
17 registrars and admissions officers transfer agreement.

18 (2) Any performance funding amounts under section 236 that are not paid to a
19 public university because it did not comply with 1 or more requirements under
20 subsection (1) are unappropriated and reappropriated for performance funding to those
21 public universities that meet the requirements under subsection (1), distributed in
22 proportion to their performance funding appropriation amounts under section 236.

23 (3) The state budget director shall report to the house and senate
24 appropriations subcommittees on higher education and the house and senate fiscal
25 agencies by September ~~17, 2014,~~ **30, 2015**, regarding any performance funding amounts
26 that are not paid to a public university because it did not comply with 1 or more
27 requirements under subsection (1) and any reappropriation of funds under subsection

1 (2).

2 (4) Performance funding amounts described in section 236 are distributed based
3 on the following formula:

4 (a) ~~Proportional to each university's share of total operations funding~~
5 ~~appropriated in fiscal year 2010-2011, 50.0%.~~

6 ~~(b) Based on weighted undergraduate completions in critical skills areas, 11.1%.~~
7 ~~22.2%.~~

8 (B) ~~(e) Based on research and development expenditures, for universities~~
9 ~~classified in Carnegie classifications as doctoral/research universities, research~~
10 ~~universities (high research activity), or research universities (very high research~~
11 ~~activity) only, 5.6%. 11.1%.~~

12 (C) ~~(d) Based on 6-year graduation rate, total degree completions, and~~
13 ~~institutional support as a percentage of core expenditures, and **THE PERCENTAGE OF**~~
14 ~~students receiving Pell grants, scored against national Carnegie classification peers~~
15 ~~and weighted by total undergraduate fiscal year equated students, 33.3%. 66.7%.~~

16 (5) For purposes of determining the score of a university under subsection
17 ~~(4)(d), (4)(C),~~ each university is assigned 1 of the following scores:

18 (a) A university classified as in the top 20%, a score of 3.

19 (b) A university classified as above national median, a score of 2.

20 (c) A university classified as improving, a score of 2. ~~It is the intent of the~~
21 ~~legislature that, beginning in the 2015-2016 state fiscal year, a university~~
22 ~~classified as improving is assigned a score of 1.~~

23 (d) A university that is not included in subdivision (a), (b), or (c), a score
24 of 0.

25 (6) For purposes of this section, "Carnegie classification" shall mean the
26 basic classification of the university according to the most recent version of the
27 Carnegie classification of institutions of higher education, published by the Carnegie

1 foundation for the advancement of teaching.

2 Sec. 267. All public universities shall submit the amount of tuition and fees
3 actually charged to a full-time resident undergraduate student for academic year ~~2014-~~
4 ~~2015~~ 2015-2016 as part of their higher education institutional data inventory (HEIDI)
5 data by August 31 of each year. A public university shall report any revisions for any
6 semester of the reported academic year ~~2014-2015-2015-2016~~ tuition and fee charges to
7 HEIDI within 15 days of being adopted.

8 Sec. 268. (1) ~~For the fiscal year ending September 30, 2014, it is the intent~~
9 ~~of the legislature that funds be allocated for unfunded North American Indian tuition~~
10 ~~waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to~~
11 ~~390.1253, from the general fund.~~

12 ~~(2) Appropriations in section 236(8)(f) for North American Indian tuition~~
13 ~~waivers shall be paid to universities under section 2a of 1976 PA 174, MCL 390.1252a.~~
14 ~~Allocations shall be adjusted for amounts included in university operations~~
15 ~~appropriations. If funds are insufficient to support the entire cost of waivers,~~
16 ~~amounts shall be prorated.~~

17 ~~(3)~~ By February 15 of each year, the department of civil rights shall annually
18 submit to the state budget director, the house and senate appropriations subcommittees
19 on higher education, and the house and senate fiscal agencies a report on North
20 American Indian tuition waivers for the preceding fiscal year that includes, but is
21 not limited to, all of the following information for each postsecondary institution:

- 22 (a) The total number of waiver applications.
23 (b) The total number of waivers granted and the monetary value of each waiver.
24 (c) The number of students who withdraw from classes.
25 (d) The number of students who successfully complete a degree or certificate
26 program and the 6-year graduation rate.

27 (2) A PUBLIC UNIVERSITY RECEIVING FUNDS IN SECTION 236 SHALL PROVIDE TO THE

1 DEPARTMENT OF CIVIL RIGHTS ANY INFORMATION NECESSARY FOR PREPARING THE REPORT DETAILED
2 IN SUBSECTION (1).

3 Sec. 269. For fiscal year ~~2014-2015-2015-2016~~, from the amount appropriated in
4 section 236 to Central Michigan University for operations, \$29,700.00 shall be paid to
5 Saginaw Chippewa Tribal College for the costs of waiving tuition for North American
6 Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

7 Sec. 270. For fiscal year ~~2014-2015-2015-2016~~, from the amount appropriated in
8 section 236 to Lake Superior State University for operations, \$100,000.00 shall be
9 paid to Bay Mills Community College for the costs of waiving tuition for North
10 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

11 Sec. 275. (1) ~~It is the intent of the legislature that each~~ EACH public
12 university that receives an appropriation in section 236 IS ENCOURAGED TO do all of
13 the following:

14 (a) Meet the provisions of section 5003 of the post-911 veterans educational
15 assistance act of 2008, 38 USC 3301 to 3324, including voluntary participation in the
16 yellow ribbon GI education enhancement program established in that act in 38 USC 3317.
17 ~~By October 1 of each year, each public university shall report to the house and senate~~
18 ~~appropriations subcommittees on higher education, the house and senate fiscal~~
19 ~~agencies, and the presidents council, state universities of Michigan on whether or not~~
20 ~~it has chosen to participate in the yellow ribbon GI education enhancement program. If~~
21 ~~at any time during the fiscal year a university participating in the yellow ribbon~~
22 ~~program chooses to leave the yellow ribbon program, it shall notify the house and~~
23 ~~senate appropriations subcommittees on higher education, the house and senate fiscal~~
24 ~~agencies, and the presidents council, state universities of Michigan.~~

25 (b) Establish an on-campus veterans' liaison to provide information and
26 assistance to all student veterans.

