

HOUSE BILL No. 4369

March 16, 2017, Introduced by Rep. Kelly 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 3, 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11s, 15, 18, 18c, 20, 20d,
20f, 20m, 21, 22a, 22b, 22d, 23a, 24, 24a, 24c, 26a, 26b, 26c, 31a, 31b, 31d, 31f,
32d, 32p, 35, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 56, 61a, 61b, 61c, 62,
64b, 67, 74, 81, 94, 94a, 95a, 98, 99h, 99s, 104, 104c, 107, 147, 147a, 147c, 152a,
166b, 201, 206, 207a, 207b, 207c, 209, 210b, 210e, 217, 222, 223, 224, 225, 226, 229a,
236, 236b, 236c, 237b, 241, 242, 244, 245, 251, 252, 254, 256, 263, 263a, 264, 265,
265a, 267, 268, 269, 270, 274c, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284,
286a, and 289 (MCL 388.1603, 388.1604, 388.1606, 388.1608b, 388.1611, 388.1611a,
388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1615, 388.1618, 388.1618c, 388.1620,
388.1620d, 388.1620f, 388.1620m, 388.1621, 388.1622a, 388.1622b, 388.1622d, 388.1623a,

388.1624, 388.1624a, 388.1624c, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 388.1635, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1662, 388.1664b, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699h, 388.1699s, 388.1704, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1752a, 388.1766b, 388.1801, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810b, 388.1810e, 388.1817, 388.1822, 388.1823, 388.1824, 388.1825, 388.1826, 388.1829a, 388.1836, 388.1836b, 388.1836c, 388.1837b, 388.1841, 388.1842, 388.1844, 388.1845, 388.1851, 388.1852, 388.1854, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874c, 388.1875, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, 388.1886a, and 388.1889) sections 3, 4, 6, 11, 11a, 11j, 11k, 11m, 11s, 15, 18, 20d, 20f, 20m, 21, 22a, 22b, 22d, 23a, 24, 24a, 24c, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 32d, 32p, 35, 35a, 39, 39a, 41, 51c, 51d, 53a, 54, 54b, 56, 61b, 62, 64b, 67, 74, 81, 94, 94a, 99s, 104, 107, 147, 147a, 147c, 152a, 166b, 201, 206, 207a, 207b, 207c, 209, 210b, 217, 222, 223, 224, 225, 226, 229a, 236, 236b, 236c, 237b, 241, 251, 252, 254, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274c, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284 as amended and 210e and 286a as added by 2016 PA 249, sections 8b, 95a, and 244 as amended by 2015 PA 85, sections 18c and 242 as amended by 2012 PA 201, section 20, 61a, 61c, 98, 99h, and 104c as amended by 2016 PA 313, section 51a as amended by 2016 PA 534, section 245 as amended by 2014 PA 196, section 289 as amended by 2013 PA 60, and by adding sections 21h, 22m, 22n, 23f, 29, 78, 99k, 249, and 250; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

ARTICLE 1

2

Sec. 3. ~~(1) "Achievement authority" means the education~~

3

~~achievement authority, the public body corporate and special authority initially~~

~~created under section 5 of article III and section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by an interlocal agreement effective August 11, 2011, between the school district of the city of Detroit and the board of regents of Eastern Michigan University, a state public university.~~

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

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

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

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

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

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

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

(7) ~~(9)~~ "District" means a local school district established under the revised school code or, except in sections 6(4), 6(6), 13, 20, 22a, **29**, 31a, 51a(14), 105, 105c, and 166b, a public school academy. ~~Except in sections 6(4), 6(6), 6(8), 13, 20, 22a, 31a, 105, 105c, and 166b, district also includes the education achievement~~

~~system.~~ Except in section 20, district also includes a community district.

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

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

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

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

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

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

3 (4) ~~(5)~~ "High school equivalency certificate" means a certificate granted for the
4 successful completion of a high school equivalency test.

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

9 (6) ~~(7)~~ "High school equivalency test preparation program" means a program that
10 has high school level courses in English language arts, social studies, science, and
11 mathematics and that prepares an individual to successfully complete a high school
12 equivalency test.

13 (7) ~~(8)~~ "High school pupil" means a pupil in membership in grades 7 to 12, except
14 in a district not maintaining grades above the eighth grade.

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

1 considered center program pupils for pupil accounting purposes for the time scheduled
2 in either a center program or a noncenter program.

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

6 (3) "District and high school graduation report" means a report of the number of
7 pupils, excluding adult education participants, in the district for the immediately
8 preceding school year, adjusted for those pupils who have transferred into or out of
9 the district or high school, who leave high school with a diploma or other credential
10 of equal status.

11 (4) "Membership", except as otherwise provided in this article, means for a
12 district, a public school academy, ~~the education achievement system,~~ or an
13 intermediate district the sum of the product of .90 times the number of full-time
14 equated pupils in grades K to 12 actually enrolled and in regular daily attendance on
15 the pupil membership count day for the current school year, plus the product of .10
16 times the final audited count from the supplemental count day for the immediately
17 preceding school year. A district's, public school academy's, or intermediate
18 district's membership shall be adjusted as provided under section 25e for pupils who
19 enroll after the pupil membership count day in a strict discipline academy operating
20 under sections 1311b to 1311m of the revised school code, MCL 380.1311b to 380.1311m.
21 ~~However, for a district that is a community district in its first year of operation,~~
22 ~~"membership" means the sum of the product of .90 times the number of full-time equated~~
23 ~~pupils in grades K to 12 actually enrolled and in regular daily attendance in the~~
24 ~~community district on the pupil membership count day for the current school year, plus~~
25 ~~the product of .10 times the final audited count from the supplemental count day of~~
26 ~~pupils in grades K to 12 actually enrolled and in regular daily attendance in a~~
27 ~~qualifying school district as defined in section 5 of the revised school code, MCL~~

1 ~~380.5, for the immediately preceding school year.~~ All pupil counts used in this
2 subsection are as determined by the department and calculated by adding the number of
3 pupils registered for attendance plus pupils received by transfer and minus pupils
4 lost as defined by rules promulgated by the superintendent, and as corrected by a
5 subsequent department audit. For the purposes of this section and section 6a, for a
6 school of excellence that is a cyber school, as defined in section 551 of the revised
7 school code, MCL 380.551, and is in compliance with section 553a of the revised school
8 code, MCL 380.553a, a pupil's participation in the cyber school's educational program
9 is considered regular daily attendance; ~~for the education achievement system, a~~
10 ~~pupil's participation in a virtual educational program of the education achievement~~
11 ~~system or of an achievement school is considered regular daily attendance;~~ and for a
12 district, a pupil's participation in a virtual course as defined in section 21f is
13 considered regular daily attendance. The amount of the foundation allowance for a
14 pupil in membership is determined under section 20. In making the calculation of
15 membership, all of the following, as applicable, apply to determining the membership
16 of a district, a public school academy, ~~the education achievement system,~~ or an
17 intermediate district:

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

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

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

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

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

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

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

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

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

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

24 (i) If operations begin before the pupil membership count day for the fiscal
25 year, membership is the average number of full-time equated pupils in grades K to 12
26 actually enrolled and in regular daily attendance on the pupil membership count day
27 for the current school year and on the supplemental count day for the current school

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

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

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

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

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

27 (i) A special education pupil who is enrolled and receiving instruction in a

1 special education program or service approved by the department, who does not have a
2 high school diploma, and who is less than 26 years of age as of September 1 of the
3 current school year shall be counted in membership.

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

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

9 (B) Had dropped out of school.

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

11 (iii) If a child does not meet the minimum age requirement to be eligible to
12 attend school for that school year under section 1147 of the revised school code, MCL
13 380.1147, but will be 5 years of age not later than December 1 of that school year,
14 the district may count the child in membership for that school year if the parent or
15 legal guardian has notified the district in writing that he or she intends to enroll
16 the child in kindergarten for that school year.

17 (L) ~~(n)~~ An individual who has achieved a high school diploma shall not be counted
18 in membership. An individual who has achieved a high school equivalency certificate
19 shall not be counted in membership unless the individual is a student with a
20 disability as defined in R 340.1702 of the Michigan administrative code. An individual
21 participating in a job training program funded under former section 107a or a jobs
22 program funded under former section 107b, administered by the department of talent and
23 economic development, or participating in any successor of either of those 2 programs,
24 shall not be counted in membership.

25 (M) ~~(n)~~ If a pupil counted in membership in a public school academy ~~or the~~
26 ~~education achievement system~~ is also educated by a district or intermediate district
27 as part of a cooperative education program, the pupil shall be counted in membership

1 only in the public school academy ~~or the education achievement system~~ unless a written
 2 agreement signed by all parties designates the party or parties in which the pupil
 3 shall be counted in membership, and the instructional time scheduled for the pupil in
 4 the district or intermediate district shall be included in the full-time equated
 5 membership determination under subdivision ~~(a)~~ **(P)** and section 101. However, for
 6 pupils receiving instruction in both a public school academy ~~or the education~~
 7 ~~achievement system~~ and in a district or intermediate district but not as a part of a
 8 cooperative education program, the following apply:

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

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

27 **(N)** ~~(e)~~ An individual less than 16 years of age as of September 1 of the current

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

4 (O) ~~(P)~~ The department shall give a uniform interpretation of full-time and part-
 5 time memberships.

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

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

24 (R) ~~(S)~~ For a district, **OR** a public school academy, ~~or the education achievement~~
 25 ~~system~~ that has pupils enrolled in a grade level that was not offered by the district,
 26 **OR** the public school academy, ~~or the education achievement system~~ in the immediately
 27 preceding school year, the number of pupils enrolled in that grade level to be counted

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

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

12 (T) ~~(u)~~ If, as a result of a disciplinary action, a district determines through
13 the district's alternative or disciplinary education program that the best
14 instructional placement for a pupil is in the pupil's home or otherwise apart from the
15 general school population, if that placement is authorized in writing by the district
16 superintendent and district alternative or disciplinary education supervisor, and if
17 the district provides appropriate instruction as described in this subdivision to the
18 pupil at the pupil's home or otherwise apart from the general school population, the
19 district may count the pupil in membership on a pro rata basis, with the proration
20 based on the number of hours of instruction the district actually provides to the
21 pupil divided by the number of hours required under section 101 for full-time
22 equivalency. For the purposes of this subdivision, a district shall be considered to
23 be providing appropriate instruction if all of the following are met:

24 (i) The district provides at least 2 nonconsecutive hours of instruction per week
25 to the pupil at the pupil's home or otherwise apart from the general school population
26 under the supervision of a certificated teacher.

27 (ii) The district provides instructional materials, resources, and supplies that

1 are comparable to those otherwise provided in the district's alternative education
2 program.

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

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

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

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

21 (W) ~~(x)~~ If a district's membership for a particular fiscal year, as otherwise
22 calculated under this subsection, would be less than 1,550 pupils and the district has
23 4.5 or fewer pupils per square mile, as determined by the department, and if the
24 district does not receive funding under section 22d(2), the district's membership
25 shall be considered to be the membership figure calculated under this subdivision. If
26 a district educates and counts in its membership pupils in grades 9 to 12 who reside
27 in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the

1 affected districts request the department to use the determination allowed under this
2 sentence, the department shall include the square mileage of both districts in
3 determining the number of pupils per square mile for each of the districts for the
4 purposes of this subdivision. The membership figure calculated under this subdivision
5 is the greater of the following:

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

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

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

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

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

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

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

9 (BB) ~~(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 (CC) ~~(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 25g.~~ 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 30
 23 days after the end of the 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 of
 26 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 satisfactory

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

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

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

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

22 (GG) ~~(hh)~~ A pupil enrolled in a community district shall be counted in membership
 23 in the community district. ~~For a community district in its first fiscal year of~~
 24 ~~operations only, until the department is able to calculate the community district's~~
 25 ~~membership, the department shall consider the community district's membership to be~~
 26 ~~the same as the membership for the immediately preceding fiscal year for a district~~
 27 ~~with the same boundaries as the community district that had membership for that fiscal~~

1 ~~year.~~

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

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

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

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

12 (c) A pupil enrolled in a public school academy ~~or the education achievement~~
13 ~~system.~~

14 (d) A pupil enrolled in a district other than the pupil's district of residence
15 under an intermediate district schools of choice pilot program as described in section
16 91a or former section 91 if the intermediate district and its constituent districts
17 have been exempted from section 105.

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

20 (f) A pupil who has made an official written complaint or whose parent or legal
21 guardian has made an official written complaint to law enforcement officials and to
22 school officials of the pupil's district of residence that the pupil has been the
23 victim of a criminal sexual assault or other serious assault, if the official
24 complaint either indicates that the assault occurred at school or that the assault was
25 committed by 1 or more other pupils enrolled in the school the pupil would otherwise
26 attend in the district of residence or by an employee of the district of residence. A
27 person who intentionally makes a false report of a crime to law enforcement officials

1 for the purposes of this subdivision is subject to section 411a of the Michigan penal
2 code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for that conduct.

3 As used in this subdivision:

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

7 (ii) "Serious assault" means an act that constitutes a felony violation of
8 chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90h, or that
9 constitutes an assault and infliction of serious or aggravated injury under section
10 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

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

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

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

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

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

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

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

26 (j) A pupil who is the child of a person who works at the district or who is the
27 child of a person who worked at the district as of the time the pupil first enrolled

1 in the district but who no longer works at the district due to a workforce reduction.
2 As used in this subdivision, "child" includes an adopted child, stepchild, or legal
3 ward.

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

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

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

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

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

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

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

25 (a) Except as provided in subdivision (b), the first Wednesday in October each
26 school year or, for a district or building in which school is not in session on that
27 Wednesday due to conditions not within the control of school authorities, with the

1 approval of the superintendent, the immediately following day on which school is in
2 session in the district or building.

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

5 (i) Fourth Wednesday in July.

6 (ii) First Wednesday in October.

7 (iii) Second Wednesday in February.

8 (iv) Fourth Wednesday in April.

9 (8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance"
10 means pupils in grades K to 12 in attendance and receiving instruction in all classes
11 for which they are enrolled on the pupil membership count day or the supplemental
12 count day, as applicable. Except as otherwise provided in this subsection, a pupil who
13 is absent from any of the classes in which the pupil is enrolled on the pupil
14 membership count day or supplemental count day and who does not attend each of those
15 classes during the 10 consecutive school days immediately following the pupil
16 membership count day or supplemental count day, except for a pupil who has been
17 excused by the district, shall not be counted as 1.0 full-time equated membership. A
18 pupil who is excused from attendance on the pupil membership count day or supplemental
19 count day and who fails to attend each of the classes in which the pupil is enrolled
20 within 30 calendar days after the pupil membership count day or supplemental count day
21 shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was
22 enrolled and in attendance in a district, an intermediate district, **OR** a public school
23 academy, ~~or the education achievement system~~ before the pupil membership count day or
24 supplemental count day of a particular year but was expelled or suspended on the pupil
25 membership count day or supplemental count day shall only be counted as 1.0 full-time
26 equated membership if the pupil resumed attendance in the district, intermediate
27 district, **OR** public school academy, ~~or education achievement system~~ within 45 days

1 after the pupil membership count day or supplemental count day of that particular
2 year. Pupils not counted as 1.0 full-time equated membership due to an absence from a
3 class shall be counted as a prorated membership for the classes the pupil attended.
4 For purposes of this subsection, "class" means a period of time in 1 day when pupils
5 and a certificated teacher or legally qualified substitute teacher are together and
6 instruction is taking place.

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

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

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

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

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

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

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

22 (16) "Tuition pupil" means a pupil of school age attending school in a district
23 other than the pupil's district of residence for whom tuition may be charged to the
24 district of residence. Tuition pupil does not include a pupil who is a special
25 education pupil, a pupil described in subsection (6) (c) to (o), or a pupil whose
26 parent or guardian voluntarily enrolls the pupil in a district that is not the pupil's
27 district of residence. A pupil's district of residence shall not require a high school

1 tuition pupil, as provided under section 111, to attend another school district after
2 the pupil has been assigned to a school district.

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

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

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

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

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

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

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

(3) For each school of excellence that is a cyber school and is authorized under part 6e of the revised school code, MCL 380.551 to 380.561, by a school district, intermediate school district, community college other than a federal tribally controlled community college, or other authorizing body that is not empowered to authorize a school of excellence to operate statewide and is eligible to receive funding under this article, the department shall assign a district code that includes as the first 2 digits the county code in which the authorizing body is located. **FOR EACH SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL THAT DOES NOT PROVIDE INSTRUCTION AT A SPECIFIC LOCATION, AND IS AUTHORIZED BY A NON-STATEWIDE ENTITY, THE INTERMEDIATE SCHOOL DISTRICT OF ASSIGNMENT SHALL BE THE ENTITY THAT WOULD NORMALLY PROVIDE PROGRAMS AND SERVICES TO THE RESIDENT SCHOOL DISTRICT WHERE THE ADMINISTRATIVE OFFICE OF THE SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL IS LOCATED. THE INTERMEDIATE SCHOOL DISTRICT REQUIRED TO PROVIDE PROGRAMS AND SERVICES REMAINS THE SAME FOR AS LONG AS THE SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL IS IN OPERATION.**

Sec. 11. (1) ~~For the fiscal year ending September 30, 2016, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$11,905,439,300.00 from the state school aid fund and the sum of \$55,100,000.00 from the general fund. For the fiscal year ending September 30, 2017~~ **2018, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$12,052,309,300.00 \$12,288,145,200.00 from the state school aid fund, the sum of \$218,900,000.00 \$215,000,000.00 from the general fund, an amount not to exceed \$72,000,000.00 from the community district**

1 education trust fund created under section 12 of the Michigan trust fund act, 2000 PA
2 489, MCL 12.262, and an amount not to exceed \$100.00 from the water emergency reserve
3 fund. In addition, all other available federal funds are appropriated ~~each fiscal year~~
4 for the fiscal ~~years~~ **YEAR** ending ~~September 30, 2016 and September 30, 2017~~ **2018**.

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

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

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

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

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

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

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

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

26 (4) The state treasurer shall direct the investment of the school aid
27 stabilization fund. The state treasurer shall credit to the school aid stabilization

1 fund interest and earnings from fund investments.

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

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

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

18 Sec. 11j. From the appropriation in section 11, ~~there is allocated an amount not~~
19 ~~to exceed \$10,500,000.00 for 2015-2016 and there is allocated an amount not to exceed~~
20 ~~\$126,500,000.00~~ **\$125,500,000.00** for ~~2016-2017~~ **2017-2018** for payments to the school
21 loan bond redemption fund in the department of treasury on behalf of districts and
22 intermediate districts. Notwithstanding section 296 or any other provision of this
23 act, funds allocated under this section are not subject to proration and shall be paid
24 in full.

25 Sec. 11k. For ~~2016-2017~~ **2017-2018**, there is appropriated from the general fund to
26 the school loan revolving fund an amount equal to the amount of school bond loans
27 assigned to the Michigan finance authority, not to exceed the total amount of school

1 bond loans held in reserve as long-term assets. As used in this section, "school loan
2 revolving fund" means that fund created in section 16c of the shared credit rating
3 act, 1985 PA 227, MCL 141.1066c.

4 Sec. 11m. From the appropriation in section 11, ~~there is allocated for 2015-2016~~
5 ~~an amount not to exceed \$1,000,000.00 and there is allocated for 2016-2017-2017-2018~~
6 an amount not to exceed ~~\$3,000,000.00~~ **\$6,500,000.00** for fiscal year cash-flow
7 borrowing costs solely related to the state school aid fund established by section 11
8 of article IX of the state constitution of 1963.

9 Sec. 11s. (1) From the general fund appropriation in section 11, there is
10 allocated ~~\$10,142,500.00~~ **\$8,730,000.00** for ~~2016-2017~~ **2017-2018** for the purpose of
11 providing services and programs to children who reside within the boundaries of a
12 district with the majority of its territory located within the boundaries of a city
13 for which an executive proclamation of emergency is issued in the current or
14 immediately preceding ~~2~~ fiscal ~~year~~ **YEARS** under the emergency management act, 1976 PA
15 390, MCL 30.401 to 30.421. From the funding appropriated in section 11, there is
16 allocated \$100.00 from the water emergency reserve fund for the purposes of this
17 section. **NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION MAY BE MADE ON A**
18 **SCHEDULE DETERMINED BY THE DEPARTMENT.**

19 (2) From the allocation in subsection (1), there is allocated to a district with
20 the majority of its territory located within the boundaries of a city in which an
21 executive proclamation of emergency is issued in the current or immediately preceding
22 fiscal year and that has at least ~~5,000~~ **4,000** pupils in membership for the current
23 fiscal year, an amount not to exceed ~~\$1,292,500.00~~ **\$2,625,000.00** for the purpose of
24 employing school nurses and school social workers. The district shall provide a report
25 to the department in a form, manner, and frequency approved by the department. The
26 department shall provide a copy of that report to the governor, the house and senate
27 school aid subcommittees, the house and senate fiscal agencies, and the state budget

1 director within 5 days after receipt. The report shall provide at least the following
2 information:

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

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

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

7 (d) Any other information the department considers necessary to ensure that the
8 children described in subsection (1) received appropriate levels and types of
9 services.