27 (c) Provide flexible enrollment application deadlines for all veterans.

1 (d) Include in its admission application process a specific question as to
2 whether an applicant for admission is a veteran, an active member of the military, a
3 member of the national guard or military reserves, or the spouse or dependent of a
4 veteran, active member of the military, or member of the national guard or military
5 reserves, in order to more quickly identify potential educational assistance available
6 to that applicant.

7 (e) Consider all veterans residents of this state for determining their tuition
8 rates and fees.

9 (f) Waive enrollment fees for all veterans.

10 ~~(2) By October 1 of each year, each public university shall report to the house~~
11 ~~and senate appropriations subcommittees on higher education, the house and senate~~
12 ~~fiscal agencies, and the department of military and veterans affairs regarding~~
13 ~~services provided specifically to veterans and active military duty personnel,~~
14 ~~including, but not limited to, the services described in subsection (1).~~

15 (2) ~~(3)~~As used in this section, "veteran" means an honorably discharged
16 veteran entitled to educational assistance under the provisions of section 5003 of the
17 post-911 veterans educational assistance act of 2008, 38 USC 3301 to 3324.

18 Sec. 276. (1) Included in the appropriation for fiscal year ~~2014-2015-2015-2016~~
19 for each public university in section 236 is funding for the Martin Luther King, Jr. -
20 Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool
21 of academically or economically disadvantaged candidates pursuing faculty teaching
22 careers in postsecondary education. Preference may not be given to applicants on the
23 basis of race, color, ethnicity, gender, or national origin. Institutions should
24 encourage applications from applicants who would otherwise not adequately be
25 represented in the graduate student and faculty populations. Each public university
26 shall apply the percentage change applicable to every public university in the
27 calculation of appropriations in section 236 to the amount of funds allocated to the

1 future faculty program.

2 (2) The program shall be administered by each public university in a manner
3 prescribed by the workforce development agency. The workforce development agency shall
4 use a good faith effort standard to evaluate whether a fellowship is in default.

5 Sec. 277. (1) Included in the appropriation for fiscal year ~~2014-2015-2015-2016~~
6 for each public university in section 236 is funding for the Martin Luther King, Jr. -
7 Cesar Chavez - Rosa Parks college day program that is intended to introduce
8 academically or economically disadvantaged schoolchildren to the potential of a
9 college education. Preference may not be given to participants on the basis of race,
10 color, ethnicity, gender, or national origin. Public universities should encourage
11 participation from those who would otherwise not adequately be represented in the
12 student population.

13 (2) Individual program plans of each public university shall include a budget
14 of equal contributions from this program, the participating public university, the
15 participating school district, and the participating independent degree-granting
16 college. College day funds shall not be expended to cover indirect costs. Not more
17 than 20% of the university match shall be attributable to indirect costs. Each public
18 university shall apply the percentage change applicable to every public university in
19 the calculation of appropriations in section 236 to the amount of funds allocated to
20 the college day program.

21 (3) The program described in this section shall be administered by each public
22 university in a manner prescribed by the workforce development agency.

23 Sec. 278. (1) Included in section 236 for fiscal year ~~2014-2015-2015-2016~~ is
24 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student
25 support services program for developing academically or economically disadvantaged
26 student retention programs for 4-year public and independent educational institutions
27 in this state. Preference may not be given to participants on the basis of race,

1 color, ethnicity, gender, or national origin. Institutions should encourage
2 participation from those who would otherwise not adequately be represented in the
3 student population.

4 (2) An award made under this program to any 1 institution shall not be greater
5 than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college
6 or university basis.

7 (3) The program described in this section shall be administered by the
8 workforce development agency.

9 Sec. 279. (1) Included in section 236 for fiscal year ~~2014-2015-2015-2016~~ is
10 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university
11 partnership program between 4-year public and independent colleges and universities
12 and public community colleges, which is intended to increase the number of
13 academically or economically disadvantaged students who transfer from community
14 colleges into baccalaureate programs. Preference may not be given to participants on
15 the basis of race, color, ethnicity, gender, or national origin. Institutions should
16 encourage participation from those who would otherwise not adequately be represented
17 in the transfer student population.

18 (2) The grants shall be made under the program described in this section to
19 Michigan public and independent colleges and universities. An award to any 1
20 institution shall not be greater than \$150,000.00, and the amount awarded shall be
21 matched on a 70% state, 30% college or university basis.

22 (3) The program described in this section shall be administered by the
23 workforce development agency.

24 Sec. 280. (1) Included in the appropriation for fiscal year ~~2014-2015-2015-2016~~
25 for each public university in section 236 is funding for the Martin Luther King, Jr. -
26 Cesar Chavez - Rosa Parks visiting professors program which is intended to increase
27 the number of instructors in the classroom to provide role models for academically or

1 economically disadvantaged students. Preference may not be given to participants on
2 the basis of race, color, ethnicity, gender, or national origin. Public universities
3 should encourage participation from those who would otherwise not adequately be
4 represented in the student population.

5 (2) The program described in this section shall be administered by the
6 workforce development agency.

7 Sec. 281. (1) Included in the appropriation for fiscal year ~~2014-2015-2015-2016~~
8 in section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa
9 Parks initiative for the Morris Hood, Jr. educator development program which is
10 intended to increase the number of academically or economically disadvantaged students
11 who enroll in and complete K-12 teacher education programs at the baccalaureate level.
12 Preference may not be given to participants on the basis of race, color, ethnicity,
13 gender, or national origin. Institutions should encourage participation from those who
14 would otherwise not adequately be represented in the teacher education student
15 population.

16 (2) The program described in this section shall be administered by each state-
17 approved teacher education institution in a manner prescribed by the workforce
18 development agency.

19 (3) Approved teacher education institutions may and are encouraged to use
20 student support services funding in coordination with the Morris Hood, Jr. funding to
21 achieve the goals of the program described in this section.

22 Sec. 282. Each institution receiving funds **FOR FISCAL YEAR 2015-2016** under
23 section 278, 279, or 281 shall notify the workforce development agency by April 15, ~~of~~
24 ~~each year~~ 2016 as to whether it will expend by the end of its fiscal year the funds
25 received under section 278, 279, or 281. Notwithstanding the award limitations in
26 sections 278 and 279, the amount of funding reported as not being expended will be
27 reallocated to the institutions that intend to expend all funding received under

1 section 278, 279, or 281.

2 Sec. 283. (1) From the amount appropriated in section 236, the public
3 universities shall **USE THE P-20 LONGITUDINAL DATA SYSTEM TO** systematically inform
4 Michigan high schools regarding the academic status of students from each high school
5 in a manner prescribed by the presidents council, state universities of Michigan in
6 cooperation with the Michigan association of secondary school principals. Public
7 universities shall also work with the center for educational performance and
8 information to maintain a systematic approach for accomplishing this task.

9 (2) Michigan high schools shall systematically inform the public universities
10 about the use of information received under this section in a manner prescribed by the
11 Michigan association of secondary school principals in cooperation with the presidents
12 council, state universities of Michigan.

13 Sec. 284. From the amount appropriated in section 236, the public universities
14 shall **USE THE P-20 LONGITUDINAL DATA SYSTEM TO** inform Michigan community colleges
15 regarding the academic status of community college transfer students in a manner
16 prescribed by the presidents council, state universities of Michigan in cooperation
17 with the Michigan community college association. Public universities shall also work
18 with the center for educational performance and information to maintain a systematic
19 approach for accomplishing this task.

20 Sec. 286. ~~It is the intent of the legislature that public~~ **PUBLIC** universities
21 **SHALL** work with community colleges in the state to implement statewide reverse
22 transfer agreements to increase the number of students that are awarded credentials of
23 value upon completion of the necessary credits. ~~It is the intent of the legislature~~
24 ~~that these~~ **THESE** statewide agreements shall enable students who have earned a
25 significant number of credits at a community college and transfer to a baccalaureate
26 granting institution before completing a degree to transfer the credits earned at the
27 baccalaureate institution back to the community college in order to be awarded a

1 credential of value.

ARTICLE IV

GENERAL PROVISIONS

SEC. 298. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ACT, THE AMOUNTS LISTED IN THIS SECTION FOR THE PUBLIC SCHOOLS, INTERMEDIATE SCHOOL DISTRICTS, COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES OF THIS STATE, AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION ARE A SUMMARY OF APPROPRIATIONS CONTAINED IN THIS ACT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2016 AND ANTICIPATED APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017, FROM THE FUNDS INDICATED IN THIS ACT:

(2) SUMMARY OF EDUCATION OMNIBUS APPROPRIATIONS

GROSS APPROPRIATION	\$ 15,894,008,700	\$ 15,694,442,500
TOTAL INTERDEPARTMENTAL GRANTS AND		
INTRADepartmental Transfers	0	0
ADJUSTED GROSS APPROPRIATION	\$ 15,894,008,700	\$ 15,694,442,500
TOTAL FEDERAL REVENUES	1,872,795,600	1,872,795,600
TOTAL LOCAL REVENUES	0	0
TOTAL PRIVATE REVENUES	0	0
TOTAL OTHER STATE RESTRICTED REVENUES	12,599,189,000	12,475,559,000
STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,421,924,100	\$ 1,433,024,100

SEC. 298A. (1) SUMMARY OF APPROPRIATIONS FOR SCHOOL AID (ARTICLE I)

APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 13,958,963,900	\$ 13,839,253,900
TOTAL INTERDEPARTMENTAL GRANTS AND		
INTRADepartmental Transfers	0	0
ADJUSTED GROSS APPROPRIATION	\$ 13,958,963,900	\$ 13,839,253,900
TOTAL FEDERAL REVENUES	1,775,769,200	1,775,769,200
TOTAL LOCAL REVENUES	0	0

1	TOTAL PRIVATE REVENUES	0	0
2	TOTAL OTHER STATE RESTRICTED REVENUES	12,137,294,700	12,006,484,700
3	STATE GENERAL FUND/GENERAL PURPOSE	\$ 45,900,000	\$ 57,000,000
4	(2) BASIC OPERATIONS		
5	PROPOSAL A OBLIGATION PAYMENT	\$ 5,277,000,000	\$ 5,144,000,000
6	DISCRETIONARY PAYMENT	3,662,000,000	3,666,000,000
7	ISD GENERAL OPERATIONS	67,108,000	67,108,000
8	HOLD HARMLESS PROVISION	6,000,000	6,000,000
9	DISTRICT DISSOLUTION TRANSITION COSTS	2,200,000	0
10	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM		
11	REFORM COSTS	993,500,000	1,081,600,000
12	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM		
13	RESERVE FUND DEPOSIT	0	0
14	ISOLATED DISTRICT FUNDING	<u>2,584,600</u>	<u>2,584,600</u>
15	GROSS APPROPRIATION	\$ 10,010,392,600	\$ 9,967,292,600
16	APPROPRIATED FROM:		
17	STATE RESTRICTED REVENUES	9,988,822,100	9,933,422,100
18	STATE GENERAL FUND/GENERAL PURPOSE	\$ 21,570,500	\$ 33,870,500
19	(3) SPECIAL EDUCATION		
20	SPECIAL EDUCATION HEADLEE OBLIGATION	\$ 621,000,000	\$ 633,000,000
21	SPECIAL EDUCATION FOUNDATIONS	257,200,000	261,600,000
22	SPECIAL EDUCATION HOLD HARMLESS PAYMENT	1,000,000	1,000,000
23	SPECIAL EDUCATION NON-SEC. 52 PAYMENT	3,200,000	3,200,000
24	SPECIAL EDUCATION RULE CHANGE	2,200,000	2,200,000
25	SPECIAL EDUCATION COURT PLACED FTES	10,500,000	10,500,000
26	MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	1,688,000	1,688,000
27	SPECIAL EDUCATION MILLAGE EQUALIZATION	37,758,100	37,758,100