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

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

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

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

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

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

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

~~(4) From the allocation in subsection (1), there is allocated an amount not to exceed \$6,155,000.00 to intermediate districts described in subsection (3) to provide state early intervention services for children described in subsection (1) who are less than 4 years of age as of September 1, 2016. The intermediate district shall use these funds to provide state early intervention services that are similar to the services described in the early on Michigan state plan, including ensuring that all children described in subsection (1) who are less than 4 years of age as of September 1, 2016 are assessed and evaluated at least twice annually.~~

(4) ~~(5)~~ From the allocation in subsection (1), there is allocated an amount not to exceed ~~\$1,500,000.00~~ **\$3,000,000.00** to intermediate districts described in subsection (3) to enroll children described in subsection (1) in school-day great start readiness programs, regardless of household income eligibility requirements contained in section 39. The department shall administer this funding consistent with all other provisions of the great start readiness programs contained in section 32d and section 39.

(5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$605,000.00 FOR NUTRITIONAL SERVICES TO CHILDREN DESCRIBED IN SUBSECTION (1).

1 (6) In addition to other funding allocated and appropriated in this section,
2 there is appropriated an amount not to exceed \$15,000,000.00 for ~~2016-2017~~ **2017-2018**
3 for state restricted contingency funds. These contingency funds are not available for
4 expenditure until they have been transferred to a section within this article under
5 section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

6 Sec. 15. (1) If a district or intermediate district fails to receive its proper
7 apportionment, the department, upon satisfactory proof that the district or
8 intermediate district was entitled justly, shall apportion the deficiency in the next
9 apportionment. Subject to subsections (2) and (3), if a district or intermediate
10 district has received more than its proper apportionment, the department, upon
11 satisfactory proof, shall deduct the excess in the next apportionment. Notwithstanding
12 any other provision in this article, state aid overpayments to a district, other than
13 overpayments in payments for special education or special education transportation,
14 may be recovered from any payment made under this article other than a special
15 education or special education transportation payment, from the proceeds of a loan to
16 the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
17 141.942, or from the proceeds of millage levied or pledged under section 1211 of the
18 revised school code, MCL 380.1211. State aid overpayments made in special education or
19 special education transportation payments may be recovered from subsequent special
20 education or special education transportation payments, from the proceeds of a loan to
21 the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
22 141.942, or from the proceeds of millage levied or pledged under section 1211 of the
23 revised school code, MCL 380.1211.

24 (2) If the result of an audit conducted by or for the department affects the
25 current fiscal year membership, affected payments shall be adjusted in the current
26 fiscal year. A deduction due to an adjustment made as a result of an audit conducted
27 by or for the department, or as a result of information obtained by the department

1 from the district, an intermediate district, the department of treasury, or the office
2 of auditor general, shall be deducted from the district's apportionments when the
3 adjustment is finalized. At the request of the district and upon the district
4 presenting evidence satisfactory to the department of the hardship, the department may
5 grant up to an additional 4 years for the adjustment and may advance payments to the
6 district otherwise authorized under this article if the district would otherwise
7 experience a significant hardship in satisfying its financial obligations.

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

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

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

1 year accruals.

2 (6) In addition to funds appropriated in section 11 for all programs and
3 services, there is appropriated for ~~2016-2017~~ **2017-2018** for obligations in excess of
4 applicable appropriations an amount equal to the collection of overpayments, but not
5 to exceed amounts available from overpayments.

6 Sec. 18. (1) Except as provided in another section of this article, each district
7 or other entity shall apply the money received by the district or entity under this
8 article to salaries and other compensation of teachers and other employees, tuition,
9 transportation, lighting, heating, ventilation, water service, the purchase of
10 textbooks, other supplies, and any other school operating expenditures defined in
11 section 7. However, not more than 20% of the total amount received by a district under
12 sections 22a and 22b or received by an intermediate district under section 81 may be
13 transferred by the board to either the capital projects fund or to the debt retirement
14 fund for debt service. The money shall not be applied or taken for a purpose other
15 than as provided in this section. The department shall determine the reasonableness of
16 expenditures and may withhold from a recipient of funds under this article the
17 apportionment otherwise due upon a violation by the recipient.

18 (2) A district or intermediate district shall adopt an annual budget in a manner
19 that complies with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to
20 141.440a. Within 15 days after a district board adopts its annual operating budget for
21 the following school fiscal year, or after a district board adopts a subsequent
22 revision to that budget, the district shall make all of the following available
23 through a link on its website homepage, or may make the information available through
24 a link on its intermediate district's website homepage, in a form and manner
25 prescribed by the department:

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

27 (b) Using data that have already been collected and submitted to the department,

1 a summary of district expenditures for the most recent fiscal year for which they are
2 available, expressed in the following 2 pie charts:

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

4 (A) Salaries and wages.

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

7 (C) Retirement benefit costs.

8 (D) All other personnel costs.

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

11 (A) Instruction.

12 (B) Support services.

13 (C) Business and administration.

14 (D) Operations and maintenance.

15 (c) Links to all of the following:

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

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

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

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

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

27 (vi) The district's written policy establishing specific categories of

1 reimbursable expenses, as described in section 1254(2) of the revised school code, MCL
2 380.1254.

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

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

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

11 (f) The annual amount spent on lobbying or lobbying services. As used in this
12 subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL
13 4.415.

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

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

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

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

27 (4) For the purposes of determining the reasonableness of expenditures, whether a

1 district or intermediate district has received the proper amount of funds under this
2 article, and whether a violation of this article has occurred, all of the following
3 apply:

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

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

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

26 (d) The pupil and financial accounting records and reports, audits, and
27 management letters are subject to requirements established in the auditing and

1 accounting manuals approved and published by the department.

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

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

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

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

11 (f) The annual financial audit reports and pupil accounting procedures reports
12 shall be available to the public in compliance with the freedom of information act,
13 1976 PA 442, MCL 15.231 to 15.246.

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

19 (5) By November 1 each fiscal year, each district and intermediate district shall
20 submit to the center, in a manner prescribed by the center, annual comprehensive
21 financial data consistent with the district's or intermediate district's audited
22 financial statements and consistent with accounting manuals and charts of accounts
23 approved and published by the department. For an intermediate district, the report
24 shall also contain the website address where the department can access the report
25 required under section 620 of the revised school code, MCL 380.620. The department
26 shall ensure that the prescribed Michigan public school accounting manual chart of
27 accounts includes standard conventions to distinguish expenditures by allowable fund

1 function and object. The functions shall include at minimum categories for
2 instruction, pupil support, instructional staff support, general administration,
3 school administration, business administration, transportation, facilities operation
4 and maintenance, facilities acquisition, and debt service; and shall include object
5 classifications of salary, benefits, including categories for active employee health
6 expenditures, purchased services, supplies, capital outlay, and other. Districts shall
7 report the required level of detail consistent with the manual as part of the
8 comprehensive annual financial report.

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

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

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

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

21 (10) If a district or intermediate district does not comply with subsections (4),
22 (5), (6), and (7), or if the department determines that the financial data required
23 under subsection (5) are not consistent with audited financial statements, the
24 department shall withhold all state school aid due to the district or intermediate
25 district under this article, beginning with the next payment due to the district or
26 intermediate district, until the district or intermediate district complies with
27 subsections (4), (5), (6), and (7). If the district or intermediate district does not

1 comply with subsections (4), (5), (6), and (7) by the end of the fiscal year, the
2 district or intermediate district forfeits the amount withheld.

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

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

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

18 (b) The total number of students enrolled in the virtual learning and the total
19 number of membership pupils enrolled in the virtual learning.

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

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

24 (e) The number of participating students who had previously dropped out of
25 school.

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

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

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

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

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

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

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

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

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

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

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

1 for the payment of any contract, mortgage, loan, or other instrument of indebtedness
 2 entered into by a public school academy, ~~the achievement authority, or an achievement~~
 3 ~~school.~~

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

5 (a) The basic foundation allowance is ~~\$8,229.00~~ **\$8,279.00**.

6 (b) The minimum foundation allowance is ~~\$7,511.00~~ **\$7,611.00**.

7 (2) The amount of each district's foundation allowance shall be calculated as
 8 provided in this section, using a basic foundation allowance in the amount specified
 9 in subsection (1).

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

14 (a) Except as otherwise provided in this subdivision, for a district that had a
 15 foundation allowance for the immediately preceding state fiscal year that was at least
 16 equal to the minimum foundation allowance for the immediately preceding state fiscal
 17 year, but less than the basic foundation allowance for the immediately preceding state
 18 fiscal year, the district shall receive a foundation allowance in an amount equal to
 19 the sum of the district's foundation allowance for the immediately preceding state
 20 fiscal year plus the difference between twice the dollar amount of the adjustment from
 21 the immediately preceding state fiscal year to the current state fiscal year made in
 22 the basic foundation allowance and [(the difference between the basic foundation
 23 allowance for the current state fiscal year and basic foundation allowance for the
 24 immediately preceding state fiscal year minus ~~\$20.00~~ **\$17.00**) times (the difference
 25 between the district's foundation allowance for the immediately preceding state fiscal
 26 year and the minimum foundation allowance for the immediately preceding state fiscal
 27 year) divided by the difference between the basic foundation allowance for the current

1 state fiscal year and the minimum foundation allowance for the immediately preceding
2 state fiscal year.] However, the foundation allowance for a district that had less
3 than the basic foundation allowance for the immediately preceding state fiscal year
4 shall not exceed the basic foundation allowance for the current state fiscal year.

5 (b) Except as otherwise provided in this subsection, for a district that in the
6 immediately preceding state fiscal year had a foundation allowance in an amount equal
7 to the amount of the basic foundation allowance for the immediately preceding state
8 fiscal year, the district shall receive a foundation allowance for ~~2016-2017~~ **2017-2018**
9 in an amount equal to the basic foundation allowance ~~for 2016-2017~~.

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

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

24 **(E) FOR A DISTRICT THAT RECEIVED A FOUNDATION ALLOWANCE SUPPLEMENTAL PAYMENT**
25 **CALCULATED UNDER SECTION 20M AND PAID UNDER SECTION 22B FOR 2016-2017, THE DISTRICT'S**
26 **2016-2017 FOUNDATION ALLOWANCE SHALL BE CONSIDERED TO HAVE BEEN AN AMOUNT EQUAL TO THE**
27 **SUM OF THE DISTRICT'S ACTUAL 2016-2017 FOUNDATION ALLOWANCE AS OTHERWISE CALCULATED**

1 UNDER THIS SECTION PLUS THE LESSER OF THE PER-PUPIL AMOUNT OF THE DISTRICT'S
2 SUPPLEMENTAL PAYMENT FOR 2016-2017 AS CALCULATED UNDER SECTION 20M OR THE PRODUCT OF
3 THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR
4 TIMES THE PERCENTAGE INCREASE IN THE UNITED STATES CONSUMER PRICE INDEX IN THE
5 CALENDAR YEAR ENDING IN THE IMMEDIATELY PRECEDING FISCAL YEAR AS REPORTED BY THE MAY
6 REVENUE ESTIMATING CONFERENCE CONDUCTED UNDER SECTION 367B OF THE MANAGEMENT AND
7 BUDGET ACT, 1984 PA 431, MCL 18.1367B.

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

1 community district, the taxable value per membership pupil of property in the
2 community district to be used for the purposes of this subsection does not include the
3 taxable value of property within the geographic area of the community district.

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

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

1 before 2009-2010 that was equal to the sum of the local school operating revenue per
2 membership pupil other than special education pupils for the district in which the
3 public school academy is located and the state portion of that district's foundation
4 allowance shall not have that allocation reduced as a result of the 2010 amendment to
5 this subsection. Notwithstanding section 101, for a public school academy that begins
6 operations after the pupil membership count day, the amount per membership pupil
7 calculated under this subsection shall be adjusted by multiplying that amount per
8 membership pupil by the number of hours of pupil instruction provided by the public
9 school academy after it begins operations, as determined by the department, divided by
10 the minimum number of hours of pupil instruction required under section 101(3). The
11 result of this calculation shall not exceed the amount per membership pupil otherwise
12 calculated under this subsection. **BEGINNING IN 2017-2018, FOR PUPILS IN MEMBERSHIP IN**
13 **A PUBLIC SCHOOL ACADEMY THAT WAS ISSUED A CONTRACT UNDER SECTION 552 OF THE REVISED**
14 **SCHOOL CODE, MCL 380.552, TO OPERATE AS A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL**
15 **THAT IS IN AT LEAST ITS SECOND YEAR OF OPERATION, THE ALLOCATION CALCULATED UNDER THIS**
16 **SECTION IS AN AMOUNT EQUAL TO 80% OF THE AMOUNT AS WOULD OTHERWISE BE CALCULATED UNDER**
17 **THIS SUBSECTION FOR A PUBLIC SCHOOL ACADEMY.**

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

~~divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection. For the purposes of this subsection, if a public school is transferred from a district to the state school reform/redesign district or the achievement authority under section 1280c of the revised school code, MCL 380.1280c, that public school is considered to be an achievement school within the education achievement system and not a school that is part of a district, and a pupil attending that public school is considered to be in membership in the education achievement system and not in membership in the district that operated the school before the transfer.~~

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

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

1 affects the district. The calculation under this subsection shall take into account a
2 district's per-pupil allocation under section 20m.

3 (9) ~~(10)~~ Each fraction used in making calculations under this section shall be
4 rounded to the fourth decimal place and the dollar amount of an increase in the basic
5 foundation allowance shall be rounded to the nearest whole dollar.

6 (10) ~~(11)~~ State payments related to payment of the foundation allowance for a
7 special education pupil are not calculated under this section but are instead
8 calculated under section 51a.

9 (11) ~~(12)~~ To assist the legislature in determining the basic foundation allowance
10 for the subsequent state fiscal year, each revenue estimating conference conducted
11 under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, shall
12 calculate a pupil membership factor, a revenue adjustment factor, and an index as
13 follows:

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

23 (b) The revenue adjustment factor shall be computed by dividing the sum of the
24 estimated total state school aid fund revenue for the subsequent state fiscal year
25 plus the estimated total state school aid fund revenue for the current state fiscal
26 year, adjusted for any change in the rate or base of a tax the proceeds of which are
27 deposited in that fund and excluding money transferred into that fund from the

1 countercyclical budget and economic stabilization fund under the management and budget
 2 act, 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated total school aid
 3 fund revenue for the current state fiscal year plus the estimated total state school
 4 aid fund revenue for the immediately preceding state fiscal year, adjusted for any
 5 change in the rate or base of a tax the proceeds of which are deposited in that fund.
 6 If a consensus revenue factor is not determined at the revenue estimating conference,
 7 the principals of the revenue estimating conference shall report their estimates to
 8 the house and senate subcommittees responsible for school aid appropriations not later
 9 than 7 days after the conclusion of the revenue conference.

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

16 (12) ~~(13)~~ Payments to districts, ~~OR~~ public school academies, ~~or the education~~
 17 ~~achievement system~~ shall not be made under this section. Rather, the calculations
 18 under this section shall be used to determine the amount of state payments under
 19 section 22b.

20 (13) ~~(14)~~ If an amendment to section 2 of article VIII of the state constitution
 21 of 1963 allowing state aid to some or all nonpublic schools is approved by the voters
 22 of this state, each foundation allowance or per-pupil payment calculation under this
 23 section may be reduced.

24 (14) ~~(15)~~ As used in this section:

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

27 (b) "Combined state and local revenue" means the aggregate of the district's

1 state school aid received by or paid on behalf of the district under this section and
2 the district's local school operating revenue.

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

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

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

11 (f) "Immediately preceding state fiscal year" means the state fiscal year
12 immediately preceding the current state fiscal year.

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

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

1 within the geographic area of the dissolved district.

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

5 (j) "Maximum public school academy allocation", except as otherwise provided in
6 this subdivision, means the maximum per-pupil allocation as calculated by adding the
7 highest per-pupil allocation among all public school academies for the immediately
8 preceding state fiscal year plus the difference between twice the amount of the
9 difference between the basic foundation allowance for the current state fiscal year
10 and the basic foundation allowance for the immediately preceding state fiscal year and
11 [(the amount of the difference between the basic foundation allowance for the current
12 state fiscal year and the basic foundation allowance for the immediately preceding
13 state fiscal year minus ~~\$20.00~~ **\$17.00**) times (the difference between the highest per-
14 pupil allocation among all public school academies for the immediately preceding state
15 fiscal year and the minimum foundation allowance for the immediately preceding state
16 fiscal year) divided by the difference between the basic foundation allowance for the
17 current state fiscal year and the minimum foundation allowance for the immediately
18 preceding state fiscal year.] For the purposes of this subdivision, for ~~2016-2017~~
19 **2017-2018**, the maximum public school academy allocation is ~~\$7,511.00~~ **\$7,611.00**.

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

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

26 (m) "Principal residence", "qualified agricultural property", "qualified forest
27 property", "supportive housing property", "industrial personal property", and

1 "commercial personal property" mean those terms as defined in section 1211 of the
2 revised school code, MCL 380.1211.

3 (n) "Receiving district" means a district to which all or part of the territory
4 of a dissolved district is attached under section 12 of the revised school code, MCL
5 380.12.

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

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

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

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

21 Sec. 20d. In making the final determination required under former section 20a of
22 a district's combined state and local revenue per membership pupil in 1993-94 and in
23 making calculations under section 20 for ~~2016-2017~~ **2017-2018**, the department and the
24 department of treasury shall comply with all of the following:

25 (a) For a district that had combined state and local revenue per membership pupil
26 in the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal agent for
27 a state board designated area vocational education center in the 1993-94 school year,

1 total state school aid received by or paid on behalf of the district pursuant to this
2 act in 1993-94 shall exclude payments made under former section 146 and under section
3 147 on behalf of the district's employees who provided direct services to the area
4 vocational education center. Not later than June 30, 1996, the department shall make
5 an adjustment under this subdivision to the district's combined state and local
6 revenue per membership pupil in the 1994-95 state fiscal year and the department of
7 treasury shall make a final certification of the number of mills that may be levied by
8 the district under section 1211 of the revised school code, MCL 380.1211, as a result
9 of the adjustment under this subdivision.

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

23 Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an
24 amount not to exceed \$18,000,000.00 for ~~2016-2017~~ **2017-2018** for payments to eligible
25 districts under this section.

26 (2) The funding under this subsection is from the allocation under subsection
27 (1). A district is eligible for funding under this subsection if the district received

1 a payment under this section as it was in effect for 2013-2014. A district was
2 eligible for funding in 2013-2014 if the sum of the following was less than \$5.00:

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

5 (b) The district's equity payment per membership pupil under section 22c for
6 2013-2014.

7 (c) The quotient of the district's allocation under section 147a for 2012-2013
8 divided by the district's membership pupils for 2012-2013 minus the quotient of the
9 district's allocation under section 147a for 2013-2014 divided by the district's
10 membership pupils for 2013-2014.

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

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

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

19 (b) The decrease in the district's best practices per-pupil funding under section
20 22f from 2014-2015 to 2015-2016.

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

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

27 (5) The amount allocated to each eligible district under subsection (4) is an

1 amount per membership pupil equal to \$25.00 minus the sum of the following:

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

4 (b) The decrease in the district's best practices per-pupil funding under section
5 22f from 2014-2015 to 2015-2016.

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

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

12 (6) If the allocation under subsection (1) is insufficient to fully fund payments
13 under subsections (3) and (5) as otherwise calculated under this section, the
14 department shall prorate payments under this section on an equal per-pupil basis.

15 Sec. 20m. (1) Foundation allowance supplemental payments for ~~2016-2017~~ **2017-2018**
16 to districts that in the 2015-2016 fiscal year had a foundation allowance greater than
17 \$8,169.00 shall be calculated under this section.

18 (2) The per-pupil allocation to each district under this section shall be the
19 difference between the dollar amount of the adjustment from the ~~immediately preceding~~
20 **2015-2016** state fiscal year to the current state fiscal year in the basic foundation
21 allowance minus the dollar amount of the adjustment from the ~~immediately preceding~~
22 **2015-2016** fiscal year to the current state fiscal year in a qualifying district's
23 foundation allowance.

24 (3) If a district's local revenue per pupil does not exceed the sum of its
25 foundation allowance under section 20 plus the per-pupil allocation under subsection
26 (2), the total payment to the district calculated under this section shall be the
27 product of the per-pupil allocation under subsection (2) multiplied by the district's

1 membership excluding special education pupils. If a district's local revenue per pupil
2 exceeds the foundation allowance under section 20 but does not exceed the sum of the
3 foundation allowance under section 20 plus the per-pupil allocation under subsection
4 (2), the total payment to the district calculated under this section shall be the
5 product of the difference between the sum of the foundation allowance under section 20
6 plus the per-pupil allocation under subsection (2) minus the local revenue per pupil
7 multiplied by the district's membership excluding special education pupils. If a
8 district's local revenue per pupil exceeds the sum of the foundation allowance under
9 section 20 plus the per-pupil allocation under subsection (2), there is no payment
10 calculated under this section for the district.

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

14 Sec. 21. (1) From the appropriation in section 11, there is allocated an amount
15 not to exceed \$5,000,000.00 for ~~2016-2017~~ **2017-2018** to make supplemental payments to
16 eligible districts that are identified under section 1280c of the revised school code,
17 MCL 380.1280c, as being among the lowest achieving 5% of all public schools in this
18 state.

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

22 (a) The state school reform/redesign officer has appointed a chief executive
23 officer to take control of 1 or more public schools in the district, as provided for
24 in section **391(3), 507(6), 528(6), 561(6), OR** 1280c(7) of the revised school code,
25 **BEING SECTIONS MCL 380.391, MCL 380.507, MCL 380.528, MCL 380.561, AND** MCL 380.1280c,
26 and there is at least 1 high school operated by the district.

27 (b) As determined by the school reform office, an intervention agreement meeting

1 at least the following criteria has been executed by the state school reform/redesign
2 officer and the district. The intervention agreement shall include, but is not limited
3 to:

4 (i) The rights and responsibilities of the chief executive officer. However, the
5 intervention agreement shall not mitigate the authority of the chief executive officer
6 prescribed in applicable statute including financial and employment authority.

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

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

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

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

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

12 (vii) A dispute resolution process.

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

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

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

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

25 (4) The supplemental payment provided to a district under this section shall be
26 calculated by multiplying the district's foundation allowance by 20% of the high
27 school's membership for the prior fiscal year. The same dollar amount shall continue

1 to be available to the district for a maximum of 3 years, subject to the conditions
2 specified in subsection (2).

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

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

10 **SEC. 21H. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED**
11 **\$3,000,000.00 FOR 2017-2018 FOR THE PURPOSE OF ASSISTING ELIGIBLE DISTRICTS ASSIGNED**
12 **BY THE STATE SUPERINTENDENT TO PARTICIPATE IN A PARTNERSHIP TO IMPROVE STUDENT**
13 **ACHIEVEMENT. THE PURPOSE OF THE PARTNERSHIP IS TO IDENTIFY DISTRICT NEEDS, DEVELOP**
14 **INTERVENTION PLANS, AND PARTNER WITH PUBLIC, PRIVATE, AND NON-PROFIT ORGANIZATIONS TO**
15 **COORDINATE RESOURCES AND IMPROVE STUDENT ACHIEVEMENT. ASSIGNMENT TO A PARTNERSHIP**
16 **SHALL BE AT THE SOLE DISCRETION OF THE STATE SUPERINTENDENT.**

17 **(2) DISTRICTS ASSIGNED TO A PARTNERSHIP BY THE STATE SUPERINTENDENT ARE ELIGIBLE**
18 **FOR FUNDING UNDER THIS SECTION IF THOSE DISTRICTS CONTAIN AT LEAST ONE SCHOOL**
19 **RECEIVING AN F GRADE, OR COMPARABLE PERFORMANCE RATING, IN THE MOST RECENT STATE**
20 **ACCOUNTABILITY SYSTEM AND THAT SCHOOL IS NOT UNDER THE OVERSIGHT OF THE SCHOOL REFORM**
21 **OFFICE. IN ADDITION, ELIGIBLE DISTRICTS SHALL MEET ALL OF THE FOLLOWING CRITERIA:**

22 **(A) HAVE COMPLETED A COMPREHENSIVE NEEDS EVALUATION IN COLLABORATION WITH AN**
23 **INTERMEDIATE SCHOOL DISTRICT, COMMUNITY MEMBERS, EDUCATION ORGANIZATIONS AND HIGHER**
24 **EDUCATION ORGANIZATIONS, AS APPLICABLE AND APPROVED BY THE STATE SUPERINTENDENT,**
25 **WITHIN 90 DAYS OF ASSIGNMENT TO PARTICIPATE IN THE PARTNERSHIP. THE COMPREHENSIVE**
26 **NEEDS EVALUATION SHALL INCLUDE AT LEAST THE FOLLOWING:**

27 **(i) A REVIEW OF THE DISTRICT'S IMPLEMENTATION AND UTILIZATION OF ITS MULTI-TIERED**

1 SYSTEM OF SUPPORTS TO ENSURE IT IS BEING USED TO APPROPRIATELY INFORM INSTRUCTION.

2 (II) A REVIEW OF THE DISTRICT AND BUILDING LEADERSHIP AND EDUCATOR CAPACITY TO
3 SUBSTANTIALLY IMPROVE STUDENT OUTCOMES.

4 (III) A REVIEW OF CLASSROOM, INSTRUCTIONAL, AND OPERATIONAL PRACTICES AND
5 CURRICULUM TO ENSURE ALIGNMENT WITH RESEARCH-BASED INSTRUCTIONAL PRACTICES AND STATE
6 CURRICULUM STANDARDS.

7 (B) HAVE AN INTERVENTION PLAN THAT ADDRESSES THE NEEDS IDENTIFIED IN THE
8 COMPREHENSIVE NEEDS EVALUATION DEVELOPED UNDER SUBDIVISION (A) THAT HAS BEEN APPROVED
9 BY THE STATE SUPERINTENDENT. AT A MINIMUM, THE PLAN SHALL INCLUDE:

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

12 (ii) SPECIFIC MEASURABLE BENCHMARKS THAT WILL BE MET WITHIN 18 MONTHS TO IMPROVE
13 STUDENT ACHIEVEMENT AND IDENTIFICATION OF EXPECTED STUDENT ACHIEVEMENT OUTCOMES NOT
14 LATER THAN 3 YEARS AFTER ASSIGNMENT TO THE PARTNERSHIP.

15 (3) UPON APPROVAL OF THE INTERVENTION PLAN DEVELOPED UNDER SUBSECTION (2), THE
16 DEPARTMENT SHALL ASSIGN A TEAM OF PERSONS WITH EXPERTISE IN COMPREHENSIVE SCHOOL AND
17 DISTRICT REFORM TO PARTNER WITH THE DISTRICT, THE INTERMEDIATE DISTRICT, COMMUNITY
18 ORGANIZATIONS, EDUCATION ORGANIZATIONS, AND POSTSECONDARY INSTITUTIONS IDENTIFIED IN
19 THE INTERVENTION PLAN TO REVIEW THE DISTRICT'S USE OF EXISTING FINANCIAL RESOURCES TO
20 ENSURE THOSE RESOURCES ARE BEING USED AS EFFICIENTLY AND EFFECTIVELY AS POSSIBLE TO
21 IMPROVE STUDENT ACADEMIC ACHIEVEMENT.

22 (4) FUNDS ALLOCATED UNDER THIS SECTION MAY BE USED TO PAY FOR DISTRICT
23 EXPENDITURES APPROVED BY THE STATE SUPERINTENDENT TO IMPROVE STUDENT ACHIEVEMENT.
24 FUNDS MAY BE USED FOR, BUT ARE NOT LIMITED TO, PROFESSIONAL DEVELOPMENT FOR TEACHERS
25 OR DISTRICT OR SCHOOL LEADERSHIP, INCREASED INSTRUCTIONAL TIME, TEACHER MENTORS, OR
26 OTHER EXPENDITURES THAT DIRECTLY IMPACT STUDENT ACHIEVEMENT AND CANNOT BE PAID FOR
27 FROM EXISTING DISTRICT FINANCIAL RESOURCES. FUNDS MAY BE PROVIDED TO AN INDIVIDUAL

DISTRICT FOR UP TO 3 YEARS. NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE ENTITIES UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.

(5) THE DEPARTMENT SHALL ANNUALLY REPORT ON THE ACTIVITIES FUNDED UNDER THIS SECTION AND HOW THOSE ACTIVITIES IMPACTED STUDENT ACHIEVEMENT IN THE ELIGIBLE DISTRICTS.

Sec. 22a. (1) From the appropriation in section 11, there is allocated ~~an amount not to exceed \$5,260,000,000.00 for 2015-2016 and an amount not to exceed \$5,205,000,000.00~~ \$5,107,000,000.00 for ~~2016-2017~~ 2017-2018 for payments to districts and qualifying public school academies to guarantee each district and qualifying public school academy an amount equal to its 1994-95 total state and local per pupil revenue for school operating purposes under section 11 of article IX of the state constitution of 1963. Pursuant to section 11 of article IX of the state constitution of 1963, this guarantee does not apply to a district in a year in which the district levies a millage rate for school district operating purposes less than it levied in 1994. However, subsection (2) applies to calculating the payments under this section. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22b and 51c in order to fully fund those calculated allocations for the same fiscal year.

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

(a) Except as otherwise provided in this subsection, the state portion of a district's 1994-95 foundation allowance is an amount equal to the district's 1994-95 foundation allowance or \$6,500.00, whichever is less, minus the difference between the sum of the product of the taxable value per membership pupil of all property in the

1 district that is nonexempt property times the district's certified mills and, for a
2 district with certified mills exceeding 12, the product of the taxable value per
3 membership pupil of property in the district that is commercial personal property
4 times the certified mills minus 12 mills and the quotient of the ad valorem property
5 tax revenue of the district captured under tax increment financing acts divided by the
6 district's membership. For a district that has a millage reduction required under
7 section 31 of article IX of the state constitution of 1963, the state portion of the
8 district's foundation allowance shall be calculated as if that reduction did not
9 occur. For a receiving district, if school operating taxes are to be levied on behalf
10 of a dissolved district that has been attached in whole or in part to the receiving
11 district to satisfy debt obligations of the dissolved district under section 12 of the
12 revised school code, MCL 380.12, taxable value per membership pupil of all property in
13 the receiving district that is nonexempt property and taxable value per membership
14 pupil of property in the receiving district that is commercial personal property do
15 not include property within the geographic area of the dissolved district; ad valorem
16 property tax revenue of the receiving district captured under tax increment financing
17 acts does not include ad valorem property tax revenue captured within the geographic
18 boundaries of the dissolved district under tax increment financing acts; and certified
19 mills do not include the certified mills of the dissolved district. **FOR A COMMUNITY**
20 **DISTRICT, PAYMENTS AS OTHERWISE CALCULATED UNDER THIS SECTION SHALL BE REDUCED BY AN**
21 **AMOUNT EQUAL TO THE AMOUNT OF THE ABSENCE OF LOCAL SCHOOL OPERATING TAX REVENUE IN THE**
22 **COMMUNITY DISTRICT IN THE FUNDING OF THE STATE PORTION OF FOUNDATION ALLOWANCES**
23 **PURSUANT TO SECTION 20(4).**

24 (b) For a district that had a 1994-95 foundation allowance greater than
25 \$6,500.00, the state payment under this subsection shall be the sum of the amount
26 calculated under subdivision (a) plus the amount calculated under this subdivision.
27 The amount calculated under this subdivision shall be equal to the difference between

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

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

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

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

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

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

(6) PAYMENTS TO DISTRICTS OR PUBLIC SCHOOL ACADEMIES SHALL NOT BE MADE UNDER THIS SECTION FOR PUPILS ENROLLED PURSUANT TO SECTION 166B AND COUNTED IN MEMBERSHIP UNDER SECTION 6. RATHER, THE PAYMENTS FOR SUCH PUPILS SHALL BE MADE UNDER SECTION 23F.

(7) As used in this section:

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

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

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

(d) "Current year hold harmless school operating taxes per pupil" means the per pupil revenue generated by multiplying a district's 1994-95 hold harmless millage by the district's current year taxable value per membership pupil. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL

1 380.12, taxable value per membership pupil does not include the taxable value of
2 property within the geographic area of the dissolved district.

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

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

20 (g) "Homestead", "qualified agricultural property", "qualified forest property",
21 "supportive housing property", "industrial personal property", and "commercial
22 personal property" mean those terms as defined in section 1211 of the revised school
23 code, MCL 380.1211.

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

26 (i) "Nonexempt property" means property that is not a principal residence,
27 qualified agricultural property, qualified forest property, supportive housing

1 property, industrial personal property, commercial personal property, or property
2 occupied by a public school academy.

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

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

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

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

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

19 (i) For the number of mills by which the exemption from the levy of school
20 operating taxes on a homestead, qualified agricultural property, qualified forest
21 property, supportive housing property, industrial personal property, commercial
22 personal property, and property occupied by a public school academy may be reduced as
23 provided in section 1211 of the revised school code, MCL 380.1211, the taxable value
24 of homestead, qualified agricultural property, qualified forest property, supportive
25 housing property, industrial personal property, commercial personal property, and
26 property occupied by a public school academy for the calendar year ending in the
27 current state fiscal year. For a receiving district, if school operating taxes are to

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

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

13 Sec. 22b. (1) For discretionary nonmandated payments to districts under this
 14 section, there is allocated from the appropriation in section 11 ~~an amount not to~~
 15 ~~exceed \$3,692,000,000.00 for 2015-2016, and there is allocated for 2016-2017-2017-2018~~
 16 an amount not to exceed ~~\$3,828,000,000.00~~ **\$3,878,000,000.00** from the state school aid
 17 fund and general fund appropriations in section 11 and an amount not to exceed
 18 \$72,000,000.00 from the community district education trust fund appropriation in
 19 section 11. Except for money allocated from the community district trust fund, money
 20 allocated under this section that is not expended in the state fiscal year for which
 21 it was allocated, as determined by the department, may be used to supplement the
 22 allocations under sections 22a and 51c in order to fully fund those calculated
 23 allocations for the same fiscal year.

24 (2) Subject to subsection (3) and section 296, the allocation to a district under
 25 this section shall be an amount equal to the sum of the amounts calculated under
 26 sections 20, 20m, 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the
 27 district under sections 22a and 51c. **PAYMENTS TO DISTRICTS OR PUBLIC SCHOOL ACADEMIES**

1 SHALL NOT BE MADE UNDER THIS SECTION FOR PUPILS ENROLLED PURSUANT TO SECTION 166B AND
2 COUNTED IN MEMBERSHIP UNDER SECTION 6. RATHER, THE PAYMENTS FOR SUCH PUPILS SHALL BE
3 MADE UNDER SECTION 23F. FOR A COMMUNITY DISTRICT, THE ALLOCATION AS OTHERWISE
4 CALCULATED UNDER THIS SUBSECTION SHALL BE INCREASED BY AN AMOUNT EQUAL TO THE AMOUNT
5 OF THE ABSENCE OF LOCAL SCHOOL OPERATING TAX REVENUE IN THE COMMUNITY DISTRICT IN THE
6 FUNDING OF THE STATE PORTION OF FOUNDATION PURSUANT TO SECTION 20(4), AND THIS
7 INCREASE SHALL BE PAID FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND.

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

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

11 (b) Comply with sections 1278a and 1278b of the revised school code, MCL
12 380.1278a and 380.1278b.

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

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

17 (e) Comply with section 21f.

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

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

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

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

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

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

24 (9) If a claim is made in court that challenges the legislative determination of
25 the adequacy of funding for this state's constitutional obligations or alleges that
26 there exists an unfunded constitutional requirement, any interested party may seek an
27 expedited review of the claim by the local claims review board. If the claim exceeds

1 \$10,000,000.00, this state may remove the action to the court of appeals, and the
2 court of appeals shall have and shall exercise jurisdiction over the claim.

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

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

23 Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed
24 \$5,000,000.00 is allocated for ~~2016-2017~~ **2017-2018** for supplemental payments to rural
25 districts under this section.

26 (2) From the allocation under subsection (1), there is allocated for ~~2016-2017~~
27 **2017-2018** an amount not to exceed \$957,300.00 for payments under this subsection to

1 districts that meet all of the following:

2 (a) Operates grades K to 12.

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

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

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

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

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

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

27 (5) The funds allocated under subsection (4) shall be allocated on an equal per-

1 pupil basis.

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

4 SEC. 22M. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED FOR 2017-
5 2018 AN AMOUNT NOT TO EXCEED \$2,200,000.00 FOR THE PURPOSE OF SUPPORTING THE
6 INTEGRATION OF LOCAL DATA SYSTEMS BASED ON COMMON STANDARDS AND APPLICATIONS THAT ARE
7 IN COMPLIANCE WITH SECTION 19(7) INTO THE MICHIGAN DATA HUB NETWORK.

8 (2) ELIGIBLE ENTITIES TO RECEIVE THIS FUNDING ARE FISCAL AGENTS FOR NO MORE THAN
9 5 CONSORTIA OF INTERMEDIATE DISTRICTS THAT PREVIOUSLY RECEIVED FUNDING FROM THE
10 TECHNOLOGY READINESS INFRASTRUCTURE GRANT UNDER FORMER SECTION 22I FOR THE PURPOSE OF
11 ESTABLISHING REGIONAL DATA HUBS THAT ARE PART OF THE MICHIGAN DATA HUB NETWORK.

12 (3) THE CENTER SHALL WORK WITH AN ADVISORY COMMITTEE COMPRISED OF REPRESENTATIVES
13 FROM INTERMEDIATE SCHOOL DISTRICTS WITHIN EACH OF THE DATA HUB REGIONS TO COORDINATE
14 THE ACTIVITIES OF THE MICHIGAN DATA HUB NETWORK. PARTICIPATION OF THE DATA HUB REGIONS
15 AND THEIR DISTRICTS IS VOLUNTARY. THE AMOUNT OF FUNDS DISTRIBUTED TO EACH REGIONAL
16 DATA HUB WITHIN THE NETWORK SHALL BE DETERMINED BY THE CENTER, IN COLLABORATION WITH
17 THE NETWORK, AND BASED UPON DOCUMENTED NEED PROVIDED TO THE CENTER IN A FORM AND
18 MANNER DETERMINED BY THE CENTER. NOT WITHSTANDING SECTION 17B, PAYMENTS UNDER THIS
19 SUBSECTION SHALL BE MADE ON A SCHEDULE DETERMINED BY THE CENTER.

20 (4) REGIONAL DATA HUBS THAT RECEIVE FUNDING UNDER THIS SECTION SHALL HAVE A
21 GOVERNANCE MODEL THAT ENSURES LOCAL CONTROL OF DATA, DATA SECURITY, AND STUDENT
22 PRIVACY ISSUES. THE INTEGRATION OF DATA WITHIN EACH OF THE REGIONAL DATA HUBS SHALL
23 PROVIDE FOR THE ACTIONABLE USE OF DATA BY DISTRICTS AND INTERMEDIATE DISTRICTS THROUGH
24 COMMON REPORTS AND DASHBOARDS AND FOR EFFICIENTLY PROVIDING INFORMATION TO MEET STATE
25 AND FEDERAL REPORTING PURPOSES.

26 SEC. 22N. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT
27 NOT TO EXCEED \$22,000,000.00 FOR 2017-2018 FOR ADDITIONAL PAYMENTS TO DISTRICTS FOR THE

1 HIGHER INSTRUCTIONAL COSTS OF EDUCATING HIGH SCHOOL PUPILS.

2 (2) A DISTRICT IS ELIGIBLE FOR A PAYMENT UNDER THIS SECTION IF IT EDUCATES PUPILS
3 IN ONE OR MORE OF GRADES 9 TO 12.

4 (3) PAYMENTS TO EACH ELIGIBLE DISTRICT SHALL BE EQUAL TO \$50.00 MULTIPLIED BY THE
5 DISTRICT'S TOTAL PUPIL MEMBERSHIP IN GRADES 9 TO 12 AS CALCULATED UNDER SECTION 6 FOR
6 THE CURRENT FISCAL YEAR. IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO
7 FULLY FUND PAYMENTS UNDER THIS SUBSECTION, THE DEPARTMENT SHALL PRORATE PAYMENTS UNDER
8 THIS SECTION ON AN EQUAL PER-PUPIL BASIS.

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

13 (a) Enrolls only eligible pupils.

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

20 (c) Develops a written learning plan.

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

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

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

26 (g) The program may be operated on or off a district school campus, but may be
27 operated using distance learning online only if the program provides a computer and

1 Internet access for each eligible pupil participating in the program.

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

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

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

9 (3) As used in this section:

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

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

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

23 (d) "Satisfactory monthly progress" means an amount of progress that is
24 measurable on a monthly basis and that, if continued for a full 12 months, would
25 result in the same amount of academic credit being awarded to the pupil as would be
26 awarded to a general education pupil completing a full school year. Satisfactory
27 monthly progress may include a lesser required amount of progress for the first 2

1 months a pupil participates in the program.

2 (e) "Teacher of record" means a teacher who holds a valid Michigan teaching
3 certificate; who, if applicable, is endorsed in the subject area and grade of the
4 course; and is responsible for providing instruction, determining instructional
5 methods for each pupil, diagnosing learning needs, assessing pupil learning,
6 prescribing intervention strategies, reporting outcomes, and evaluating the effects of
7 instruction and support strategies.

8 (f) "Written learning plan" means a written plan developed in conjunction with
9 the advocate that includes the plan start and end dates, courses to be taken, credit
10 to be earned for each course, teacher of record for each course, and advocate name and
11 contact information.

12 **SEC. 23F. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2017-**
13 **2018 AN AMOUNT NOT TO EXCEED \$60,000,000.00 FOR STATE FOUNDATION ALLOWANCE PAYMENTS TO**
14 **DISTRICTS AS CALCULATED UNDER SECTION 20 FOR NONPUBLIC PART-TIME PUPILS ENROLLED IN**
15 **GRADES K TO 12 IN ACCORDANCE WITH SECTION 166B AND COUNTED IN MEMBERSHIP UNDER SECTION**
16 **6.**

17 **(2) IF NECESSARY, AND BEFORE ANY PRORATION REQUIRED UNDER SECTION 296, THE**
18 **DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SECTION BY REDUCING THE AMOUNT OF THE**
19 **PER-PUPIL PAYMENT UNDER THIS SECTION BY A DOLLAR AMOUNT CALCULATED BY DETERMINING THE**
20 **AMOUNT BY WHICH THE AMOUNT NECESSARY TO FULLY FUND THIS SECTION EXCEEDS THE MAXIMUM**
21 **AMOUNT ALLOCATED UNDER THIS SECTION AND THEN DIVIDING THAT AMOUNT BY THE TOTAL NUMBER**
22 **OF PUPILS ENROLLED IN ACCORDANCE WITH SECTION 166B AND COUNTED IN MEMBERSHIP IN UNDER**
23 **SECTION 6.**

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

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

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

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

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

26 (3) A district or intermediate district educating pupils described in this
27 section at a residential child caring institution may operate, and receive funding

1 under this section for, a department-approved on-grounds educational program for those
 2 pupils that is longer than 181 days, but not longer than 233 days, if the child caring
 3 institution was licensed as a child caring institution and offered in 1991-92 an on-
 4 grounds educational program that was longer than 181 days but not longer than 233 days
 5 and that was operated by a district or intermediate district.