1	SPECIAL EDUCATION FEDERAL PROGRAMS	<u>441,000,000</u>	<u>441,000,000</u>
2	GROSS APPROPRIATION	\$ 1,375,546,100	\$ 1,391,946,100
3	APPROPRIATED FROM:		
4	FEDERAL REVENUES	441,000,000	441,000,000
5	STATE RESTRICTED REVENUES	934,546,100	950,946,100
6	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
7	(4) SUPPORT SERVICES		
8	COURT-PLACED CHILDREN	\$ 8,000,000	\$ 8,000,000
9	JUVENILE DETENTION FACILITIES	2,189,800	2,189,800
10	YOUTH CHALLENGE PROGRAM	1,497,400	1,497,400
11	AT-RISK PROGRAM	408,988,200	408,988,200
12	CHILD AND ADOLESCENT HEALTH CENTERS	3,557,300	3,557,300
13	HEARING AND VISION SCREENING	5,150,000	5,150,000
14	MATH AND SCIENCE CENTERS	8,474,300	8,474,300
15	BILINGUAL EDUCATION	1,200,000	1,200,000
16	STRICT DISCIPLINE ACADEMIES PUPIL TRANSFERS	1,000,000	0
17	GANG PREVENTION AND INTERVENTION PROGRAMS	1,000,000	0
18	THIRD GRADE READING INITIATIVE	18,400,000	16,900,000
19	DISTRESSED DISTRICT REHABILITATION FUND	75,000,000	0
20	FEDERAL PROGRAMS	<u>809,876,400</u>	<u>809,876,400</u>
21	GROSS APPROPRIATION	\$ 1,344,333,400	\$ 1,265,833,400
22	APPROPRIATED FROM:		
23	FEDERAL REVENUES	815,125,700	815,125,700
24	STATE RESTRICTED REVENUES	528,732,700	450,232,700
25	STATE GENERAL FUND/GENERAL PURPOSE	\$ 475,000	\$ 475,000
26	(5) SCHOOL MEAL PROGRAMS		
27	SCHOOL LUNCH	\$ 535,695,100	\$ 535,695,100

1	SCHOOL BREAKFAST		<u>5,625,000</u>		<u>5,625,000</u>
2	GROSS APPROPRIATION	\$	541,320,100	\$	541,320,100
3	APPROPRIATED FROM:				
4	FEDERAL REVENUES		513,200,000		513,200,000
5	STATE RESTRICTED REVENUES		28,120,100		28,120,100
6	STATE GENERAL FUND/GENERAL PURPOSE	\$	0	\$	0
7	(6) EARLY CHILDHOOD EDUCATION				
8	GREAT START READINESS PROGRAM	\$	239,575,000	\$	239,575,000
9	GREAT START EARLY CHILDHOOD BLOCK GRANTS		<u>15,900,000</u>		<u>15,900,000</u>
10	GROSS APPROPRIATION	\$	255,475,000	\$	255,475,000
11	APPROPRIATED FROM:				
12	STATE RESTRICTED REVENUES		255,175,000		255,175,000
13	STATE GENERAL FUND/GENERAL PURPOSE	\$	300,000	\$	300,000
14	(7) PERFORMANCE INITIATIVES				
15	BEST PRACTICES GRANTS	\$	30,000,000	\$	30,000,000
16	CONSOLIDATION INNOVATION GRANTS		<u>2,000,000</u>		<u>0</u>
17	GROSS APPROPRIATION	\$	32,000,000	\$	30,000,000
18	APPROPRIATED FROM:				
19	STATE RESTRICTED REVENUES		32,000,000		30,000,000
20	STATE GENERAL FUND/GENERAL PURPOSE	\$	0	\$	0
21	(8) STUDENT ASSESSMENT AND ACCOUNTABILITY				
22	CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION		12,160,500		12,160,500
23	STUDENT ASSESSMENTS		50,244,400		50,244,400
24	DATA COLLECTION AND REPORTING COSTS		38,000,500		38,000,500
25	UPDATE TEACHER CERTIFICATION TESTS		<u>1,800,000</u>		<u>0</u>
26	GROSS APPROPRIATION	\$	102,205,400	\$	100,405,400
27	APPROPRIATED FROM:				

1	FEDERAL REVENUES	6,443,500	6,443,500
2	STATE RESTRICTED REVENUES	83,794,900	81,994,900
3	STATE GENERAL FUND/GENERAL PURPOSE	\$ 11,967,000	\$ 11,967,000
4	(9) TECHNOLOGY INITIATIVES		
5	MICHIGAN VIRTUAL HIGH SCHOOL	\$ 7,987,500	\$ 7,387,500
6	FIRST ROBOTICS	2,000,000	0
7	TECHNOLOGY INFRASTRUCTURE IMPROVEMENT GRANTS	<u>25,000,000</u>	<u>0</u>
8	GROSS APPROPRIATION	\$ 34,987,500	\$ 7,387,500
9	APPROPRIATED FROM:		
10	STATE RESTRICTED REVENUES	27,000,000	0
11	STATE GENERAL FUND/GENERAL PURPOSE	\$ 7,987,500	\$ 7,387,500
12	(10) COLLEGE AND CAREER READINESS		
13	VOCATIONAL EDUCATION	\$ 26,611,300	\$ 26,611,300
14	VOCATIONAL EDUCATION MILLAGE REIMBURSEMENT	9,190,000	9,190,000
15	DUAL ENROLLMENT INCENTIVE	1,750,000	0
16	ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE		
17	TESTING	250,000	0
18	MICHIGAN COLLEGE ACCESS NETWORK	3,000,000	3,000,000
19	SKILLED TRADES / DUAL ENROLLMENT INITIATIVE	17,800,000	17,800,000
20	COLLEGE AND CAREER PREPARATION	<u>600,000</u>	<u>0</u>
21	GROSS APPROPRIATION	\$ 59,201,300	\$ 56,601,300
22	APPROPRIATED FROM:		
23	STATE RESTRICTED REVENUES	55,601,300	53,601,300
24	STATE GENERAL FUND/GENERAL PURPOSE	\$ 3,600,000	\$ 3,000,000
25	(11) ADULT EDUCATION		
26	ADULT EDUCATION	\$ <u>22,000,000</u>	\$ <u>22,000,000</u>
27	GROSS APPROPRIATION	\$ 22,000,000	\$ 22,000,000