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

8 Sec. 24a. From the appropriation in section 11, ~~there is allocated an amount not~~
 9 ~~to exceed \$1,301,000.00 for 2015-2016 and~~ there is allocated an amount not to exceed
 10 ~~\$1,328,100.00~~ **\$1,339,000.00** for ~~2016-2017~~ **2017-2018** for payments to intermediate
 11 districts for pupils who are placed in juvenile justice service facilities operated by
 12 the department of health and human services. Each intermediate district shall receive
 13 an amount equal to the state share of those costs that are clearly and directly
 14 attributable to the educational programs for pupils placed in facilities described in
 15 this section that are located within the intermediate district's boundaries. The
 16 intermediate districts receiving payments under this section shall cooperate with the
 17 department of health and human services to ensure that all funding allocated under
 18 this section is utilized by the intermediate district and department of health and
 19 human services for educational programs for pupils described in this section. Pupils
 20 described in this section are not eligible to be funded under section 24. However, a
 21 program responsibility or other fiscal responsibility associated with these pupils
 22 shall not be transferred from the department of health and human services to a
 23 district or intermediate district unless the district or intermediate district
 24 consents to the transfer.

25 Sec. 24c. From the appropriation in section 11, there is allocated an amount not
 26 to exceed ~~\$1,632,400.00~~ **\$1,528,400.00** for ~~2016-2017~~ **2017-2018** for payments to
 27 districts for pupils who are enrolled in a nationally administered community-based

1 education and youth mentoring program, known as the youth challenge program, that is
 2 administered by the department of military and veterans affairs. Both of the following
 3 apply to a district receiving payments under this section:

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

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

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

19 Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2016-~~
 20 ~~2017-2017-2018~~ an amount not to exceed \$4,405,100.00 for payments to districts,
 21 intermediate districts, and community college districts for the portion of the payment
 22 in lieu of taxes obligation that is attributable to districts, intermediate districts,
 23 and community college districts pursuant to section 2154 of the natural resources and
 24 environmental protection act, 1994 PA 451, MCL 324.2154.

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

1 Sec. 26c. (1) From the appropriation in section 11, there is allocated ~~an amount~~
2 ~~not to exceed \$278,000.00 for 2015-2016 and there is allocated~~ an amount not to exceed
3 ~~\$1,000,000.00~~ **\$1,500,000.00** for ~~2016-2017~~ **2017-2018** to the promise zone fund created
4 in subsection (3).

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

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

13 (a) The state treasurer shall direct the investment of the promise zone fund. The
14 state treasurer shall credit to the promise zone fund interest and earnings from fund
15 investments.

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

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

22 **(5) NOTWITHSTANDING SECTION 17B, PAYMENTS TO ELIGIBLE ENTITIES UNDER THIS**
23 **SUBSECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT.**

24 **SEC. 29. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT**
25 **NOT TO EXCEED \$7,000,000.00 FOR 2017-2018 FOR ADDITIONAL PAYMENTS TO ELIGIBLE**
26 **DISTRICTS FOR DECLINING ENROLLMENT ASSISTANCE.**

27 **(2) A DISTRICT IS ELIGIBLE FOR A PAYMENT UNDER THIS SECTION IF ALL OF THE**

1 FOLLOWING APPLY:

2 (A) THE DISTRICT'S PUPIL MEMBERSHIP FOR THE CURRENT FISCAL YEAR IS BOTH LESS THAN
3 THE DISTRICT'S PUPIL MEMBERSHIP FOR THE IMMEDIATELY PRECEDING FISCAL YEAR AND HAS
4 DECLINED FROM THE 2015-2016 FISCAL YEAR PUPIL MEMBERSHIP BY GREATER THAN 5%.

5 (B) THE DISTRICT'S AVERAGE PUPIL MEMBERSHIP, AS DEFINED IN THIS SECTION, IS
6 GREATER THAN THE DISTRICT'S PUPIL MEMBERSHIP FOR THE CURRENT FISCAL YEAR AS CALCULATED
7 UNDER SECTION 6.

8 (C) THE DISTRICT IS NOT ELIGIBLE TO RECEIVE FUNDING UNDER SECTION 6(4) (W) OR
9 22D(2).

10 (3) PAYMENTS TO EACH ELIGIBLE DISTRICT SHALL BE EQUAL TO THE DIFFERENCE BETWEEN
11 THE DISTRICT'S AVERAGE PUPIL MEMBERSHIP AND THE DISTRICT'S PUPIL MEMBERSHIP AS
12 CALCULATED UNDER SECTION 6 FOR THE CURRENT FISCAL YEAR MULTIPLIED BY AN AMOUNT PER
13 PUPIL EQUAL TO 33.3% OF THE SUM OF THE DISTRICT'S FOUNDATION ALLOWANCE CALCULATED
14 UNDER SECTION 20 PLUS THE AMOUNT OF THE DISTRICT'S PER PUPIL ALLOCATION UNDER SECTION
15 20M, NOT TO EXCEED THE BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 FOR THE CURRENT
16 STATE FISCAL YEAR. PAYMENTS ARE INTENDED TO BE FOR THE FIRST OF TWO YEARS. IF THE
17 TOTAL AMOUNT OF THE PAYMENTS CALCULATED UNDER THIS SUBSECTION EXCEEDS THE ALLOCATION
18 FOR THIS SECTION, THE PAYMENT TO EACH DISTRICT SHALL BE PRORATED ON AN EQUAL
19 PERCENTAGE BASIS.

20 (4) FOR THE PURPOSES OF THIS SECTION, "AVERAGE PUPIL MEMBERSHIP" MEANS THE
21 AVERAGE OF THE DISTRICT'S MEMBERSHIP FOR THE 2-FISCAL-YEAR PERIOD ENDING WITH THE
22 CURRENT FISCAL YEAR, CALCULATED BY ADDING THE DISTRICT'S ACTUAL MEMBERSHIP FOR EACH OF
23 THOSE 2 FISCAL YEARS, AS OTHERWISE CALCULATED UNDER SECTION 6, AND DIVIDING THE SUM OF
24 THOSE 2 MEMBERSHIP FIGURES BY 2.

25 Sec. 31a.(1) From the state school aid fund money appropriated in section 11,
26 there is allocated for ~~2016-2017~~ 2017-2018 an amount not to exceed ~~\$389,695,500.00~~
27 \$539,695,500.00 for payments to eligible districts, AND eligible public school

academies, ~~and the education achievement system~~ for the purposes of ensuring that pupils are proficient in ~~reading~~ **ENGLISH LANGUAGE ARTS** by the end of grade 3, **THAT PUPILS ARE PROFICIENT IN MATHEMATICS BY THE END OF GRADE 8, THAT PUPILS ARE ATTENDING SCHOOL REGULARLY,** and that high school graduates are career and college ready and for the purposes under subsections ~~(7) and (8).~~ **(8) AND (9).**

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

(2) ~~(3)~~ For a district or public school academy ~~that operates grades K to 3 or the education achievement system,~~ to be eligible to receive funding under this section, other than funding under subsection ~~(7)~~ **(8)** or ~~(8),~~ **(9),** the district or public school academy, ~~or the education achievement system,~~ must implement, for at least grades ~~K to 3~~ **K TO 8 OR ALL OF THE GRADES A DISTRICT OR PUBLIC SCHOOL ACADEMY OPERATES IF THE DISTRICT OR PUBLIC SCHOOL ACADEMY OPERATES LESS THAN GRADES K TO 8,** a multi-tiered system of supports that is an evidence-based model that uses data-driven problem solving to integrate academic and behavioral instruction and that uses intervention delivered to all pupils in varying intensities based on pupil needs. This multi-tiered system of supports must provide at least all of the following essential elements:

(a) Implements effective instruction for all learners.

(b) Intervenes early.

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

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

(ii) Targeted group interventions.

(iii) Intense individual interventions.

(d) Monitors pupil progress to inform instruction.

(e) Uses data to make instructional decisions.

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

(g) Engages families and the community.

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

(i) Implements instruction and intervention practices with fidelity.

(j) Uses a collaborative problem-solving model.

(3) (4) Except as otherwise provided in this subsection, an eligible district or eligible public school academy ~~or the education achievement system~~ shall receive under this section for each membership pupil in the district or public school academy ~~or the education achievement system who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769, and as reported to the department in the form and manner prescribed by the department~~ **WHO ARE DETERMINED TO BE ECONOMICALLY DISADVANTAGED AND REPORTED TO THE CENTER** not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year ~~and adjusted not later than December 31 of the immediately preceding fiscal year,~~ an amount per pupil equal to 11.5% of the ~~sum of the district's~~ **STATEWIDE WEIGHTED AVERAGE** foundation allowance ~~or the public school academy's or the education achievement system's per pupil amount calculated under section 20 plus the amount of the district's per pupil allocation under section 20m, not to exceed the basic foundation allowance under~~

~~section 20 for the current state fiscal year, or of the public school academy's or the education achievement system's per membership pupil amount calculated under section 20 for the current state fiscal year.~~ However, a public school academy that began operations as a public school academy,~~an achievement school that began operations as an achievement school, or a community district that first enrolls pupils,~~ after the pupil membership count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy,~~in the education achievement system, or in the community district who met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the~~ Richard B. Russell national school lunch act and as reported to the department **WHO ARE DETERMINED TO BE ECONOMICALLY DISADVANTAGED AND REPORTED TO THE CENTER** not later than the fifth Wednesday after the pupil membership count day of the current fiscal year and ~~adjusted not later than December 31 of the current fiscal year,~~ an amount per pupil equal to 11.5% of the ~~public school academy's, the education achievement system's, or the community district's per membership pupil amount calculated under section 20 for the current state fiscal year~~ **STATEWIDE WEIGHTED AVERAGE FOUNDATION ALLOWANCE.**

(4) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A DISTRICT OR PUBLIC SCHOOL ACADEMY RECEIVING FUNDS UNDER THIS SECTION SHALL USE THOSE FUNDS TO ENSURE THE FOLLOWING:

(A) THAT THE CHRONIC ABSENTEEISM RATE FOR ECONOMICALLY DISADVANTAGED PUPILS AND ENGLISH LANGUAGE LEARNERS IS NOT MORE THAN THE CHRONIC ABSENTEEISM RATE FOR NON-ECONOMICALLY DISADVANTAGED PUPILS IN THE DISTRICT OR PUBLIC SCHOOL ACADEMY, AS DEFINED AND CALCULATED BY THE CENTER.

(B) THAT THE PROPORTION OF ECONOMICALLY DISADVANTAGED PUPILS AND ENGLISH LANGUAGE LEARNERS IN THE BOTTOM 30% DOES NOT EXCEED THE PROPORTION OF NON-ECONOMICALLY DISADVANTAGED PUPILS IN THE BOTTOM 30% OF A DISTRICT'S PERFORMANCE ON THE ENGLISH

1 LANGUAGE ARTS STATE ASSESSMENT FOR THIRD GRADE, AS CALCULATED AND REPORTED BY THE
2 DEPARTMENT IN THE TOP 30-BOTTOM 30 ANALYSIS REPORT.

3 (C) THAT THE PROPORTION OF ECONOMICALLY DISADVANTAGED PUPILS AND ENGLISH LANGUAGE
4 LEARNERS IN THE BOTTOM 30% DOES NOT EXCEED THE PROPORTION OF NON-ECONOMICALLY
5 DISADVANTAGED PUPILS IN THE BOTTOM 30% OF A DISTRICT'S PERFORMANCE ON THE MATHEMATICS
6 STATE ASSESSMENT FOR EIGHTH GRADE, AS CALCULATED AND REPORTED BY THE DEPARTMENT IN THE
7 TOP 30-BOTTOM 30 ANALYSIS REPORT.

8 (D) THAT AT LEAST 65% OF PUPILS IN GRADES 9 TO 12 HAVE ENROLLED IN CTE
9 PROGRAMMING, ADVANCED PLACEMENT OR INTERNATIONAL BACCALAUREATE COURSES, OR EQUIVALENT
10 DUAL-ENROLLMENT COURSES WITH AN ACCREDITED POSTSECONDARY INSTITUTION AND THAT AT LEAST
11 80% OF THOSE PUPILS HAVE SUCCESSFULLY COMPLETED THE COURSES.

12 (5) Except as otherwise provided in this section, a district or public school
13 academy, ~~or the education achievement system,~~ receiving funding under this section
14 shall use that money only to provide instructional programs and direct
15 noninstructional services, including, but not limited to, medical, mental health, or
16 counseling services, for at-risk pupils; for school health clinics; and for the
17 purposes of subsection (6), (7), (8), or ~~(11)~~ (9). In addition, a district that is a
18 school district of the first class or a district or public school academy in which at
19 least 50% of the pupils in membership ~~met the income eligibility criteria for free~~
20 ~~breakfast, lunch, or milk~~ **WERE DETERMINED TO BE ECONOMICALLY DISADVANTAGED** in the
21 immediately preceding state fiscal year, as determined and reported as described in
22 ~~subsection (4), or the education achievement system if it meets this requirement,~~
23 **SUBSECTION (3)** may use not more than 20% of the funds it receives under this section
24 for school security. A district, ~~the~~ **OR** public school academy, ~~or the education~~
25 ~~achievement system~~ shall not use any of that money for administrative costs. The
26 instruction or direct noninstructional services provided under this section may be
27 conducted before or after regular school hours or by adding extra school days to the

1 school year.

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

7 (A) IMPLEMENTING THE MULTI-TIERED SYSTEM OF SUPPORTS REQUIRED IN SUBSECTION (2)
8 WITH FIDELITY AND UTILIZING THE DATA TO INFORM CURRICULUM AND INSTRUCTION.

9 (B) IMPROVING THE DISTRICT'S PERFORMANCE ON THE METRICS DESCRIBED IN SUBSECTION (4).

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

17 (8) ~~(7)~~ From the funds allocated under subsection (1), there is allocated for
18 ~~2016-2017~~ 2017-2018 an amount not to exceed \$5,557,300.00 to support child and
19 adolescent health centers. These grants shall be awarded for 5 consecutive years
20 beginning with 2003-2004 in a form and manner approved jointly by the department and
21 the department of health and human services. Each grant recipient shall remain in
22 compliance with the terms of the grant award or shall forfeit the grant award for the
23 duration of the 5-year period after the noncompliance. To continue to receive funding
24 for a child and adolescent health center under this section a grant recipient shall
25 ensure that the child and adolescent health center has an advisory committee and that
26 at least one-third of the members of the advisory committee are parents or legal
27 guardians of school-aged children. A child and adolescent health center program shall

1 recognize the role of a child's parents or legal guardian in the physical and
 2 emotional well-being of the child. Funding under this subsection shall be used to
 3 support child and adolescent health center services provided to children up to age 21.
 4 If any funds allocated under this subsection are not used for the purposes of this
 5 subsection for the fiscal year in which they are allocated, those unused funds shall
 6 be used that fiscal year to avoid or minimize any proration that would otherwise be
 7 required under subsection (12) for that fiscal year.

8 **(9) ~~(8)~~** From the funds allocated under subsection (1), there is allocated for
 9 ~~2016-2017~~ **2017-2018** an amount not to exceed \$5,150,000.00 for the state portion of the
 10 hearing and vision screenings as described in section 9301 of the public health code,
 11 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of
 12 the total cost of the screenings. The frequency of the screenings shall be as required
 13 under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan
 14 administrative code. Funds shall be awarded in a form and manner approved jointly by
 15 the department and the department of health and human services. Notwithstanding
 16 section 17b, payments to eligible entities under this subsection shall be paid on a
 17 schedule determined by the department.

18 **(10) ~~(9)~~** **THE DEPARTMENT SHALL CALCULATE AND PUBLISH THE TOP 30-BOTTOM 30 ANALYSIS**
 19 **REPORT ANNUALLY IN ORDER TO DETERMINE EACH DISTRICT'S PERFORMANCE IN THE METRICS**
 20 **DESCRIBED IN SUBDIVISIONS (4) (B) AND (4) (C). IN ADDITION, THE DEPARTMENT SHALL PUBLISH**
 21 **EACH DISTRICT'S PERFORMANCE FOR EACH OF THE METRICS DESCRIBED IN SUBSECTION (4) NO**
 22 **LATER THAN DECEMBER 30 OF EACH YEAR OR ONE MONTH AFTER FULLY AUDITED STATE ASSESSMENT**
 23 **DATA IS RECEIVED BY THE DEPARTMENT.**

24 **(11)** Each district or public school academy receiving funds under this section
 25 ~~and the education achievement system~~ shall submit to the department by July 15 of each
 26 fiscal year a report, ~~not to exceed 10 pages, on the usage by the district or public~~
 27 ~~school academy or the education achievement system of funds under this section,~~ **IN A**

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

18 (12) ~~(10)~~ In order to receive funds under this section, a district or public
 19 school academy ~~or the education achievement system~~ shall allow access for the
 20 department or the department's designee to audit all records related to the program
 21 for which it receives those funds. The district or public school academy ~~or the~~
 22 ~~education achievement system~~ shall reimburse the state for all disallowances found in
 23 the audit.

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

1 ~~plan.~~

2 (13) ~~(12)~~ If necessary, and before any proration required under section 296, the
3 department shall prorate payments under this section by reducing the amount of the per
4 pupil payment under this section by a dollar amount calculated by determining the
5 amount by which the amount necessary to fully fund the requirements of this section
6 exceeds the maximum amount allocated under this section and then dividing that amount
7 by the total statewide number of pupils ~~who met the income eligibility criteria for~~
8 ~~free breakfast, lunch, or milk~~ **WHO ARE DETERMINED TO BE ECONOMICALLY DISADVANTAGED** in
9 the immediately preceding fiscal year, as described in subsection ~~(4)~~ (3).

10 (14) ~~(13)~~ If a district is formed by consolidation after June 1, 1995, and if 1
11 ~~or more of the original districts were not eligible before the consolidation for an~~
12 ~~additional allowance under this section, the amount of the additional allowance under~~
13 ~~this section for the consolidated district shall be based on the number of pupils~~
14 ~~described in subsection (1) enrolled in the consolidated district who reside in the~~
15 ~~territory of an original district that was eligible before the consolidation for an~~
16 ~~additional allowance under this section. In addition, if~~ **IF** a district is dissolved
17 pursuant to section 12 of the revised school code, MCL 380.12, the intermediate
18 district to which the dissolved school district was constituent shall determine the
19 estimated number of pupils that ~~meet the income eligibility criteria for free~~
20 ~~breakfast, lunch, or milk,~~ **ARE ECONOMICALLY DISADVANTAGED** as described under
21 subsection ~~(4)~~-(3), **AND THAT ARE** enrolled in each of the other districts within the
22 intermediate district and provide that estimate to the department for the purposes of
23 distributing funds under this section within 60 days after the school district is
24 declared dissolved.

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

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

~~1 (b) Is a pregnant teenager or teenage parent.~~

~~2 (c) Has a family history of school failure, incarceration, or substance abuse.~~

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

~~6 (e) Is a pupil who is at risk of not meeting the district's core academic
7 curricular objectives in English language arts or mathematics, as demonstrated on
8 local assessments.~~

~~9 (f) The pupil is enrolled in a priority or priority successor school, as defined
10 in the elementary and secondary education act of 2001 flexibility waiver approved by
11 the United States Department of Education.~~

~~12 (g) In the absence of state or local assessment data, the pupil meets at least 2
13 of the following criteria, as documented in a form and manner approved by the
14 department:~~

~~15 (i) The pupil is eligible for free or reduced price breakfast, lunch, or milk.~~

~~16 (ii) The pupil is absent more than 10% of enrolled days or 10 school days during
17 the school year.~~

~~18 (iii) The pupil is homeless.~~

~~19 (iv) The pupil is a migrant.~~

~~20 (v) The pupil is an English language learner.~~

~~21 (vi) The pupil is an immigrant who has immigrated within the immediately
22 preceding 3 years.~~

~~23 (vii) The pupil did not complete high school in 4 years and is still continuing
24 in school as identified in the Michigan cohort graduation and dropout report.~~

~~25 (15) Beginning in 2018-2019, if a district, public school academy, or the
26 education achievement system does not demonstrate to the satisfaction of the
27 department that at least 50% of at-risk pupils are proficient in English language arts~~

1 ~~by the end of grade 3 as measured by the state assessment for the immediately~~
2 ~~preceding school year and demonstrate to the satisfaction of the department~~
3 ~~improvement over each of the 3 immediately preceding school years in the percentage of~~
4 ~~at-risk pupils that are career- and college-ready as determined by proficiency on the~~
5 ~~English language arts, mathematics, and science content area assessments on the grade~~
6 ~~11 summative assessment under section 1279g(2)(a) of the revised school code, MCL~~
7 ~~380.1279g, the district, public school academy, or education achievement system shall~~
8 ~~ensure all of the following:~~

9 ~~—— (a) The district, public school academy, or the education achievement system~~
10 ~~shall determine the proportion of total at-risk pupils that represents the number of~~
11 ~~pupils in grade 3 that are not proficient in English language arts by the end of grade~~
12 ~~3, and the district, public school academy, or the education achievement system shall~~
13 ~~expend that same proportion multiplied by 1/2 of its total at-risk funds under this~~
14 ~~section on tutoring and other methods of improving grade 3 English language arts~~
15 ~~proficiency.~~

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

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

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

(15) BEGINNING IN 2020-2021, IF A DISTRICT OR PUBLIC SCHOOL ACADEMY HAS NOT ACHIEVED ALL OF THE METRICS IN SUBSECTION (4) OR MADE SATISFACTORY PROGRESS AS DETERMINED BY THE STATE SUPERINTENDENT, THE STATE SUPERINTENDENT SHALL ASSIGN A TEAM OF PERSONS WITH EXPERTISE IN COMPREHENSIVE SCHOOL AND DISTRICT REFORM TO PARTNER WITH THE DISTRICT, THE INTERMEDIATE DISTRICT, COMMUNITY ORGANIZATIONS, LOCAL EMPLOYERS, EDUCATION ORGANIZATIONS AND POSTSECONDARY INSTITUTIONS AS DETERMINED BY THE STATE SUPERINTENDENT TO CONDUCT AN EVALUATION THAT SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

(A) REVIEW THE DISTRICT'S IMPLEMENTATION AND UTILIZATION OF ITS MULTI-TIERED SYSTEM OF SUPPORTS AND ENSURE IT IS BEING USED TO APPROPRIATELY INFORM INSTRUCTION OF AT-RISK PUPILS AND MAKE RECOMMENDATIONS FOR CHANGES.

(B) CONDUCT AN ACADEMIC PERFORMANCE AUDIT THAT INCLUDES RECOMMENDATIONS FOR CHANGES IF NECESSARY FOR AT LEAST THE FOLLOWING:

(I) A REVIEW OF THE DISTRICT AND BUILDING LEADERSHIP AND EDUCATOR CAPACITY TO SUBSTANTIALLY IMPROVE STUDENT OUTCOMES.

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

(C) A REVIEW OF THE DISTRICT'S USE OF FINANCIAL RESOURCES WITH RECOMMENDATIONS TO MORE EFFECTIVELY USE THOSE RESOURCES TO IMPROVE ACADEMIC ACHIEVEMENT FOR AT-RISK PUPILS.

(D) EVALUATION COSTS SHALL BE PAID FOR FROM THE FUNDS RECEIVED UNDER THIS SECTION ONLY AFTER AN AGREEMENT SPECIFYING THE ROLES AND RESPONSIBILITIES OF THE PARTNERS AND

1 ESTABLISHING 18-MONTH BENCHMARKS HAS BEEN SIGNED BY THE PARTNERS AND APPROVED BY THE
2 STATE SUPERINTENDENT.

3 (16) ~~(17)~~ A district or public school academy that receives funds under this
4 section ~~or the education achievement system~~ may use funds received under this section
5 to provide an anti-bullying or crisis intervention program.

6 (17) ~~(18)~~ The department shall collaborate with the department of health and
7 human services to prioritize assigning Pathways to Potential Success coaches to
8 elementary schools that have a high percentage of pupils in grades K to 3 who are not
9 ~~reading at grade level~~ PROFICIENT IN ENGLISH LANGUAGE ARTS, BASED UPON STATE
10 ASSESSMENTS FOR PUPILS IN THOSE GRADES.

11 (18) AS USED IN THIS SECTION:

12 (A) "AT-RISK PUPIL" MEANS A PUPIL THAT IS ECONOMICALLY DISADVANTAGED OR AN
13 ENGLISH LANGUAGE LEARNER FOR WHOM THE DISTRICT HAS DOCUMENTATION THAT THE PUPIL MEETS
14 ANY OF THE FOLLOWING CRITERIA:

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

19 (II) A PUPIL THAT DID NOT ACHIEVE PROFICIENCY ON THE MATHEMATICS STATE ASSESSMENT
20 FOR GRADE 8 OR IS AT-RISK OF NOT ACHIEVING PROFICIENCY, AS DETERMINED BY THE DISTRICT
21 OR PUBLIC SCHOOL ACADEMY USING DATA PROVIDED AS PART OF THE MULTI-TIERED SYSTEM OF
22 SUPPORTS DESCRIBED IN SUBSECTION (2).

23 (III) A PUPIL THAT ENGAGES IN CHRONIC ABSENTEEISM AS DEFINED AND REPORTED TO THE
24 CENTER.

25 (B) "CTE" MEANS CAREER AND TECHNICAL EDUCATION.

26 (C) "ECONOMICALLY DISADVANTAGED" MEANS PUPILS WHO HAVE BEEN DETERMINED ELIGIBLE
27 FOR FREE OR REDUCED-PRICE MEALS AS DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL

SCHOOL LUNCH ACT, 42 USC 1751 TO 1769, OR ARE IN HOUSEHOLDS RECEIVING SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM OR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES ASSISTANCE, OR ARE HOMELESS, MIGRANT, OR ARE IN FOSTER CARE, AS REPORTED TO THE CENTER.

(D) "ENGLISH LANGUAGE LEARNER" MEANS LIMITED ENGLISH PROFICIENT PUPILS WHO SPEAK A LANGUAGE OTHER THAN ENGLISH AS THEIR PRIMARY LANGUAGE AND HAVE DIFFICULTY SPEAKING, READING, WRITING, OR UNDERSTANDING ENGLISH AS REPORTED TO THE CENTER.

(E) "STATEWIDE WEIGHTED AVERAGE FOUNDATION ALLOWANCE" MEANS THE SUM OF EACH DISTRICT'S FOUNDATION ALLOWANCE MULTIPLIED BY THE NUMBER OF PUPILS IN MEMBERSHIP IN THAT DISTRICT, DIVIDED BY THE TOTAL NUMBER OF PUPILS IN MEMBERSHIP. FOR THE PURPOSES OF THIS CALCULATION, A DISTRICT'S FOUNDATION ALLOWANCE SHALL NOT EXCEED THE BASIC FOUNDATION ALLOWANCE UNDER SECTION 20 FOR THE CURRENT STATE FISCAL YEAR.

Sec. 31b. (1) From the appropriations in section 11, there is allocated an amount not to exceed ~~\$1,500,000.00~~ **\$3,000,000.00** for ~~2016-2017~~ **2017-2018** for grants to at-risk districts for implementing a ~~year-round~~ **BALANCED CALENDAR** instructional program for at least 1 of its schools.

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

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

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

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

(b) The board of the district has adopted a resolution stating that the district will implement for the first time ~~a year-round~~ **AN** instructional **BALANCED** calendar **PROGRAM** that will begin in ~~2017-2018~~ **2018-2019** for at least 1 school operated by the

1 district and committing to providing the year-round instructional calendar in each of
2 those schools for at least 3 school years.

3 (3) A district seeking a grant under this section shall apply to the department
4 in the form and manner prescribed by the department not later than December 1, ~~2016~~
5 **2017**. The department shall select districts for grants and make notification not later
6 than February 1, ~~2017~~ **2018**.

7 (4) The department shall award grants under this section on a competitive basis,
8 but shall give priority based solely on consideration of the following criteria:

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

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

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

14 (5) The amount of a grant under this section to any 1 district shall not exceed
15 \$750,000.00.

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

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

25 (8) For a district receiving a grant under this section, excessive heat is
26 considered to be a condition not within the control of school authorities for the
27 purpose of days or hours being counted as days or hours of pupil instruction under

1 section 101(4).

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

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

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

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

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

22 (5) From the federal funds appropriated in section 11, there is allocated for
23 ~~2016-2017~~ **2017-2018** all available federal funding, estimated at ~~\$510,000,000.00~~
24 **\$520,000,000.00** for the national school lunch program and all available federal
25 funding, estimated at \$3,200,000.00 for the emergency food assistance program.

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

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

Sec. 31f. (1) From the appropriations in section 11, ~~there is allocated an amount not to exceed \$2,500,000.00 for 2015-2016~~ there is allocated an amount not to exceed ~~\$2,500,000.00~~ **\$4,500,000.00** for ~~2016-2017~~ **2017-2018** for the purpose of making payments to districts to reimburse for the cost of providing breakfast.

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

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

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

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

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

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

Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to eligible intermediate districts and consortia of intermediate districts for great

1 start readiness programs an amount not to exceed \$243,600,000.00 for ~~2016-2017~~ **2017-**
2 **2018**. Funds allocated under this section for great start readiness programs shall be
3 used to provide part-day, school-day, or GSRP/head start blended comprehensive free
4 compensatory classroom programs designed to improve the readiness and subsequent
5 achievement of educationally disadvantaged children who meet the participant
6 eligibility and prioritization guidelines as defined by the department. For a child to
7 be eligible to participate in a program under this section, the child shall be at
8 least 4, but less than 5, years of age as of September 1 of the school year in which
9 the program is offered and shall meet those eligibility and prioritization guidelines.

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

18 (3) In addition to the allocation under subsection (1), from the general fund
19 money appropriated under section 11, there is allocated an amount not to exceed
20 \$300,000.00 for ~~2016-2017~~ **2017-2018** for a competitive grant to continue a longitudinal
21 evaluation of children who have participated in great start readiness programs.

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

26 (a) Participation in a collaborative recruitment and enrollment process to assure
27 that each child is enrolled in the program most appropriate to his or her needs and to

1 maximize the use of federal, state, and local funds.

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

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

7 (d) Physical and dental health and developmental screening services for all
8 program participants.

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

11 (f) Active and continuous involvement of the parents or guardians of the program
12 participants.

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

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

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

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

27 (5) An application for funding under this section shall provide for the

1 following, in a form and manner determined by the department:

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

3 (b) Except as otherwise provided in this subdivision, ensure that ~~ALL at least~~
4 ~~90% of the~~ children participating in an eligible great start readiness program for
5 whom the intermediate district is receiving funds under this section are children who
6 live with families with a household income that is equal to or less than 250% of the
7 federal poverty level. ~~If the intermediate district determines that all eligible~~
8 ~~children are being served and that there are no children on the waiting list under~~
9 ~~section 39(1)(d) who live with families with a household income that is equal to or~~
10 ~~less than 250% of the federal poverty level, the intermediate district may then enroll~~
11 ~~children who live with families with a household income that is equal to or less than~~
12 ~~300% of the federal poverty level.~~ The enrollment process shall consider income and
13 risk factors, such that children determined with higher need are enrolled before
14 children with lesser need. For purposes of this subdivision, all age-eligible children
15 served in foster care or who are experiencing homelessness or who have individualized
16 education plans recommending placement in an inclusive preschool setting shall be
17 considered to live with families with household income equal to or less than 250% of
18 the federal poverty level regardless of actual family income and shall be prioritized
19 for enrollment within the lowest quintile.

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

22 (i) Teachers possessing proper training. A lead teacher must have a valid
23 teaching certificate with an early childhood (ZA or ZS) endorsement or a bachelor's or
24 higher degree in child development or early childhood education with specialization in
25 preschool teaching. However, if an applicant demonstrates to the department that it is
26 unable to fully comply with this subparagraph after making reasonable efforts to
27 comply, teachers who have significant but incomplete training in early childhood

1 education or child development may be used if the applicant provides to the
2 department, and the department approves, a plan for each teacher to come into
3 compliance with the standards in this subparagraph. A teacher's compliance plan must
4 be completed within 2 years of the date of employment. Progress toward completion of
5 the compliance plan shall consist of at least 2 courses per calendar year.

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

18 (d) Include a program budget that contains only those costs that are not
19 reimbursed or reimbursable by federal funding, that are clearly and directly
20 attributable to the great start readiness program, and that would not be incurred if
21 the program were not being offered. Eligible costs include transportation costs. The
22 program budget shall indicate the extent to which these funds will supplement other
23 federal, state, local, or private funds. Funds received under this section shall not
24 be used to supplant any federal funds received by the applicant to serve children
25 eligible for a federally funded preschool program that has the capacity to serve those
26 children.

27 (6) For a grant recipient that enrolls pupils in a school-day program funded

1 under this section, each child enrolled in the school-day program shall be counted as
2 described in section 39 for purposes of determining the amount of the grant award.

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

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

12 (9) An intermediate district or consortium of intermediate districts may retain
13 for administrative services provided by the intermediate district or consortium of
14 intermediate districts an amount not to exceed 4% of the grant amount. Expenses
15 incurred by subrecipients engaged by the intermediate district or consortium of
16 intermediate districts for directly running portions of the program shall be
17 considered program costs or a contracted program fee for service.

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

21 (11) Each grant recipient shall enroll children identified under subsection
22 (5)(b) according to how far the child's household income is below 250% of the federal
23 poverty level by ranking each applicant child's household income from lowest to
24 highest and dividing the applicant children into quintiles based on how far the
25 child's household income is below 250% of the federal poverty level, and then
26 enrolling children in the quintile with the lowest household income before enrolling
27 children in the quintile with the next lowest household income ~~until slots are~~

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

14 (12) An intermediate district or consortium of intermediate districts receiving a
15 grant under this section shall allow parents of eligible children who are residents of
16 the intermediate district or within the consortium to choose a program operated by or
17 contracted with another intermediate district or consortium of intermediate districts
18 and shall enter into a written agreement regarding payment, in a manner prescribed by
19 the department.

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

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

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

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

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

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

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

15 (a) Ensure that a great start resource center or the department provides each
16 intermediate district or consortium receiving a grant under this section with the
17 contact information for each licensed child care center located in the service area of
18 the intermediate district or consortium by March 1 of each year.

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

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

1 (d) Not later than December 1 of each year, compile the results of the
2 information reported by each intermediate district or consortium under subsection (10)
3 and report to the legislature a list by intermediate district or consortium with the
4 number and percentage of each intermediate district's or consortium's total ~~slot~~
5 allocation allocated to community-based providers by provider type, including private
6 for-profit, private nonprofit, community college or university, head start grantee or
7 delegate, and district or intermediate district.

8 (16) A recipient of funds under this section shall report to the department in a
9 form and manner prescribed by the department the number of children participating in
10 the program who meet the income eligibility criteria under subsection (5)(b) and the
11 total number of children participating in the program. For children participating in
12 the program who meet the income eligibility criteria specified under subsection
13 (5)(b), a recipient shall also report whether or not a parent is available to provide
14 care based on employment status. For the purposes of this subsection, "employment
15 status" shall be defined by the department of health and human services in a manner
16 consistent with maximizing the amount of spending that may be claimed for temporary
17 assistance for needy families maintenance of effort purposes.

18 (17) As used in this section:

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

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

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

1 (18) An intermediate district or consortium of intermediate districts receiving
 2 funds under this section shall establish **AND CHARGE TUITION ACCORDING TO** a sliding
 3 scale of tuition rates based upon household income for children participating in an
 4 eligible great start readiness program who live with families with a household income
 5 that is more than 250% of the federal poverty level to be used by all of its
 6 providers, as approved by the department. ~~A grant recipient shall charge tuition~~
 7 ~~according to that sliding scale of tuition rates on a uniform basis for any child who~~
 8 ~~does not meet the income eligibility requirements under this section.~~

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

24 Sec. 32p. (1) From the ~~school aid fund~~ appropriation in section 11, there is
 25 allocated an amount not to exceed \$13,400,000.00 to intermediate districts for ~~2016-~~
 26 ~~2017~~ **2017-2018** for the purpose of providing early childhood funding to intermediate
 27 school districts to support the activities under subsection (2) and subsection (4),

1 and to provide early childhood programs for children from birth through age 8. The
2 funding provided to each intermediate district under this section shall be determined
3 by the distribution formula established by the department's office of great start to
4 provide equitable funding statewide. In order to receive funding under this section,
5 each intermediate district shall provide an application to the office of great start
6 not later than September 15 of the immediately preceding fiscal year indicating the
7 activities planned to be provided.

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

14 (a) Children born healthy.

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

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

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

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

25 (a) Physical health.

26 (b) Social-emotional health.

27 (c) Family supports and basic needs.

1 (d) Parent education.

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

4 (4) From the funds allocated in subsection (1), at least \$2,500,000.00 shall be
5 used for the purpose of providing home visits to at-risk children and their families.
6 The home visits shall be conducted as part of a locally coordinated, family-centered,
7 evidence-based, data-driven home visit strategic plan that is approved by the
8 department. The goals of the home visits funded under this subsection shall be to
9 improve school readiness using evidence-based methods, including ~~vocabulary~~
10 ~~development~~ **A FOCUS ON DEVELOPMENTALLY APPROPRIATE OUTCOMES FOR EARLY LITERACY**, to
11 reduce the number of pupils retained in grade level, and to reduce the number of
12 pupils requiring special education services. The department shall coordinate the goals
13 of the home visit strategic plans approved under this subsection with other state
14 agency home visit programs in a way that strengthens Michigan's home visiting
15 infrastructure and maximizes federal funds available for the purposes of at-risk
16 family home visits. The coordination among departments and agencies is intended to
17 avoid duplication of state services and spending, and should emphasize efficient
18 service delivery of home visiting programs.

19 (5) Not later than December 1 of each year, each intermediate district shall
20 provide a report to the department detailing the activities actually provided during
21 the immediately preceding school year and the families and children actually served.
22 At a minimum, the report shall include an evaluation of the services provided with
23 additional funding under subsection (4) for home visits, using the goals identified in
24 subsection (4) as the basis for the evaluation, including the degree to which school
25 readiness was improved, any change in the number of pupils retained at grade level,
26 and any change in the number of pupils receiving special education services. The
27 department shall compile and summarize these reports and submit its summary to the

1 house and senate appropriations subcommittees on school aid and to the house and
2 senate fiscal agencies not later than February 15 of each year.

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

10 Sec. 35. (1) The funds allocated under section 35a shall be used for programs to
11 ensure children are reading at grade level by the end of grade 3. The superintendent
12 shall designate staff or contracted employees funded under section 35a as critical
13 shortage. Programs funded under section 35a are intended to ensure that this state
14 will be in the top 10 most improved states in grade 4 reading proficiency by the 2019
15 National Assessment of Educational Progress (NAEP) and will be in the top 10 states
16 overall in grade 4 reading proficiency by 2025.

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

20 Sec. 35a. (1) ~~From the appropriations in section 11, there is allocated for 2015-~~
21 ~~2016 for the purposes of this section an amount not to exceed \$19,000,000.00 from the~~
22 ~~state school aid fund appropriation and an amount not to exceed \$1,500,000.00 from the~~
23 ~~general fund appropriation.~~ From the appropriations in section 11, there is allocated
24 for ~~2016-2017~~ **2017-2018** for the purposes of this section an amount not to exceed
25 ~~\$22,900,000.00 from the state school aid fund and an amount not to exceed~~
26 ~~\$1,000,000.00 from the general fund~~ **\$25,900,000.00.**

27 (2) From the allocations under subsection (1), there is allocated an amount not

1 to exceed \$950,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **2017-2018** for
2 professional development purposes under this subsection. ~~The 2016-2017 allocation~~
3 ~~represents the second of 2 years of funding for the purposes of this subsection.~~ All
4 of the following apply to funding under this subsection:

5 (a) The department shall award grants to districts to support professional
6 development for educators in a department-approved research-based training program
7 related to current state literacy standards for pupils in grades K to 3. The
8 professional development shall also include training in the use of screening and
9 diagnostic tools, progress monitoring, and intervention methods used to address
10 barriers to learning and delays in learning that are diagnosed through the use of
11 these tools. The department shall determine the amount of the grant awards.

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

15 ~~———— (c) The funds allocated under this subsection for 2015-2016 are a work project~~
16 ~~appropriation, and any unexpended funds for 2015-2016 are carried forward into 2016-~~
17 ~~2017. The purpose of the work project is to continue to implement the professional~~
18 ~~development training described in this subsection. The estimated completion date of~~
19 ~~the work project is September 30, 2017.~~

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

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

~~years of funding.~~ All of the following apply to grants under this subsection:

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

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

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

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

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

(iv) Comprehension - making meaning of text.

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

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

~~———— (e) The funds allocated under this subsection for 2016-2017 are a work project~~

~~appropriation, and any unexpended funds for 2016-2017 are carried forward into 2017-2018. The purpose of the work project is to continue to implement the professional development training described in this subsection. The estimated completion date of the work project is September 30, 2018.~~

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

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

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

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

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

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

(i) Each intermediate district shall be awarded grant funding to support the cost of 1 early literacy coach in an equal amount per early literacy coach, not to exceed

1 ~~\$37,500.00~~ **\$75,000.00.**

2 (ii) After distribution of the grant funding under subparagraph (i), the
3 department shall distribute the remainder of grant funding for additional early
4 literacy coaches in an amount not to exceed ~~\$37,500.00~~ **\$75,000.00** per early literacy
5 coach. The number of funded early literacy coaches for each intermediate district
6 shall be based on the percentage of the total statewide number of pupils in grades K
7 to 3 who meet the income eligibility standards for the federal free and reduced-price
8 lunch programs who are enrolled in districts in the intermediate district. For each
9 additional early literacy coach funded under this subparagraph, the department shall
10 not make an award to an intermediate district under this subparagraph in an amount
11 that is less than the amount necessary to pay 1/2 of the total cost of that additional
12 early literacy coach.