1	APPROPRIATED FROM:		
2	STATE RESTRICTED REVENUES	22,000,000	22,000,000
3	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
4	(12) TRANSPORTATION SAFETY		
5	BUS DRIVER SAFETY	\$ 1,625,000	\$ 1,625,000
6	SCHOOL BUS INSPECTIONS	<u>1,690,700</u>	<u>1,690,700</u>
7	GROSS APPROPRIATION	\$ 3,315,700	\$ 3,315,700
8	APPROPRIATED FROM:		
9	STATE RESTRICTED REVENUES	3,315,700	3,315,700
10	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
11	(13) DEBT SERVICE AND OTHER REQUIRED PAYMENTS		
12	SCHOOL BOND LOAN REDEMPTION FUND	\$ 143,000,000	\$ 161,000,000
13	SCHOOL AID FUND BORROWING COSTS	4,000,000	5,000,000
14	RENAISSANCE ZONE REIMBURSEMENT	26,300,000	26,300,000
15	PAYMENT IN LIEU OF TAXES REIMBURSEMENT	4,276,800	4,276,800
16	PROMISE ZONE PAYMENTS	<u>610,000</u>	<u>1,100,000</u>
17	GROSS APPROPRIATION	\$ 178,186,800	\$ 197,676,800
18	APPROPRIATED FROM:		
19	STATE RESTRICTED REVENUES	178,186,800	197,676,800
20	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
21	SEC. 298B. (1) SUMMARY OF APPROPRIATIONS FOR COMMUNITY COLLEGES (ARTICLE II)		
22	APPROPRIATION SUMMARY		
23	GROSS APPROPRIATION	\$ 393,825,600	\$ 400,725,600
24	TOTAL INTERDEPARTMENTAL GRANTS AND		
25	INTRADPARTMENTAL TRANSFERS	0	0
26	ADJUSTED GROSS APPROPRIATION	\$ 393,825,600	\$ 400,725,600
27	TOTAL FEDERAL REVENUES	0	0

1	TOTAL LOCAL REVENUES		0		0
2	TOTAL PRIVATE REVENUES		0		0
3	TOTAL OTHER STATE RESTRICTED REVENUES		256,714,800		263,614,800
4	STATE GENERAL FUND/GENERAL PURPOSE	\$	137,110,800	\$	137,110,800
5	(2) OPERATIONS				
6	(A) ALPENA COMMUNITY COLLEGE				
7	OPERATIONS	\$	5,390,700	\$	5,462,000
8	PERFORMANCE FUNDING		<u>71,300</u>		<u>0</u>
9	GROSS APPROPRIATION	\$	5,462,000	\$	5,462,000
10	(B) BAY DE NOC COMMUNITY COLLEGE				
11	OPERATIONS	\$	5,419,500	\$	5,488,300
12	PERFORMANCE FUNDING		<u>68,800</u>		<u>0</u>
13	GROSS APPROPRIATION	\$	5,488,300	\$	5,488,300
14	(C) DELTA COLLEGE				
15	OPERATIONS	\$	14,498,900	\$	14,706,700
16	PERFORMANCE FUNDING		<u>207,800</u>		<u>0</u>
17	GROSS APPROPRIATION	\$	14,706,700	\$	14,706,700
18	(D) GLEN OAKS COMMUNITY COLLEGE				
19	OPERATIONS	\$	2,516,100	\$	2,553,400
20	PERFORMANCE FUNDING		<u>37,300</u>		<u>0</u>
21	GROSS APPROPRIATION	\$	2,553,400	\$	2,553,400
22	(E) GOGEBIC COMMUNITY COLLEGE				
23	OPERATIONS	\$	4,451,400	\$	4,506,400
24	PERFORMANCE FUNDING		<u>55,000</u>		<u>0</u>
25	GROSS APPROPRIATION	\$	4,506,400	\$	4,506,400
26	(F) GRAND RAPIDS COMMUNITY COLLEGE				
27	OPERATIONS	\$	17,947,500	\$	18,176,600

1	PERFORMANCE FUNDING		<u>229,100</u>		<u>0</u>
2	GROSS APPROPRIATION	\$	18,176,600	\$	18,176,600
3	(G) HENRY FORD COMMUNITY COLLEGE				
4	OPERATIONS	\$	21,623,800	\$	21,876,700
5	PERFORMANCE FUNDING		<u>252,900</u>		<u>0</u>
6	GROSS APPROPRIATION	\$	21,876,700	\$	21,876,700
7	(H) JACKSON COMMUNITY COLLEGE				
8	OPERATIONS	\$	12,087,300	\$	12,242,500
9	PERFORMANCE FUNDING		<u>155,200</u>		<u>0</u>
10	GROSS APPROPRIATION	\$	12,242,500	\$	12,242,500
11	(I) KALAMAZOO VALLEY COMMUNITY COLLEGE				
12	OPERATIONS	\$	12,503,100	\$	12,694,900
13	PERFORMANCE FUNDING		<u>191,800</u>		<u>0</u>
14	GROSS APPROPRIATION	\$	12,694,900	\$	12,694,900
15	(J) KELLOGG COMMUNITY COLLEGE				
16	OPERATIONS	\$	9,813,500	\$	9,947,300
17	PERFORMANCE FUNDING		<u>133,800</u>		<u>0</u>
18	GROSS APPROPRIATION	\$	9,947,300	\$	9,947,300
19	(K) KIRTLAND COMMUNITY COLLEGE				
20	OPERATIONS	\$	3,167,700	\$	3,224,300
21	PERFORMANCE FUNDING		<u>56,600</u>		<u>0</u>
22	GROSS APPROPRIATION	\$	3,224,300	\$	3,224,300
23	(L) LAKE MICHIGAN COLLEGE				
24	OPERATIONS	\$	5,342,900	\$	5,414,800
25	PERFORMANCE FUNDING		<u>71,900</u>		<u>0</u>
26	GROSS APPROPRIATION	\$	5,414,800	\$	5,414,800
27	(M) LANSING COMMUNITY COLLEGE				