13 ~~———— (c) The funds allocated under this subsection for 2015-2016 are a work project~~
14 ~~appropriation, and any unexpended funds for 2015-2016 are carried forward into 2016-~~
15 ~~2017. The purpose of the work project is to continue to provide early literacy coaches~~
16 ~~as described in this subsection. The estimated completion date of the work project is~~
17 ~~September 30, 2017.~~

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

23 (5) From the allocations under subsection (1), there is allocated an amount not
24 to exceed ~~\$13,600,000.00 for 2015-2016 and an amount not to exceed \$17,500,000.00 for~~
25 ~~2016-2017~~ **2017-2018** to districts that provide additional instructional time to those
26 pupils in grades K to 3 who have been identified by using department-approved
27 screening and diagnostic tools as needing additional supports and interventions in

1 order to be reading at grade level by the end of grade 3. Additional instructional
2 time may be provided before, during, and after regular school hours or as part of a
3 year-round balanced school calendar. All of the following apply to funding under this
4 subsection:

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

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

12 (A) Implements effective instruction for all learners.

13 (B) Intervenes early.

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

18 (D) Monitors pupil progress to inform instruction.

19 (E) Uses data to make instructional decisions.

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

22 (G) Engages families and the community.

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

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

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

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

1 individual pupils in need of additional instructional time.

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

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

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

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

13 ~~———— (6) From the general fund money allocated in subsection (1), the department shall~~
14 ~~allocate the amount of \$1,000,000.00 each fiscal year for 2015-2016 and for 2016-2017~~
15 ~~to the Michigan Education Corps. All of the following apply to funding under this~~
16 ~~subsection:~~

17 ~~———— (a) By August 1 of the applicable fiscal year, the Michigan Education Corps shall~~
18 ~~provide a report concerning its use of the funding to the senate and house~~
19 ~~appropriations subcommittees on state school aid, the senate and house fiscal~~
20 ~~agencies, and the senate and house caucus policy offices on outcomes and performance~~
21 ~~measures of the Michigan Education Corps, including, but not limited to, the degree to~~
22 ~~which the Michigan Education Corps's replication of the Michigan Reading Corps program~~
23 ~~is demonstrating sufficient efficacy and impact. The report must include data~~
24 ~~pertaining to at least all of the following:~~

25 ~~———— (i) The current impact of the Michigan Reading Corps on this state in terms of~~
26 ~~numbers of children and programs receiving support. This portion of the report shall~~
27 ~~specify the number of children tutored, including dosage and completion, and the~~

~~demographics of those children.~~

~~—— (ii) Whether the assessments and interventions are implemented with fidelity.~~

~~This portion of the report shall include details on the total number of assessments and interventions completed and the range, median, mean, and standard deviation for all assessments.~~

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

~~—— (A) Growth rate by grade level, in comparison to targeted growth rate.~~

~~—— (B) Average linear growth rates.~~

~~—— (C) Exit rates.~~

~~—— (D) Percentage of children who exit who also meet or exceed spring benchmarks.~~

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

~~—— (b) If the department determines that the Michigan Education Corps has misused the funds allocated under this subsection, the Michigan Education Corps shall reimburse this state for the amount of state funding misused.~~

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

Sec. 39. (1) An eligible applicant receiving funds under section 32d shall submit an application, in a form and manner prescribed by the department, by a date specified by the department in the immediately preceding state fiscal year. The application shall include ~~a comprehensive needs assessment using aggregated data from the applicant's entire service area and a community collaboration plan that is endorsed by~~

~~the local great start collaborative and is part of the community's great start strategic plan that includes, but is not limited to, great start readiness program and head start providers, and shall identify all of the following:~~

(a) The estimated total number of children in the community who meet the criteria of section 32d ~~and how that calculation was made~~ **AS PROVIDED TO THE APPLICANT BY THE DEPARTMENT UTILIZING THE MOST RECENT AMERICAN COMMUNITY SURVEY POPULATION DATA AVAILABLE FOR 2017-2018 CALCULATIONS. BEGINNING IN 2018-2019, THE AMERICAN COMMUNITY SURVEY POPULATION DATA SHALL BE UPDATED AT LEAST ONCE EVERY THREE YEARS.**

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

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

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

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

~~———— (3) The number of prekindergarten children construed to be in need of special readiness assistance under section 32d shall be calculated for each applicant in the~~

~~following manner: 1/2 of the percentage of the applicant's pupils in grades 1 to 5 in all districts served by the applicant who are eligible for free lunch, as determined using the district's pupil membership count as of the pupil membership count day in the school year prior to the fiscal year for which the calculation is made, under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769i, shall be multiplied by the average kindergarten enrollment of the districts served by the applicant on the pupil membership count day of the 2 immediately preceding fiscal years. Each child construed to be in need constitutes 1 slot.~~

~~(3) (4) The initial allocation for each fiscal year to each eligible applicant under section 32d shall be determined by multiplying the number of slots determined by the formula under subsection (3) or the number of slots the applicant indicates it will be able to fill under subsection (1)(c), whichever is less, by \$3,625.00 and shall be distributed among applicants in decreasing order of concentration of eligible children as determined by the formula under subsection (3). If the number of slots an applicant indicates it will be able to fill under subsection (1)(c) includes children able to be served in a school day program, then the number of slots for a school day program shall be doubled for the purposes of making this calculation. A district may contract with a head start agency to serve children enrolled in head start with a school day program by blending head start funds with a part day great start readiness program allocation. All head start and great start readiness program policies and regulations apply to the blended program.~~ **THE LESSER OF THE FOLLOWING:**

(A) THE SUM OF THE NUMBER OF CHILDREN SERVED IN A SCHOOL-DAY PROGRAM IN THE PRECEDING YEAR MULTIPLIED BY \$7,250.00 PER CHILD AND THE NUMBER OF CHILDREN SERVED IN A GSRP/HEAD START BLENDED PROGRAM OR A PART-DAY PROGRAM IN THE PRECEDING YEAR MULTIPLIED BY \$3,625.00 PER CHILD.

(B) THE SUM OF THE NUMBER OF CHILDREN THE APPLICANT HAS THE CAPACITY TO SERVE IN 2017-18 IN A SCHOOL-DAY PROGRAM MULTIPLIED BY \$7,250.00 PER CHILD AND THE NUMBER OF

1 CHILDREN SERVED IN A GSRP/HEAD START BLENDED PROGRAM OR A PART-DAY PROGRAM THE
 2 APPLICANT HAS THE CAPACITY TO SERVE IN 2017-18 YEAR MULTIPLIED BY \$3,625.00 PER CHILD.

3 (C) FOR THE PURPOSES OF THIS SUBSECTION, "SCHOOL-DAY PROGRAM", "GSRP/HEAD START
 4 BLENDED PROGRAM" AND "PART-DAY PROGRAM" MEAN THE SAME AS THOSE TERMS ARE DEFINED IN
 5 SECTION 32D(17) .

6 ~~———— (5) If funds allocated for eligible applicants under section 32d remain after the~~
 7 ~~initial allocation under subsection (4), the allocation under this subsection shall be~~
 8 ~~distributed to each eligible applicant under section 32d in decreasing order of~~
 9 ~~concentration of eligible children as determined by the formula under subsection (3).~~
 10 ~~The allocation shall be determined by multiplying the number of slots in each district~~
 11 ~~within the applicant's service area filled in the immediately preceding fiscal year or~~
 12 ~~the number of slots the applicant indicates it will be able to fill under subsection~~
 13 ~~(1)(c), whichever is less, minus the number of slots for which the applicant received~~
 14 ~~funding in subsection (4) by \$3,625.00.~~

15 (4) A PERCENTAGE OF CHILDREN SERVED BY EACH INTERMEDIATE DISTRICT OR CONSORTIA OF
 16 INTERMEDIATE DISTRICTS SHALL BE DETERMINED BY DIVIDING THE NUMBER OF CHILDREN SERVED
 17 IN THE IMMEDIATELY PRECEDING YEAR BY THE TOTAL NUMBER OF CHILDREN WITHIN THE
 18 INTERMEDIATE DISTRICT OR CONSORTIA OF INTERMEDIATE DISTRICTS WHO MEET THE CRITERIA OF
 19 SECTION 32D AS DETERMINED BY THE DEPARTMENT UTILIZING THE MOST RECENT AMERICAN
 20 COMMUNITY SURVEY POPULATION DATA FOR THE 2017-2018 PROGRAM YEAR. THE RESULTING
 21 PERCENTAGE OF ELIGIBLE CHILDREN SERVED SHALL BE COMPARED TO A STATEWIDE PERCENTAGE
 22 BENCHMARK, TO DETERMINE IF THE INTERMEDIATE DISTRICT IS ELIGIBLE FOR ADDITIONAL FUNDS.
 23 FOR 2017-2018, THE STATEWIDE PERCENTAGE BENCHMARK IS 60 PERCENT.

24 (5) ~~(6)~~ If funds allocated for eligible applicants under section 32d remain after
 25 the INITIAL allocations under subsections (4) and (5) remaining funds shall be
 26 distributed to each eligible applicant under section 32d in decreasing order of
 27 concentration of eligible children as determined by the formula under subsection (3).

~~If the number of slots the applicant indicates it will be able to fill under subsection (1)(c) exceeds the number of slots for which funds have been received under subsections (4) and (5), the allocation under this subsection shall be determined by multiplying the number of slots the applicant indicates it will be able to fill under subsection (1)(c) less the number of slots for which funds have been received under subsections (4) and (5) by \$3,625.00 until the funds allocated for eligible applicants in section 32d are distributed.~~ **SUBSECTION (3), THE ALLOCATION UNDER THIS SUBSECTION SHALL DISTRIBUTE REMAINING FUNDS TO EACH INTERMEDIATE DISTRICT OR CONSORTIA OF INTERMEDIATE DISTRICTS SERVING LESS THAN STATE PERCENTAGE BENCHMARK AS DETERMINED IN SUBSECTION (4). REMAINING FUNDS SHALL BE DISTRIBUTED TO EACH ELIGIBLE APPLICANT BASED UPON EACH APPLICANT'S PROPORTIONATE SHARE OF THE REMAINING UNSERVED CHILDREN NECESSARY TO MEET THE STATEWIDE PERCENTAGE BENCHMARK IN INTERMEDIATE DISTRICTS OR CONSORTIA OF INTERMEDIATE DISTRICTS SERVING LESS THAN THE STATE PERCENTAGE BENCHMARK. WHEN ALL APPLICANTS HAVE BEEN GIVEN THE OPPORTUNITY TO REACH THE STATEWIDE PERCENTAGE BENCHMARK, THE STATEWIDE PERCENTAGE BENCHMARK MAY BE RESET, AS DETERMINED BY THE DEPARTMENT, UNTIL GREATER EQUITY OF OPPORTUNITY TO SERVE ELIGIBLE CHILDREN ACROSS ALL INTERMEDIATE SCHOOL DISTRICTS HAS BEEN ACHIEVED.**

(6) ~~(7)~~ If, taking into account the total amount to be allocated to the applicant as calculated under this section, an applicant determines that it is able to include additional eligible children in the great start readiness program without additional funds under section 32d, the applicant may include additional eligible children but shall not receive additional funding under section 32d for those children.

(7) THE DEPARTMENT SHALL REVIEW THE PROGRAM COMPONENTS UNDER SECTION 32D AND UNDER THIS SECTION AT LEAST BIENNIALY. THE DEPARTMENT SHALL ALSO CONVENE A COMMITTEE OF INTERNAL AND EXTERNAL STAKEHOLDERS NOT LESS THAN ONCE EVERY 5 YEARS TO ENSURE THAT THE FUNDING STRUCTURE UNDER THIS SECTION REFLECTS CURRENT SYSTEM NEEDS UNDER SECTION 32D.

1 Sec. 39a. (1) From the federal funds appropriated in section 11, there is
 2 allocated for ~~2016-2017~~ **2017-2018** to districts, intermediate districts, and other
 3 eligible entities all available federal funding, estimated at ~~\$821,939,900.00~~
 4 **\$731,600,000.00** for the federal programs under the no child left behind act of 2001,
 5 Public Law 107-110, or the every student succeeds act, Public Law 114-95. These funds
 6 are allocated as follows:

7 (a) An amount estimated at ~~\$2,000,000.00~~ **\$1,200,000.00** to provide students with
 8 drug- and violence-prevention programs and to implement strategies to improve school
 9 safety, funded from DED-OESE, drug-free schools and communities funds.

10 (b) An amount estimated at ~~\$111,111,900.00~~ **\$100,000,000.00** for the purpose of
 11 preparing, training, and recruiting high-quality teachers and class size reduction,
 12 funded from DED-OESE, improving teacher quality funds.

13 (c) An amount estimated at ~~\$12,200,000.00~~ **\$11,000,000.00** for programs to teach
 14 English to limited English proficient (LEP) children, funded from DED-OESE, language
 15 acquisition state grant funds.

16 ~~(d) An amount estimated at \$250,000.00 for the Michigan charter school subgrant~~
 17 ~~program, funded from DED-OESE, charter school funds.~~

18 **(D)** ~~(e)~~ An amount estimated at ~~\$3,000,000.00~~ **\$2,800,000.00** for rural and low
 19 income schools, funded from DED-OESE, rural and low income school funds.

20 **(E)** ~~(f)~~ An amount estimated at ~~\$565,000,000.00~~ **\$535,000,000.00** to provide
 21 supplemental programs to enable educationally disadvantaged children to meet
 22 challenging academic standards, funded from DED-OESE, title I, disadvantaged children
 23 funds.

24 **(F)** ~~(g)~~ An amount estimated at ~~\$8,878,000.00~~ **\$9,200,000.00** for the purpose of
 25 identifying and serving migrant children, funded from DED-OESE, title I, migrant
 26 education funds.

27 **(G)** ~~(h)~~ An amount estimated at \$39,000,000.00 for the purpose of providing high-

1 quality extended learning opportunities, after school and during the summer, for
 2 children in low-performing schools, funded from DED-OESE, twenty-first century
 3 community learning center funds.

4 (H) ~~(i)~~ An amount estimated at ~~\$24,600,000.00~~ **\$18,000,000.00** to help support
 5 local school improvement efforts, funded from DED-OESE, title I, local school
 6 improvement grants.

7 (I) ~~(j)~~ An amount estimated at ~~\$55,900,000.00~~ **\$15,400,000.00** to improve the
 8 academic achievement of students, funded from DED-OESE, title IV, student support and
 9 academic enrichment grants.

10 (2) From the federal funds appropriated in section 11, there is allocated for
 11 ~~2016-2017~~ **2017-2018** to districts, intermediate districts, and other eligible entities
 12 all available federal funding, estimated at ~~\$30,800,000.00~~ **\$30,000,000.00** for the
 13 following programs that are funded by federal grants:

14 (a) An amount estimated at ~~\$200,000.00~~ **\$100,000.00** for acquired immunodeficiency
 15 syndrome education grants, funded from HHS - Centers for Disease Control and
 16 Prevention, AIDS funding.

17 (b) An amount estimated at ~~\$2,600,000.00~~ **\$1,900,000.00** to provide services to
 18 homeless children and youth, funded from DED-OVAE, homeless children and youth funds.

19 (c) An amount estimated at \$4,000,000.00 to provide mental health, substance
 20 abuse, or violence prevention services to students, funded from HHS-SAMHSA.

21 (d) An amount estimated at \$24,000,000.00 for providing career and technical
 22 education services to pupils, funded from DED-OVAE, basic grants to states.

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

1 determined by the department.

2 (4) For the purposes of applying for federal grants appropriated under this
3 article, the department shall allow an intermediate district to submit a consortium
4 application on behalf of 2 or more districts with the agreement of those districts as
5 appropriate according to federal rules and guidelines.

6 (5) For the purposes of funding federal title I grants under this article, in
7 addition to any other federal grants for which a strict discipline academy is
8 eligible, the department shall allocate to strict discipline academies out of title I,
9 part A funds equal to what a strict discipline academy would have received if included
10 and calculated under title I, part D, or what it would receive under the formula
11 allocation under title I, part A, whichever is greater.

12 (6) As used in this section:

13 (a) "DED" means the United States Department of Education.

14 (b) "DED-OESE" means the DED Office of Elementary and Secondary Education.

15 (c) "DED-OVAE" means the DED Office of Vocational and Adult Education.

16 (d) "HHS" means the United States Department of Health and Human Services.

17 (e) "HHS-SAMHSA" means the HHS Substance Abuse and Mental Health Services
18 Administration.

19 Sec. 41. From the appropriation in section 11, there is allocated an amount not
20 to exceed \$1,200,000.00 for ~~2016-2017~~ **2017-2018** to applicant districts and
21 intermediate districts offering programs of instruction for pupils of limited English-
22 speaking ability under section 1153 of the revised school code, MCL 380.1153.
23 Reimbursement shall be on a per-pupil basis and shall be based on the number of pupils
24 of limited English-speaking ability in membership on the pupil membership count day.
25 Funds allocated under this section shall be used solely for instruction in speaking,
26 reading, writing, or comprehension of English. A pupil shall not be counted under this
27 section or instructed in a program under this section for more than 3 years.

1 Sec. 51a. (1) From the appropriation in section 11, there is allocated an amount
2 not to exceed ~~\$945,246,100.00 for 2015-2016 and an amount not to exceed~~
3 ~~\$973,046,100.00~~ **\$963,146,100.00** for ~~2016-2017~~ **2017-2018** from state sources and all
4 available federal funding under sections 611 to 619 of part B of the individuals with
5 disabilities education act, 20 USC 1411 to 1419, estimated at \$370,000,000.00 ~~each~~
6 ~~fiscal year for 2015-2016 and for 2016-2017~~ **2017-2018**, plus any carryover federal
7 funds from previous year appropriations. The allocations under this subsection are for
8 the purpose of reimbursing districts and intermediate districts for special education
9 programs, services, and special education personnel as prescribed in article 3 of the
10 revised school code, MCL 380.1701 to 380.1766; net tuition payments made by
11 intermediate districts to the Michigan schools for the deaf and blind; and special
12 education programs and services for pupils who are eligible for special education
13 programs and services according to statute or rule. For meeting the costs of special
14 education programs and services not reimbursed under this article, a district or
15 intermediate district may use money in general funds or special education funds, not
16 otherwise restricted, or contributions from districts to intermediate districts,
17 tuition payments, gifts and contributions from individuals or other entities, or
18 federal funds that may be available for this purpose, as determined by the
19 intermediate district plan prepared pursuant to article 3 of the revised school code,
20 MCL 380.1701 to 380.1766. Notwithstanding section 17b, payments of federal funds to
21 districts, intermediate districts, and other eligible entities under this section
22 shall be paid on a schedule determined by the department.

23 (2) From the funds allocated under subsection (1), there is allocated the amount
24 necessary, estimated at ~~\$263,500,000.00 for 2015-2016 and estimated at \$271,600,000.00~~
25 **\$266,000,000.00** for ~~2016-2017~~ **2017-2018**, for payments toward reimbursing districts and
26 intermediate districts for 28.6138% of total approved costs of special education,
27 excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of

1 special education transportation. Allocations under this subsection shall be made as
2 follows:

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

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

24 (3) From the funds allocated under subsection (1), there is allocated ~~for 2015-~~
25 ~~2016 an amount not to exceed \$1,000,000.00 and there is allocated for 2016-2017~~ **2017-**
26 **2018** an amount not to exceed ~~\$1,100,000.00~~ **\$1,000,000.00** to make payments to districts
27 and intermediate districts under this subsection. If the amount allocated to a

1 district or intermediate district for a fiscal year under subsection (2)(b) is less
2 than the sum of the amounts allocated to the district or intermediate district for
3 1996-97 under sections 52 and 58, there is allocated to the district or intermediate
4 district for the fiscal year an amount equal to that difference, adjusted by applying
5 the same proration factor that was used in the distribution of funds under section 52
6 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of
7 special education used in calculations for the fiscal year. This adjustment is to
8 reflect reductions in special education program operations or services between 1996-97
9 and subsequent fiscal years. Adjustments for reductions in special education program
10 operations or services shall be made in a manner determined by the department and
11 shall include adjustments for program or service shifts.

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

27 (5) State funds shall be allocated on a total approved cost basis. Federal funds

1 shall be allocated under applicable federal requirements, except that an amount not to
2 exceed \$3,500,000.00 may be allocated by the department ~~each fiscal year for 2015-2016~~
3 ~~and for 2016-2017~~ **2017-2018** to districts, intermediate districts, or other eligible
4 entities on a competitive grant basis for programs, equipment, and services that the
5 department determines to be designed to benefit or improve special education on a
6 statewide scale.

7 (6) From the amount allocated in subsection (1), there is allocated an amount not
8 to exceed \$2,200,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **2017-2018** to
9 reimburse 100% of the net increase in necessary costs incurred by a district or
10 intermediate district in implementing the revisions in the administrative rules for
11 special education that became effective on July 1, 1987. As used in this subsection,
12 "net increase in necessary costs" means the necessary additional costs incurred solely
13 because of new or revised requirements in the administrative rules minus cost savings
14 permitted in implementing the revised rules. Net increase in necessary costs shall be
15 determined in a manner specified by the department.

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

17 (a) "Total approved costs of special education" shall be determined in a manner
18 specified by the department and may include indirect costs, but shall not exceed 115%
19 of approved direct costs for section 52 and section 53a programs. The total approved
20 costs include salary and other compensation for all approved special education
21 personnel for the program, including payments for social security and Medicare and
22 public school employee retirement system contributions. The total approved costs do
23 not include salaries or other compensation paid to administrative personnel who are
24 not special education personnel as defined in section 6 of the revised school code,
25 MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included
26 in the allocation made under this article, are not included. Special education
27 approved personnel not utilized full time in the evaluation of students or in the

1 delivery of special education programs, ancillary, and other related services shall be
2 reimbursed under this section only for that portion of time actually spent providing
3 these programs and services, with the exception of special education programs and
4 services provided to youth placed in child caring institutions or juvenile detention
5 programs approved by the department to provide an on-grounds education program.