1	OPERATIONS	\$	30,877,600	\$	31,289,900	
2	PERFORMANCE FUNDING		<u>412,300</u>		<u>0</u>	
3	GROSS APPROPRIATION	\$	31,289,900	\$	31,289,900	
4	(N) MACOMB COMMUNITY COLLEGE					
5	OPERATIONS	\$	32,816,600	\$	33,222,400	
6	PERFORMANCE FUNDING		<u>405,800</u>		<u>0</u>	
7	GROSS APPROPRIATION	\$	33,222,400	\$	33,222,400	
8	(O) MID MICHIGAN COMMUNITY COLLEGE					
9	OPERATIONS	\$	4,682,000	\$	4,761,500	
10	PERFORMANCE FUNDING		<u>79,500</u>		<u>0</u>	
11	GROSS APPROPRIATION	\$	4,761,500	\$	4,761,500	
12	(P) MONROE COUNTY COMMUNITY COLLEGE					
13	OPERATIONS	\$	4,492,900	\$	4,565,100	
14	PERFORMANCE FUNDING		<u>72,200</u>		<u>0</u>	
15	GROSS APPROPRIATION	\$	4,565,100	\$	4,565,100	
16	(Q) MONTCALM COMMUNITY COLLEGE					
17	OPERATIONS	\$	3,226,700	\$	3,281,800	
18	PERFORMANCE FUNDING		<u>55,100</u>		<u>0</u>	
19	GROSS APPROPRIATION	\$	3,281,800	\$	3,281,800	
20	(R) C. S. MOTT COMMUNITY COLLEGE					
21	OPERATIONS	\$	15,686,100	\$	15,900,900	
22	PERFORMANCE FUNDING		<u>214,800</u>		<u>0</u>	
23	GROSS APPROPRIATION	\$	15,900,900	\$	15,900,900	
24	(S) MUSKEGON COMMUNITY COLLEGE					
25	OPERATIONS	\$	8,901,000	\$	9,013,800	
26	PERFORMANCE FUNDING		<u>112,800</u>		<u>0</u>	
27	GROSS APPROPRIATION	\$	9,013,800	\$	9,013,800	

1	(T) NORTH CENTRAL MICHIGAN COLLEGE			
2	OPERATIONS	\$	3,172,400	\$ 3,223,300
3	PERFORMANCE FUNDING		<u>50,900</u>	<u>0</u>
4	GROSS APPROPRIATION	\$	3,223,300	\$ 3,223,300
5	(U) NORTHWESTERN MICHIGAN COLLEGE			
6	OPERATIONS	\$	9,078,800	\$ 9,195,100
7	PERFORMANCE FUNDING		<u>116,300</u>	<u>0</u>
8	GROSS APPROPRIATION	\$	9,195,100	\$ 9,195,100
9	(V) OAKLAND COMMUNITY COLLEGE			
10	OPERATIONS	\$	21,123,300	\$ 21,430,800
11	PERFORMANCE FUNDING		<u>307,500</u>	<u>0</u>
12	GROSS APPROPRIATION	\$	21,430,800	\$ 21,430,800
13	(W) ST. CLAIR COUNTY COMMUNITY COLLEGE			
14	OPERATIONS	\$	7,061,600	\$ 7,154,600
15	PERFORMANCE FUNDING		<u>93,000</u>	<u>0</u>
16	GROSS APPROPRIATION	\$	7,154,600	\$ 7,154,600
17	(X) SCHOOLCRAFT COLLEGE			
18	OPERATIONS	\$	12,513,700	\$ 12,716,100
19	PERFORMANCE FUNDING		<u>202,400</u>	<u>0</u>
20	GROSS APPROPRIATION	\$	12,716,100	\$ 12,716,100
21	(Y) SOUTHWESTERN MICHIGAN COLLEGE			
22	OPERATIONS	\$	6,576,400	\$ 6,653,000
23	PERFORMANCE FUNDING		<u>76,600</u>	<u>0</u>
24	GROSS APPROPRIATION	\$	6,653,000	\$ 6,653,000
25	(Z) WASHTENAW COMMUNITY COLLEGE			
26	OPERATIONS	\$	13,077,300	\$ 13,330,000
27	PERFORMANCE FUNDING		<u>252,700</u>	<u>0</u>

1	GROSS APPROPRIATION	\$	13,330,000	\$	13,330,000
2	(AA) WAYNE COUNTY COMMUNITY COLLEGE				
3	OPERATIONS	\$	16,727,600	\$	17,014,900
4	PERFORMANCE FUNDING		<u>287,300</u>		<u>0</u>
5	GROSS APPROPRIATION	\$	17,014,900	\$	17,014,900
6	(BB) WEST SHORE COMMUNITY COLLEGE				
7	OPERATIONS	\$	2,414,900	\$	2,444,900
8	PERFORMANCE FUNDING		<u>30,000</u>		<u>0</u>
9	GROSS APPROPRIATION	\$	2,444,900	\$	2,444,900
10	(CC) OPERATIONS FUNDING SOURCES				
11	GROSS APPROPRIATION	\$	311,492,000	\$	311,492,000
12	APPROPRIATED FROM:				
13	STATE SCHOOL AID FUND		230,181,200		230,181,200
14	STATE GENERAL FUND/GENERAL PURPOSE	\$	81,310,800	\$	81,310,800
15	(3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT				
16	SYSTEM (MPSERS)				
17	MPSERS COST OFFSET	\$	1,733,600	\$	1,733,600
18	MPSERS UAL CAP REIMBURSEMENT		<u>69,500,000</u>		<u>76,400,000</u>
19	GROSS APPROPRIATION	\$	71,233,600	\$	78,133,600
20	APPROPRIATED FROM:				
21	STATE SCHOOL AID FUND		18,933,600		25,833,600
22	STATE GENERAL FUND/GENERAL PURPOSE	\$	52,300,000	\$	52,300,000
23	(4) RENAISSANCE ZONE REIMBURSEMENTS				
24	RENAISSANCE ZONE REIMBURSEMENTS	\$	<u>5,100,000</u>	\$	<u>5,100,000</u>
25	GROSS APPROPRIATION	\$	5,100,000	\$	5,100,000
26	APPROPRIATED FROM:				
27	STATE SCHOOL AID FUND		1,600,000		1,600,000

1	STATE GENERAL FUND/GENERAL PURPOSE	\$	3,500,000	\$	3,500,000
2	(5) STUDENT FINANCIAL AID				
3	INDEPENDENT PART-TIME STUDENT GRANTS	\$	<u>6,000,000</u>	\$	<u>6,000,000</u>
4	GROSS APPROPRIATION	\$	6,000,000	\$	6,000,000
5	APPROPRIATED FROM:				
6	STATE SCHOOL AID FUND		6,000,000		6,000,000
7	STATE GENERAL FUND/GENERAL PURPOSE	\$	0	\$	0
8	SEC. 298C. (1) SUMMARY OF APPROPRIATIONS FOR UNIVERSITIES AND STUDENT FINANCIAL				
9	AID (ARTICLE III)				
10	APPROPRIATION SUMMARY				
11	GROSS APPROPRIATION	\$	1,541,219,200	\$	1,541,399,200
12	TOTAL INTERDEPARTMENTAL GRANTS AND				
13	INTRADPARTMENTAL TRANSFERS		0		0
14	ADJUSTED GROSS APPROPRIATION	\$	1,541,219,200	\$	1,541,399,200
15	TOTAL FEDERAL REVENUES		97,026,400		97,026,400
16	TOTAL LOCAL REVENUES		0		0
17	TOTAL PRIVATE REVENUES		0		0
18	TOTAL OTHER STATE RESTRICTED REVENUES		205,279,500		205,459,500
19	STATE GENERAL FUND/GENERAL PURPOSE	\$	1,238,913,300	\$	1,238,913,300
20	(2) UNIVERSITY OPERATIONS				
21	(A) CENTRAL MICHIGAN UNIVERSITY				
22	OPERATIONS	\$	79,164,800	\$	81,502,900
23	PERFORMANCE FUNDING		<u>2,338,100</u>		<u>0</u>
24	GROSS APPROPRIATION	\$	81,502,900	\$	81,502,900
25	(B) EASTERN MICHIGAN UNIVERSITY				
26	OPERATIONS	\$	71,782,500	\$	73,196,700
27	PERFORMANCE FUNDING		<u>1,414,200</u>		<u>0</u>

1	GROSS APPROPRIATION	\$	73,196,700	\$	73,196,700
2	(C) FERRIS STATE UNIVERSITY				
3	OPERATIONS	\$	49,119,100	\$	50,606,700
4	PERFORMANCE FUNDING		<u>1,487,600</u>		<u>0</u>
5	GROSS APPROPRIATION	\$	50,606,700	\$	50,606,700
6	(D) GRAND VALLEY STATE UNIVERSITY				
7	OPERATIONS	\$	63,156,500	\$	65,680,200
8	PERFORMANCE FUNDING		<u>2,523,700</u>		<u>0</u>
9	GROSS APPROPRIATION	\$	65,680,200	\$	65,680,200
10	(E) LAKE SUPERIOR STATE UNIVERSITY				
11	OPERATIONS	\$	12,997,500	\$	13,247,300
12	PERFORMANCE FUNDING		<u>249,800</u>		<u>0</u>
13	GROSS APPROPRIATION	\$	13,247,300	\$	13,247,300
14	(F) MICHIGAN STATE UNIVERSITY				
15	OPERATIONS	\$	264,437,900	\$	269,590,500
16	PERFORMANCE FUNDING		5,152,600		0
17	MSU AGBIORESEARCH		32,668,500		32,668,500
18	MSU EXTENSION		<u>28,132,700</u>		<u>28,132,700</u>
19	GROSS APPROPRIATION	\$	330,391,700	\$	330,391,700
20	(G) MICHIGAN TECHNOLOGICAL UNIVERSITY				
21	OPERATIONS	\$	45,938,000	\$	46,908,000
22	PERFORMANCE FUNDING		<u>970,000</u>		<u>0</u>
23	GROSS APPROPRIATION	\$	46,908,000	\$	46,908,000
24	(H) NORTHERN MICHIGAN UNIVERSITY				
25	OPERATIONS	\$	44,338,300	\$	45,254,400
26	PERFORMANCE FUNDING		<u>916,100</u>		<u>0</u>
27	GROSS APPROPRIATION	\$	45,254,400	\$	45,254,400

1	(I) OAKLAND UNIVERSITY		
2	OPERATIONS	\$ 48,371,900	\$ 50,021,000
3	PERFORMANCE FUNDING	<u>1,649,100</u>	<u>0</u>
4	GROSS APPROPRIATION	\$ 50,021,000	\$ 50,021,000
5	(J) SAGINAW VALLEY STATE UNIVERSITY		
6	OPERATIONS	\$ 27,621,600	\$ 28,120,400
7	PERFORMANCE FUNDING	<u>498,800</u>	<u>0</u>
8	GROSS APPROPRIATION	\$ 28,120,400	\$ 28,120,400
9	(K) UNIVERSITY OF MICHIGAN - ANN ARBOR		
10	OPERATIONS	\$ 295,178,500	\$ 300,874,900
11	PERFORMANCE FUNDING	<u>5,696,400</u>	<u>0</u>
12	GROSS APPROPRIATION	\$ 300,874,900	\$ 300,874,900
13	(L) UNIVERSITY OF MICHIGAN - DEARBORN		
14	OPERATIONS	\$ 23,701,000	\$ 24,095,700
15	PERFORMANCE FUNDING	<u>394,700</u>	<u>0</u>
16	GROSS APPROPRIATION	\$ 24,095,700	\$ 24,095,700
17	(M) UNIVERSITY OF MICHIGAN - FLINT		
18	OPERATIONS	\$ 21,359,600	\$ 21,901,700
19	PERFORMANCE FUNDING	<u>542,100</u>	<u>0</u>
20	GROSS APPROPRIATION	\$ 21,901,700	\$ 21,901,700
21	(N) WAYNE STATE UNIVERSITY		
22	OPERATIONS	\$ 190,529,900	\$ 191,623,200
23	PERFORMANCE FUNDING	<u>1,093,300</u>	<u>0</u>
24	GROSS APPROPRIATION	\$ 191,623,200	\$ 191,623,200
25	(O) WESTERN MICHIGAN UNIVERSITY		
26	OPERATIONS	\$ 102,761,100	\$ 104,633,700
27	PERFORMANCE FUNDING	<u>1,872,600</u>	<u>0</u>