6 (b) Beginning with the 2004-2005 fiscal year, a district or intermediate district
7 that employed special education support services staff to provide special education
8 support services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year
9 after 2003-2004 receives the same type of support services from another district or
10 intermediate district shall report the cost of those support services for special
11 education reimbursement purposes under this article. This subdivision does not
12 prohibit the transfer of special education classroom teachers and special education
13 classroom aides if the pupils counted in membership associated with those special
14 education classroom teachers and special education classroom aides are transferred and
15 counted in membership in the other district or intermediate district in conjunction
16 with the transfer of those teachers and aides.

17 (c) If the department determines before bookclosing for a fiscal year that the
18 amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and
19 sections 53a, 54, and 56 will exceed expenditures for that fiscal year under
20 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district
21 or intermediate district whose reimbursement for that fiscal year would otherwise be
22 affected by subdivision (b), subdivision (b) does not apply to the calculation of the
23 reimbursement for that district or intermediate district and reimbursement for that
24 district or intermediate district shall be calculated in the same manner as it was for
25 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6),
26 and (11) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation
27 of reimbursement to those districts and intermediate districts under this subdivision,

1 then the calculations and resulting reimbursement under this subdivision shall be
2 prorated on an equal percentage basis. Beginning in 2015-2016, the amount of
3 reimbursement under this subdivision for a fiscal year shall not exceed \$2,000,000.00
4 for any district or intermediate district.

5 (d) Reimbursement for ancillary and other related services, as defined by R
6 340.1701c of the Michigan Administrative Code, shall not be provided when those
7 services are covered by and available through private group health insurance carriers
8 or federal reimbursed program sources unless the department and district or
9 intermediate district agree otherwise and that agreement is approved by the state
10 budget director. Expenses, other than the incidental expense of filing, shall not be
11 borne by the parent. In addition, the filing of claims shall not delay the education
12 of a pupil. A district or intermediate district shall be responsible for payment of a
13 deductible amount and for an advance payment required until the time a claim is paid.

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

25 (8) A pupil who is enrolled in a full-time special education program conducted or
26 administered by an intermediate district or a pupil who is enrolled in the Michigan
27 schools for the deaf and blind shall not be included in the membership count of a

1 district, but shall be counted in membership in the intermediate district of
2 residence.

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

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

12 (11) From the funds allocated in subsection (1), there is allocated the amount
13 necessary, estimated at ~~\$3,800,000.00 for 2015-2016 and estimated at \$3,700,000.00~~
14 **\$3,600,000.00 for 2016-2017 2017-2018**, to pay the foundation allowances for pupils
15 described in this subsection. The allocation to a district under this subsection shall
16 be calculated by multiplying the number of pupils described in this subsection who are
17 counted in membership in the district times the sum of the foundation allowance under
18 section 20 of the pupil's district of residence plus the amount of the district's per-
19 pupil allocation under section 20m, not to exceed the basic foundation allowance under
20 section 20 for the current fiscal year, or, for a pupil described in this subsection
21 who is counted in membership in a district that is a public school academy, times an
22 amount equal to the amount per membership pupil under section 20(6) ~~or, for a pupil~~
23 ~~described in this subsection who is counted in membership in the education achievement~~
24 ~~system, times an amount equal to the amount per membership pupil under section 20(7).~~
25 The allocation to an intermediate district under this subsection shall be calculated
26 in the same manner as for a district, using the foundation allowance under section 20
27 of the pupil's district of residence, not to exceed the basic foundation allowance

1 under section 20 for the current fiscal year, and that district's per-pupil allocation
2 under section 20m. This subsection applies to all of the following pupils:

3 (a) Pupils described in section 53a.

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

7 (c) Pupils with an emotional impairment counted in membership by an intermediate
8 district and provided educational services by the department of health and human
9 services.

10 (12) If it is determined that funds allocated under subsection (2) or (11) or
11 under section 51c will not be expended, funds up to the amount necessary and available
12 may be used to supplement the allocations under subsection (2) or (11) or under
13 section 51c in order to fully fund those allocations. After payments under subsections
14 (2) and (11) and section 51c, the remaining expenditures from the allocation in
15 subsection (1) shall be made in the following order:

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

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

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

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

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

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

24 (14) If a public school academy enrolls pursuant to this section a pupil who
25 resides outside of the intermediate district in which the public school academy is
26 located and who is eligible for special education programs and services according to
27 statute or rule, or who is a child with disabilities, as defined under the individuals

1 with disabilities education act, Public Law 108-446, the provision of special
2 education programs and services and the payment of the added costs of special
3 education programs and services for the pupil are the responsibility of the district
4 and intermediate district in which the pupil resides unless the enrolling district or
5 intermediate district has a written agreement with the district or intermediate
6 district in which the pupil resides or the public school academy for the purpose of
7 providing the pupil with a free appropriate public education and the written agreement
8 includes at least an agreement on the responsibility for the payment of the added
9 costs of special education programs and services for the pupil.

10 (15) Beginning in 2016-2017, a district, public school academy, or intermediate
11 district that fails to comply with subsection (14) or with the requirements of federal
12 regulations regarding the treatment of public school academies and public school
13 academy pupils for the purposes of special education, 34 CFR 300.209, forfeits from
14 its total state aid an amount equal to 10% of its total state aid.

15 (16) For the purposes of this section, the department or the center shall only
16 require a district or intermediate district to report information that is not already
17 available from the financial information database maintained by the center.

18 Sec. 51c. As required by the court in the consolidated cases known as Durant v
19 State of Michigan, Michigan supreme court docket no. 104458-104492, from the
20 allocation under section 51a(1), there is allocated ~~each fiscal year for 2015-2016 and~~
21 ~~for 2016-2017~~ the amount necessary, estimated at ~~\$624,800,000.00 for 2015-2016 and~~
22 ~~estimated at \$644,500,000.00~~ **\$640,400,000.00** for ~~2016-2017~~ **2017-2018**, for payments to
23 reimburse districts for 28.6138% of total approved costs of special education
24 excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of
25 special education transportation. Funds allocated under this section that are not
26 expended in the state fiscal year for which they were allocated, as determined by the
27 department, may be used to supplement the allocations under sections 22a and 22b in

1 order to fully fund those calculated allocations for the same fiscal year.

2 Sec. 51d. (1) From the federal funds appropriated in section 11, there is
3 allocated for ~~2016-2017~~ **2017-2018**, all available federal funding, estimated at
4 ~~\$71,000,000.00~~ **\$61,000,000.00**, for special education programs and services that are
5 funded by federal grants. All federal funds allocated under this section shall be
6 distributed in accordance with federal law. Notwithstanding section 17b, payments of
7 federal funds to districts, intermediate districts, and other eligible entities under
8 this section shall be paid on a schedule determined by the department.

9 (2) From the federal funds allocated under subsection (1), the following amounts
10 are allocated for ~~2016-2017~~ **2017-2018**:

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

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

15 (c) An amount estimated at ~~\$45,000,000.00~~ **\$35,000,000.00** for special education
16 programs funded by DED-OSERS, handicapped program, individuals with disabilities act
17 funds.

18 (3) As used in this section, "DED-OSERS" means the United States Department of
19 Education Office of Special Education and Rehabilitative Services.

20 Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2)
21 shall be 100% of the total approved costs of operating special education programs and
22 services approved by the department and included in the intermediate district plan
23 adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766,
24 minus the district's foundation allowance calculated under section 20 and minus the
25 district's per-pupil allocation under section 20m. For intermediate districts,
26 reimbursement for pupils described in subsection (2) shall be calculated in the same
27 manner as for a district, using the foundation allowance under section 20 of the

1 pupil's district of residence, not to exceed the basic foundation allowance under
2 section 20 for the current fiscal year, and that district's per-pupil allocation under
3 section 20m.

4 (2) Reimbursement under subsection (1) is for the following special education
5 pupils:

6 (a) Pupils assigned to a district or intermediate district through the community
7 placement program of the courts or a state agency, if the pupil was a resident of
8 another intermediate district at the time the pupil came under the jurisdiction of the
9 court or a state agency.

10 (b) Pupils who are residents of institutions operated by the department of health
11 and human services.

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

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

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

22 (3) Only those costs that are clearly and directly attributable to educational
23 programs for pupils described in subsection (2), and that would not have been incurred
24 if the pupils were not being educated in a district or intermediate district, are
25 reimbursable under this section.

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

(5) Not more than \$10,500,000.00 of the allocation for ~~2016-2017~~ **2017-2018** in section 51a(1) shall be allocated under this section.

Sec. 54. Each intermediate district shall receive an amount per-pupil for each pupil in attendance at the Michigan schools for the deaf and blind. The amount shall be proportionate to the total instructional cost at each school. Not more than \$1,688,000.00 of the allocation for ~~2016-2017~~ **2017-2018** in section 51a(1) shall be allocated under this section.

Sec. 54b. (1) From the ~~general fund~~ appropriation in section 11, there is allocated an amount not to exceed ~~\$1,125,000.00~~ **\$1,600,000.00** for ~~2016-2017~~ **2017-2018** to ~~begin~~ **CONTINUE THE** implementation of the recommendations of the special education reform task force published in January 2016.

(2) ~~From the allocation in subsection (1), there is allocated for 2016-2017 an amount not to exceed \$625,000.00~~ **FUNDS SHALL BE USED** for the purpose of piloting statewide implementation of the Michigan Integrated Behavior and Learning Support Initiative (MiBLSI), a nationally recognized program that includes positive behavioral intervention and supports and provides a statewide structure to support local initiatives for an integrated behavior and reading program. With the assistance of the intermediate districts involved in MiBLSI, the department shall identify ~~at least 3~~ **A SUFFICIENT NUMBER OF** intermediate districts to participate in the pilot to ensure that MiBLSI can be implemented statewide with fidelity and sustainability. In addition, the department shall identify an intermediate district to act as a fiscal agent for these funds.

(3) ~~From the allocation in subsection (1), there is allocated for 2016-2017 an amount not to exceed \$500,000.00~~ **IN ADDITION TO THE PURPOSE UNDER SUBSECTION (2), FUNDS SHALL BE USED** for the purpose of providing training to intermediate districts and districts related to the safe implementation of emergency restraints and seclusion. The department shall develop and implement a training program that is based

1 on the state board's adopted standards and on any other legislation enacted by the
2 legislature regarding the emergency use of seclusion and restraint.

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

4 (a) "Membership" means for a particular fiscal year the total membership for the
5 immediately preceding fiscal year of the intermediate district and the districts
6 constituent to the intermediate district.

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

10 (c) "Taxable value" means the total taxable value of the districts constituent to
11 an intermediate district, except that if a district has elected not to come under part
12 30 of the revised school code, MCL 380.1711 to 380.1743, membership and taxable value
13 of the district shall not be included in the membership and taxable value of the
14 intermediate district.

15 (2) From the allocation under section 51a(1), there is allocated an amount not to
16 exceed \$37,758,100.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **2017-2018** to
17 reimburse intermediate districts levying millages for special education pursuant to
18 part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and
19 expenditure of the reimbursement shall be limited as if the funds were generated by
20 these millages and governed by the intermediate district plan adopted pursuant to
21 article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of
22 receiving funds under this section, an intermediate district distributing any portion
23 of special education millage funds to its constituent districts shall submit for
24 departmental approval and implement a distribution plan.

25 ~~----- (3) Reimbursement for those millages levied in 2014-2015 shall be made in 2015-~~
26 ~~2016 at an amount per 2014-2015 membership pupil computed by subtracting from~~
27 ~~\$175,300.00 the 2014-2015 taxable value behind each membership pupil and multiplying~~

1 ~~the resulting difference by the 2014-2015 millage levied.~~

2 (3) ~~(4)~~ Reimbursement for those millages levied in ~~2015-2016~~ **2016-2017** shall be
 3 made in ~~2016-2017~~ **2017-2018** at an amount per ~~2015-2016~~ **2016-2017** membership pupil
 4 computed by subtracting from ~~\$179,600.00~~ **\$182,800.00** the ~~2015-2016~~ **2016-2017** taxable
 5 value behind each membership pupil and multiplying the resulting difference by the
 6 ~~2015-2016~~ **2016-2017** millage levied **AND THEN SUBTRACTING FROM THAT AMOUNT THE 2016-2017**
 7 **LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR SPECIAL EDUCATION PURPOSES BEHIND EACH**
 8 **MEMBERSHIP PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE LOCAL**
 9 **COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO 123.1362.**

10 (4) ~~(5)~~ The amount paid to a single intermediate district under this section
 11 shall not exceed 62.9% of the total amount allocated under subsection (2).

12 (5) ~~(6)~~ The amount paid to a single intermediate district under this section
 13 shall not be less than 75% of the amount allocated to the intermediate district under
 14 this section for the immediately preceding fiscal year.

15 Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount
 16 not to exceed \$36,611,300.00 for ~~2016-2017~~ **2017-2018** to reimburse on an added cost
 17 basis districts, except for a district that served as the fiscal agent for a
 18 vocational education consortium in the 1993-94 school year and that has a foundation
 19 allowance as calculated under section 20 greater than the minimum foundation allowance
 20 under that section, and secondary area vocational-technical education centers for
 21 secondary-level career and technical education programs according to rules approved by
 22 the superintendent. Applications for participation in the programs shall be submitted
 23 in the form prescribed by the department. The department shall determine the added
 24 cost for each career and technical education program area. The allocation of added
 25 cost funds shall be prioritized based on the capital and program expenditures needed
 26 to operate the career and technical education programs provided; the number of pupils
 27 enrolled; the advancement of pupils through the instructional program; the existence

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

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

23 (3) A career and technical education program funded under this section may
24 provide an opportunity for participants who are eligible to be funded under section
25 107 to enroll in the career and technical education program funded under this section
26 if the participation does not occur during regular school hours.

27 ~~———— (4) In addition to the money allocated under subsection (1), from the general~~

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

Sec. 61b. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$1,000,000.00 for 2015-2016 and there is allocated an amount not to exceed \$9,000,000.00 for 2016-2017~~ **2017-2018** for CTE early/middle college and CTE dual enrollment programs **AND FOR PLANNING GRANTS FOR THE DEVELOPMENT OR EXPANSION OF CTE EARLY/MIDDLE COLLEGE PROGRAMS** authorized under this section. The purpose of these programs is to increase the number of Michigan residents with high-quality degrees or credentials, and to increase the number of students who are college and career ready upon high school graduation.

(2) From the funds allocated under subsection (1), an amount as determined under this subsection shall be allocated to each intermediate district serving as a fiscal agent for state-approved CTE early/middle college and CTE dual enrollment programs in each of the prosperity regions and subregions identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administrative costs for serving as the fiscal agent.

(3) To be an eligible fiscal agent, an intermediate district must agree to do all of the following in a form and manner determined by the department:

1 (a) Distribute funds to eligible CTE early/middle college and CTE dual enrollment
2 programs in a prosperity region or subregion as described in this section.

3 (b) Collaborate with the talent district career council that is located in the
4 prosperity region or subregion to develop a regional strategic plan under subsection
5 (4) that aligns CTE programs and services into an efficient and effective delivery
6 system for high school students.

7 (c) Implement a regional process to rank career clusters in the prosperity region
8 or subregion as described under subsection (4). Regional processes shall be approved
9 by the department before the ranking of career clusters.

10 (d) Report CTE early/middle college and CTE dual enrollment program and student
11 data and information as prescribed by the department.

12 (4) A regional strategic plan must be approved by the talent district career
13 council before submission to the department. A regional strategic plan shall include,
14 but not be limited to, the following:

15 (a) An identification of regional employer need based on a ranking of all career
16 clusters in the prosperity region or subregion ranked by 10-year job openings
17 projections and median wage for each standard occupational code in each career cluster
18 as obtained from the United States Bureau of Labor Statistics. Standard occupational
19 codes within high-ranking clusters also may be further ranked by median wage. The
20 rankings shall be reviewed by the talent district career council located in the
21 prosperity region or subregion and modified if necessary to accurately reflect
22 employer demand for talent in the prosperity region or subregion. A talent district
23 career council shall document that it has conducted this review and certify that it is
24 accurate. These career cluster rankings shall be determined and updated once every 4
25 years.

26 (b) An identification of educational entities in the prosperity region or
27 subregion that will provide eligible CTE early/middle college and CTE dual enrollment

1 programs including districts, intermediate districts, postsecondary institutions, and
2 noncredit occupational training programs leading to an industry-recognized credential.

3 (c) A strategy to inform parents and students of CTE early/middle college and CTE
4 dual enrollment programs in the prosperity region or subregion.

5 (d) Any other requirements as defined by the department.

6 (5) An eligible CTE program is a program that meets all of the following:

7 (a) Has been identified in the highest 5 career cluster rankings in any of the 10
8 regional strategic plans jointly approved by the Michigan talent investment agency in
9 the department of talent and economic development and the department.

10 (b) Has a coherent sequence of courses that will allow a student to earn a high
11 school diploma and achieve at least 1 of the following in a specific career cluster:

12 (i) An associate degree.

13 (ii) An industry-recognized technical certification approved by the Michigan
14 talent investment agency in the department of talent and economic development.

15 (iii) Up to 60 transferable college credits.

16 (iv) Participation in a registered apprenticeship.

17 (c) Is aligned with the Michigan merit curriculum.

18 (d) Has an articulation agreement with at least 1 postsecondary institution that
19 provides students with opportunities to receive postsecondary credits during the
20 student's participation in the CTE early/middle college or CTE dual enrollment program
21 and transfers those credits to the postsecondary institution upon completion of the
22 CTE early/middle college or CTE dual enrollment program.

23 (e) Provides instruction that is supervised, directed, or coordinated by an
24 appropriately certificated CTE teacher or, for concurrent enrollment courses, a
25 postsecondary faculty member.

26 (f) Provides for highly integrated student support services that include at least
27 the following:

1 (i) Teachers as academic advisors.

2 (ii) Supervised course selection.

3 (iii) Monitoring of student progress and completion.

4 (iv) Career planning services provided by a local one-stop service center as
5 described in the Michigan works one-stop service center system act, 2006 PA 491, MCL
6 408.111 to 408.135, or by a high school counselor or advisor.

7 (g) Has courses that are taught on a college campus, are college courses offered
8 at the high school and taught by college faculty, or are courses taught in combination
9 with online instruction.

10 (6) Funds to eligible CTE early/middle college and CTE dual enrollment programs
11 shall be distributed as follows:

12 (a) The department shall calculate statewide average CTE costs per pupil for each
13 CIP code program by ~~dividing total prior year~~ **CALCULATING** statewide **AVERAGE** costs for
14 each CIP code program ~~by prior year pupils~~ **FOR THE MOST RECENT THREE FISCAL YEARS** ~~for~~
15 ~~each CIP code program.~~

16 (b) Distribution to each eligible CTE early/middle college or CTE dual enrollment
17 program shall be the product of 50% of CTE costs per pupil times the current year
18 pupil enrollment of each eligible CTE early/middle college or CTE dual enrollment
19 program.

20 (7) In order to receive funds under this section, a CTE early/middle college or
21 CTE dual enrollment program shall furnish to the intermediate district that is the
22 fiscal agent identified in subsection (1), in a form and manner determined by the
23 department, all information needed to administer this program and meet federal
24 reporting requirements; shall allow the department or the department's designee to
25 review all records related to the program for which it receives funds; and shall
26 reimburse the state for all disallowances found in the review, as determined by the
27 department.

1 (8) There is allocated from the funds under subsection (1) an amount not to
2 exceed \$500,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **2017-2018** for
3 grants to intermediate districts or consortia of intermediate districts for the
4 purpose of planning for new or expanded early middle college programs. Applications
5 for grants shall be submitted in a form and manner determined by the department. The
6 amount of a grant under this subsection shall not exceed \$50,000.00. To be eligible
7 for a grant under this subsection, an intermediate district or consortia of
8 intermediate districts must provide matching funds equal to the grant received under
9 this subsection. Notwithstanding section 17b, payments under this subsection may be
10 made as determined by the department.

11 (9) Funds distributed under this section may be used to fund program expenditures
12 that would otherwise be paid from foundation allowances. A program receiving funding
13 under section 61a may receive funding under this section for allowable costs that
14 exceed the reimbursement the program received under section 61a. The combined payments
15 received by a program under section 61a and this section shall not exceed the total
16 allowable costs of the program. A program provider shall not use more than 5% of the
17 funds allocated under this section to the program for administrative costs.

18 (10) If the allocation under subsection (1) is insufficient to fully fund
19 payments as otherwise calculated under this section, the department shall prorate
20 payments under this section on an equal percentage basis.

21 (11) If pupils enrolled in a career cluster in an eligible CTE early/middle
22 college or CTE dual enrollment program qualify to be reimbursed under this section,
23 those pupils continue to qualify for reimbursement until graduation, even if the
24 career cluster is no longer identified as being in the highest 5 career cluster
25 rankings.

26 ~~— (12) It is the intent of the legislature to provide funds in 2017-2018 to~~
27 ~~reimburse districts with early/middle college programs for the added costs of~~

~~providing both a high school diploma and an associate's degree, industry recognized certification, up to 60 transferable college credits, or participation in a registered apprenticeship in less than 5 years.~~

(12) ~~(13)~~ As used in this section:

(a) "Allowable costs" means those costs directly attributable to the program as jointly determined by the Michigan talent investment agency and the department.

(b) "CIP" means classification of instructional programs.

(c) "CTE" means career and technical education programs.