1	GROSS APPROPRIATION	\$	104,633,700	\$	104,633,700
2	(P) OPERATIONS FUNDING SOURCES				
3	GROSS APPROPRIATION	\$	1,428,058,500	\$	1,428,058,500
4	APPROPRIATED FROM:				
5	STATE SCHOOL AID FUND		200,019,500		200,019,500
6	STATE GENERAL FUND/GENERAL PURPOSE	\$	1,228,039,000	\$	1,228,039,000
7	(3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT				
8	SYSTEM (MPSERS)				
9	MPSERS UAL CAP REIMBURSEMENT	\$	<u>5,160,000</u>	\$	<u>5,340,000</u>
10	GROSS APPROPRIATION	\$	5,160,000	\$	5,340,000
11	APPROPRIATED FROM:				
12	STATE SCHOOL AID FUND		5,160,000		5,340,000
13	STATE GENERAL FUND/GENERAL PURPOSE	\$	0	\$	0
14	(4) STATE AND REGIONAL PROGRAMS				
15	HIGHER EDUCATION DATABASE MODERNIZATION AND CONVERSION	\$	200,000	\$	200,000
16	MIDWESTERN HIGHER EDUCATION COMPACT		<u>115,000</u>		<u>115,000</u>
17	GROSS APPROPRIATION	\$	315,000	\$	315,000
18	APPROPRIATED FROM:				
19	STATE GENERAL FUND/GENERAL PURPOSE	\$	315,000	\$	315,000
20	(5) MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA				
21	PARKS PROGRAM				
22	SELECT STUDENT SUPPORT SERVICES	\$	1,956,100	\$	1,956,100
23	MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM		586,800		586,800
24	MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM		<u>148,600</u>		<u>148,600</u>
25	GROSS APPROPRIATION	\$	2,691,500	\$	2,691,500
26	APPROPRIATED FROM:				
27	STATE GENERAL FUND/GENERAL PURPOSE	\$	2,691,500	\$	2,691,500

1	(6) GRANTS AND FINANCIAL AID		
2	STATE COMPETITIVE SCHOLARSHIPS	\$ 18,361,700	\$ 18,361,700
3	TUITION GRANTS	33,532,500	33,532,500
4	TUITION INCENTIVE PROGRAM	48,500,000	48,500,000
5	CHILDREN OF VETERANS AND OFFICER'S SURVIVOR		
6	TUITION PROGRAM	1,400,000	1,400,000
7	PROJECT GEAR-UP	<u>3,200,000</u>	<u>3,200,000</u>
8	GROSS APPROPRIATION	\$ 104,994,200	\$ 104,994,200
9	APPROPRIATED FROM:		
10	UNITED STATES DEPARTMENT OF EDUCATION, OFFICE OF		
11	ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP PROGRAM..	3,200,000	3,200,000
12	SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR NEEDY		
13	FAMILIES	93,826,400	93,826,400
14	CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT		
15	PROGRAM	100,000	100,000
16	STATE GENERAL FUND/GENERAL PURPOSE	\$ 7,867,800	\$ 7,867,800

17 Enacting section 1. (1) In accordance with section 30 of article I of the state
18 constitution of 1963, total state spending on school aid under article I as amended by
19 this amendatory act from state sources for fiscal year 2015-2016 is estimated at
20 \$12,183,194,700.00 and state appropriations for school aid to be paid to local units
21 of government for fiscal year 2015-2016 are estimated at \$12,022,427,700.00; and total
22 state spending on school aid under article I as amended by this amendatory act from
23 state sources for fiscal year 2016-2017 is estimated at \$12,063,484,700.00 and state
24 appropriations for school aid to be paid to local units of government for fiscal year
25 2016-2017 are estimated at \$11,885,517,700.00.

26 (2) In accordance with section 30 of article IX of the state constitution of
27 1963, total state spending from state sources for community colleges for fiscal year

1 2015-2016 under article II as amended by this amendatory act is estimated at
2 \$393,825,600.00 and the amount of that state spending from state sources to be paid to
3 local units of government for fiscal year 2015-2016 is estimated at \$393,825,600.00;
4 and total state spending from state sources for community colleges for fiscal year
5 2016-2017 under article II as amended by this amendatory act is estimated at
6 \$400,725,600.00 and the amount of that state spending from state sources to be paid to
7 local units of government for fiscal year 2016-2017 is estimated at \$400,725,600.00.

8 (3) In accordance with section 30 of article IX of the state constitution of
9 1963, total state spending from state sources for higher education for fiscal year
10 2015-2016 under article III as amended by this amendatory act is estimated at
11 \$1,444,192,800.00 and the amount of that state spending from state sources to be paid
12 to local units of government for fiscal year 2015-2016 is estimated at \$0; and total
13 state spending from state sources for higher education for fiscal year 2016-2017 under
14 article III as amended by this amendatory act is estimated at \$1,444,372,800.00 and
15 the amount of that state spending from state sources to be paid to local units of
16 government for fiscal year 2016-2017 is estimated at \$0.

17 Enacting section 2. Sections 12, 22c, 22j, 31b, 32r, 64c, 64d, 74a, 99b, 147d,
18 166, 201a, 208, 210b, 212, 227, 228, 236a, 239a, 259, 261, 262a, 271a, 273, 274, 274a,
19 275a, and 293 of the state school aid act of 1979, 1979 PA 94, MCL 388.1612,
20 388.1622c, 388.1622j, 388.1631b, 388.1632r, 388.1664c, 388.1664d, 388.1674a,
21 388.1699b, 388.1747d, 388.1766, 388.1801a, 388.1808, 388.1810b, 388.1812, 388.1827,
22 388.1828, 388.1836a, 388.1839a, 388.1859, 388.1861, 388.1862a, 388.1871a, 388.1873,
23 388.1874, 388.1874a, 388.1875a, and 388.1893 are repealed effective October 1, 2015.

24 Enacting section 3. (1) Except as otherwise provided in subsection (2), this
25 amendatory act takes effect October 1, 2015.

26 (2) Sections 18a, 95a and 252 of the state school aid act of 1979, 1979 PA 94,
27 MCL 388.1618a, 388.1695a, 388.1852, as amended by this amendatory act take effect upon

1 enactment of this amendatory act.