(d) "CTE dual enrollment program" means a 4-year high school program of postsecondary courses offered by eligible postsecondary educational institutions that leads to an industry-recognized certification or degree.

(e) "Early/middle college program" means a 5-year high school program.

(f) "Eligible postsecondary educational institution" means that term as defined in section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903.

(g) "Talent district career council" means an advisory council to the local workforce development boards located in a prosperity region consisting of educational, employer, labor, and parent representatives.

Sec. 61c. (1) From the ~~general fund~~ appropriation in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$3,000,000.00~~ **\$20,000,000.00** to ~~career education planning districts~~ **AND INTERMEDIATE DISTRICTS OR CONSORTIA OF DISTRICTS AND INTERMEDIATE DISTRICTS** for the CTE ~~skilled trades initiative~~ **EQUIPMENT AND INNOVATION COMPETITIVE GRANT INITIATIVE FUNDED** under this section.

(2) To be eligible to receive ~~funding~~ **A COMPETITIVE GRANT** under this section, each ~~CEPD~~ **APPLICANT** shall apply in a form and manner determined by the department. ~~Funding to each CEPD shall be equal to the quotient of the allocation under subsection (1) and the sum of the number of career education planning districts applying for funding under this section.~~ **GRANT AWARDS SHALL BE AT LEAST \$250,000.00 BUT SHALL NOT**

1 EXCEED \$1,000,000.00 AND SHALL BE USED FOR THE PURCHASE OF EQUIPMENT AND RELATED
2 CAPACITY BUILDING ACTIVITIES. GRANT RECIPIENTS MAY NOT USE MORE THAN 5% OF A GRANT
3 AWARD FOR ADMINISTRATIVE COSTS. GRANT APPLICATIONS SHALL INCLUDE THE FOLLOWING
4 INFORMATION:

5 (A) A DESCRIPTION OF HOW THE PROPOSED CAPITAL INFRASTRUCTURE INITIATIVE WILL
6 PROVIDE INCREASED CAREER OPPORTUNITIES FOR STUDENTS AND ADULT LEARNERS IN HIGH-WAGE,
7 HIGH-SKILL, AND HIGH-DEMAND OCCUPATIONS.

8 (B) DEMONSTRATED EVIDENCE OF EMPLOYER DEMAND FOR THE INITIATIVE AND RELATED CTE
9 TRAINING INCLUDING DOCUMENTATION OF INDUSTRY INVOLVEMENT IN THE INITIATIVE THAT WILL
10 ALLOW FOR WORK-BASED LEARNING OPPORTUNITIES, APPRENTICESHIPS AND/OR TEACHER
11 EXTERNSHIPS.

12 (C) A BUDGET FOR THE INITIATIVE, INCLUDING DEMONSTRATED COMMITMENT OF
13 LOCAL/REGIONAL PARTNERS TO SUSTAIN THE INITIATIVE BEYOND THE INITIAL GRANT FUNDING.

14 (D) A DESCRIPTION OF HOW THE PROPOSED INITIATIVE ALIGNS WITH OTHER CTE AND
15 COMMUNITY COLLEGE PROGRAMS AND HOW THE EQUIPMENT WILL BE UTILIZED BY INITIATIVE
16 PARTNERS.

17 (E) OTHER INFORMATION AS REQUESTED BY THE DEPARTMENT AND THE DEPARTMENT OF TALENT
18 AND ECONOMIC DEVELOPMENT.

19 ~~———— (3) The funding allocated to each CEPD shall be used to update equipment in~~
20 ~~current CTE programs that are supporting and driving economic development in their~~
21 ~~individual communities, or for new and emerging certified CTE programs to allow CEPD~~
22 ~~administrators to provide programming in communities that will enhance economic~~
23 ~~development. The funding for equipment should be used to support and enhance community~~
24 ~~areas that have sustained job growth, and act as a commitment to build a more~~
25 ~~qualified and skilled workforce.~~

26 ~~———— (4) The allocation of funds at the local level shall be determined by CEPD~~
27 ~~administrators using data from the state, region, and local sources to make well-~~

~~informed decisions on program equipment improvements. Grants awarded by CEPD administrators for capital infrastructure shall be used to ensure that CTE programs can deliver educational programs in high wage, high skill, and high demand occupations. Each CEPD shall continue to ensure that program advisory boards make recommendations on needed improvements for equipment that support job growth and job skill development and retention for both the present and the future.~~

(3) GRANT APPLICATIONS SHALL BE EVALUATED BY THE DEPARTMENT IN COLLABORATION WITH THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT. MEMBERS OF THE GOVERNOR'S TALENT INVESTMENT BOARD MAY SERVE IN AN ADVISORY CAPACITY AS DETERMINED BY THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT.

(4) ~~(5)~~ Not later than ~~September~~ DECEMBER 15 of each fiscal year, each CEPD GRANT RECIPIENT receiving funding under this section shall annually report to the department, THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT, the senate and house appropriations subcommittees on state school aid, ~~and~~ the senate and house fiscal agencies, and ~~legislature~~ THE STATE BUDGET DIRECTOR on equipment purchased under this section IN THE PRIOR SCHOOL YEAR. In addition, the THE report shall identify growth data on program involvement, retention, and development of student AND ADULT LEARNER skills.

~~———— (6) In addition to the funds allocated under subsection (1), from the funds appropriated under section 11, there is allocated for 2016-2017 an amount not to exceed \$200,000.00 to a district with fewer than 1,200 pupils in membership to support a mechatronics program that operated in 2015-2016 for updating mechatronics program equipment. To be eligible to receive a grant under this subsection, a program shall be a flexible learning program that offered in 2015-2016 both classroom and hands-on training in mechatronics in at least 2 sites.~~

(5) ~~(7)~~ As used in this section, "CEPD" means a career education planning district described in this section "CTE" MEANS CAREER AND TECHNOLOGY EDUCATION

1 **PROGRAMS.**

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

3 (a) "Membership" means for a particular fiscal year the total membership for the
4 immediately preceding fiscal year of the intermediate district and the districts
5 constituent to the intermediate district or the total membership for the immediately
6 preceding fiscal year of the area vocational-technical program.

7 (b) "Millage levied" means the millage levied for area vocational-technical
8 education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to
9 380.690, including a levy for debt service obligations incurred as the result of
10 borrowing for capital outlay projects and in meeting capital projects fund
11 requirements of area vocational-technical education.

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

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

23 (ii) The district contributes an annual amount to the operation of the program
24 that is commensurate with the revenue that would have been raised for operation of the
25 program if millage were levied in the district for the program under sections 681 to
26 690 of the revised school code, MCL 380.681 to 380.690.

27 (2) From the appropriation in section 11, there is allocated an amount not to

1 exceed \$9,190,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **2017-2018** to
 2 reimburse intermediate districts and area vocational-technical education programs
 3 established under section 690(3) of the revised school code, MCL 380.690, levying
 4 millages for area vocational-technical education pursuant to sections 681 to 690 of
 5 the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of
 6 the reimbursement shall be limited as if the funds were generated by those millages.

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

11 (3) ~~(4)~~ Reimbursement for the millages levied in ~~2015-2016~~ **2016-2017** shall be
 12 made in ~~2016-2017~~ **2017-2018** at an amount per ~~2015-2016~~ **2016-2017** membership pupil
 13 computed by subtracting from ~~\$196,300.00~~ **\$198,100.00** the ~~2015-2016~~ **2016-2017** taxable
 14 value behind each membership pupil and multiplying the resulting difference by the
 15 ~~2015-2016~~ **2016-2017** millage levied **AND THEN SUBTRACTING FROM THAT AMOUNT THE 2016-2017**
 16 **LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR AREA VOCATIONAL-TECHNICAL EDUCATION**
 17 **BEHIND EACH MEMBERSHIP PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS**
 18 **UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO**
 19 **123.1362.**

20 (4) ~~(5)~~ The amount paid to a single intermediate district under this section
 21 shall not exceed 38.4% of the total amount allocated under subsection (2).

22 (5) ~~(6)~~ The amount paid to a single intermediate district under this section
 23 shall not be less than 75% of the amount allocated to the intermediate district under
 24 this section for the immediately preceding fiscal year.

25 Sec. 64b. (1) From the appropriation in section 11, there is allocated an amount
 26 not to exceed \$1,750,000.00 ~~each fiscal year for 2015-2016 and for 2016-2017~~ **2017-2018**
 27 for supplemental payments to districts that support the attendance of district pupils

1 in grades 9 to 12 under the postsecondary enrollment options act, 1996 PA 160, MCL
2 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258,
3 MCL 388.1901 to 388.1913, consistent with section 21b, or that support the attendance
4 of district pupils in a concurrent enrollment program if the district meets the
5 requirements under subsection (3). Programs funded under this section are intended to
6 increase the number of pupils who are college- and career-ready upon high school
7 graduation.

8 (2) To be eligible for payments under this section for supporting the attendance
9 of district pupils under the postsecondary enrollment options act, 1996 PA 160, MCL
10 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258,
11 MCL 388.1901 to 388.1913, a district shall do all of the following:

12 (a) Provide information to all high school pupils on postsecondary enrollment
13 options, including enrollment eligibility, the institutions and types of courses that
14 are eligible for participation, the decision-making process for granting academic
15 credit, and an explanation of eligible charges that will be paid by the district.

16 (b) Enter into a written agreement with a postsecondary institution before the
17 enrollment of district pupils.

18 (c) Agree to pay all eligible charges pursuant to section 21b.

19 (d) Award high school credit for the postsecondary course if the pupil
20 successfully completes the course.

21 (3) To be eligible for payments under this section for pupils enrolled in a
22 concurrent enrollment program, a district shall do all of the following:

23 (a) Provide information to all high school pupils on postsecondary enrollment
24 options, including enrollment eligibility, the institutions and types of courses that
25 are eligible for participation, the decision-making process for granting academic
26 credit, and an explanation of eligible charges that will be paid by the district.

27 (b) Enter into a written agreement with a postsecondary institution establishing

1 the concurrent enrollment program before the enrollment of district pupils in a
2 postsecondary course through the postsecondary institution.

3 (c) Ensure that the course is taught by either a high school teacher or
4 postsecondary faculty pursuant to standards established by the postsecondary
5 institution with which the district has entered into a written agreement to operate
6 the concurrent enrollment program.

7 (d) Ensure that the written agreement provides that the postsecondary institution
8 agrees not to charge the pupil for any cost of the program.

9 (e) Ensure that the course is taught in the local district or intermediate
10 district.

11 (f) Ensure that the pupil is awarded both high school and college credit at a
12 community college or state public university in this state upon successful completion
13 of the course as outlined in the agreement with the postsecondary institution.

14 (4) Funds shall be awarded to eligible districts under this section in the
15 following manner:

16 (a) A payment of \$10.00 per credit, for up to 3 credits, for a credit-bearing
17 course in which a pupil enrolls during the ~~2015-2016 or 2016-2017~~ **CURRENT** school year,
18 ~~as applicable,~~ as described under either subsection (2) or (3).

19 (b) An additional payment of \$30.00 per-pupil per course identified in
20 subdivision (a), if the pupil successfully completes, and is awarded both high school
21 and postsecondary credit for, the course during the ~~2015-2016 or 2016-2017~~ **CURRENT**
22 school year, ~~as applicable.~~

23 (5) A district requesting payment under this section shall submit an application
24 to the department in the form and manner prescribed by the department. Notwithstanding
25 section 17b, payments under this section shall be made on a schedule determined by the
26 department.

27 Sec. 67. (1) From the general fund amount appropriated in section 11, there is

1 allocated an amount not to exceed ~~\$3,050,000.00~~ **\$3,000,000.00** for ~~2016-2017~~ **2017-2018**
2 for college ~~and career preparation activities~~ **ACCESS PROGRAMS**. The programs funded
3 under this section are intended to inform students of college and career options and
4 to provide ~~a wide array of tools and~~ resources intended to increase the number of
5 pupils who are adequately prepared with the information needed to make informed
6 decisions on college and career. The funds appropriated under this section are
7 intended to be used to increase the number of Michigan residents with high-quality
8 degrees or credentials. Funds appropriated under this section shall not be used to
9 supplant funding for counselors already funded by districts.

10 (2) ~~From the amount allocated in subsection (1), an amount not to exceed~~
11 ~~\$3,000,000.00 shall be used for the college access program.~~ The talent investment
12 agency of the department of talent and economic development shall administer these
13 funds in collaboration with the Michigan college access network. These funds may be
14 used for any of the following purposes:

15 (a) Michigan college access network operations, programming, and services to
16 local college access networks.

17 (b) Local college access networks, which are community-based college
18 access/success partnerships committed to increasing the college participation and
19 completion rates within geographically defined communities through a coordinated
20 strategy.

21 (c) The Michigan college advising program, a program intended to place trained,
22 recently graduated college advisors in high schools that serve significant numbers of
23 low-income and first-generation college-going pupils. State funds used for this
24 purpose may not exceed 33% of the total funds available under this subsection.

25 (d) Subgrants of up to \$5,000.00 to districts with comprehensive high schools
26 that establish a college access team and implement specific strategies to create a
27 college-going culture in a high school in a form and manner approved by the Michigan

college access network and the Michigan talent investment agency.

(e) The Michigan college access portal, an online one-stop portal to help pupils and families plan and apply for college.

(f) Public awareness and outreach campaigns to encourage low-income and first-generation college-going pupils to take necessary steps toward college and to assist pupils and families in completing a timely and accurate free application for federal student aid.

(g) Subgrants to postsecondary institutions to recruit, hire, and train college student mentors and college advisors to assist high school pupils in navigating the postsecondary planning and enrollment process.

~~(3) From the amount allocated in subsection (1), an amount not to exceed \$50,000.00 shall be used for an outreach program to provide information to pupils, parents, and educators on dual enrollment and other opportunities available to high school pupils to earn postsecondary credits, industry-recognized technical certifications, and participation in registered apprenticeships at no cost.~~

(3) ~~(4)~~ For the purposes of this section, "college" means any postsecondary educational opportunity that leads to a career, including, but not limited to, a postsecondary degree, industry-recognized technical certification, or registered apprenticeship.

Sec. 74. (1) From the amount appropriated in section 11, there is allocated an amount not to exceed ~~\$3,320,600.00~~ **\$3,330,300.00** for ~~2016-2017~~ **2017-2018** for the purposes of this section.

(2) From the allocation in subsection (1), there is allocated for each fiscal year the amount necessary for payments to state supported colleges or universities and intermediate districts providing school bus driver safety instruction pursuant to section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments shall be in an amount determined by the department not to exceed the actual cost of

1 instruction and driver compensation for each public or nonpublic school bus driver
2 attending a course of instruction. For the purpose of computing compensation, the
3 hourly rate allowed each school bus driver shall not exceed the hourly rate received
4 for driving a school bus. Reimbursement compensating the driver during the course of
5 instruction shall be made by the department to the college or university or
6 intermediate district providing the course of instruction.

7 (3) From the allocation in subsection (1), there is allocated for ~~2016-2017~~ **2017-**
8 **2018** the amount necessary to pay the reasonable costs of nonspecial education
9 auxiliary services transportation provided pursuant to section 1323 of the revised
10 school code, MCL 380.1323. Districts funded under this subsection shall not receive
11 funding under any other section of this article for nonspecial education auxiliary
12 services transportation.

13 (4) From the funds allocated in subsection (1), there is allocated an amount not
14 to exceed ~~\$1,695,600.00~~ **\$1,705,300.00** for ~~2016-2017~~ **2017-2018** for reimbursement to
15 districts and intermediate districts for costs associated with the inspection of
16 school buses and pupil transportation vehicles by the department of state police as
17 required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a,
18 and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The
19 department of state police shall prepare a statement of costs attributable to each
20 district for which bus inspections are provided and submit it to the department and to
21 an intermediate district serving as fiduciary in a time and manner determined jointly
22 by the department and the department of state police. Upon review and approval of the
23 statement of cost, the department shall forward to the designated intermediate
24 district serving as fiduciary the amount of the reimbursement on behalf of each
25 district and intermediate district for costs detailed on the statement within 45 days
26 after receipt of the statement. The designated intermediate district shall make
27 payment in the amount specified on the statement to the department of state police

1 within 45 days after receipt of the statement. The total reimbursement of costs under
2 this subsection shall not exceed the amount allocated under this subsection.
3 Notwithstanding section 17b, payments to eligible entities under this subsection shall
4 be paid on a schedule prescribed by the department.

5 SEC. 78. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT
6 NOT TO EXCEED \$4,500,000.00 FOR 2017-2018 TO REIMBURSE PUBLIC SCHOOLS AND REGISTERED
7 NONPUBLIC SCHOOLS UP TO \$950.00 PER SCHOOL BUILDING FOR COSTS OF SCHOOL WATER
8 TESTING, FIXTURE REPLACEMENT, FILTER PURCHASES, PLUMBING ASSESSMENTS, OR TECHNICAL
9 ASSISTANCE INCURRED FROM OCTOBER 1, 2017 TO SEPTEMBER 30, 2018. AS USED IN THIS
10 SUBSECTION, "SCHOOL BUILDING" MEANS A "SCHOOL" OR "UNIQUE EDUCATION PROVIDER" AS
11 DEFINED WITHIN THE EDUCATIONAL ENTITY MASTER, WHERE INSTRUCTION IS PROVIDED TO
12 STUDENTS.

13 (2) PUBLIC SCHOOL DISTRICTS, PUBLIC SCHOOL ACADEMIES, AND NONPUBLIC SCHOOLS WILL
14 BE REQUIRED TO SUBMIT PROOF OF PUBLIC NOTIFICATION OF THE NUMBER OF FIXTURES PROVIDING
15 WATER FOR DRINKING OR FOOD PREPARATION, TESTING RESULTS, NUMBER OF FIXTURES REPLACED,
16 AND OTHER CORRECTIVE ACTION PLANS PRIOR TO REIMBURSEMENT.

17 (3) PUBLIC SCHOOL DISTRICTS, PUBLIC SCHOOL ACADEMIES, AND NONPUBLIC SCHOOLS WILL
18 BE REQUIRED TO SUBMIT REIMBURSEMENT REQUESTS THROUGH THE EXISTING ELECTRONIC MICHIGAN
19 DEPARTMENT OF EDUCATION GRANT MONITORING SYSTEM, AS SPECIFIED.

20 (4) THE DEPARTMENT, DEPARTMENT OF ENVIRONMENTAL QUALITY, AND DEPARTMENT OF
21 LICENSING AND REGULATORY AFFAIRS WILL PROVIDE SUPPORT TO THE SCHOOLS, INCLUDING
22 TECHNICAL ASSISTANCE, ANALYSIS OF RESULTS, SITE VISITS, AND OUTREACH MATERIALS.
23 ADMINISTRATIVE COSTS NOT TO EXCEED 5% OF THE FUNDING WILL BE SUPPORTED FROM THE
24 APPROPRIATION.

25 (5) THE DEPARTMENT AND THE DEPARTMENT OF ENVIRONMENTAL QUALITY WILL PREPARE A
26 REPORT SUMMARIZING THE NUMBER OF FIXTURES REPORTED PER SCHOOL, TESTS COMPLETED, TESTS
27 WITH ELEVATED LEVELS OF LEAD, FIXTURES REPLACED, AND SCHOOLS COMPLETING A PLUMBING

1 ASSESSMENT. THE REPORT WILL BE SUBMITTED TO THE LEGISLATURE BY DECEMBER 31, 2018.

2 Sec. 81. (1) From the appropriation in section 11, there is allocated for ~~2016-~~
3 ~~2017~~ **2017-2018** to the intermediate districts the sum necessary, but not to exceed
4 \$67,108,000.00 to provide state aid to intermediate districts under this section.

5 (2) ~~From the allocation in subsection (1), there~~ **THERE** is allocated for ~~2016-2017~~
6 ~~2017-2018~~ an amount not to exceed \$67,108,000.00 for allocations to each intermediate
7 district ~~in~~ an amount equal to 100% of the amount allocated to the intermediate
8 district under this subsection for ~~2015-2016~~ **2016-2017**. Funding provided under this
9 section shall be used to comply with requirements of this article and the revised
10 school code that are applicable to intermediate districts, and for which funding is
11 not provided elsewhere in this article, and to provide technical assistance to
12 districts as authorized by the intermediate school board.

13 (3) Intermediate districts receiving funds under subsection (2) shall collaborate
14 with the department to develop expanded professional development opportunities for
15 teachers to update and expand their knowledge and skills needed to support the
16 Michigan merit curriculum.

17 (4) From the allocation in subsection (1), there is allocated to an intermediate
18 district, formed by the consolidation or annexation of 2 or more intermediate
19 districts or the attachment of a total intermediate district to another intermediate
20 school district or the annexation of all of the constituent K-12 districts of a
21 previously existing intermediate school district which has disorganized, an additional
22 allotment of \$3,500.00 each fiscal year for each intermediate district included in the
23 new intermediate district for 3 years following consolidation, annexation, or
24 attachment.

25 (5) In order to receive funding under subsection (2), an intermediate district
26 shall do all of the following:

27 (a) Demonstrate to the satisfaction of the department that the intermediate

1 district employs at least 1 person who is trained in pupil accounting and auditing
2 procedures, rules, and regulations.

3 (b) Demonstrate to the satisfaction of the department that the intermediate
4 district employs at least 1 person who is trained in rules, regulations, and district
5 reporting procedures for the individual-level student data that serves as the basis
6 for the calculation of the district and high school graduation and dropout rates.

7 (c) Comply with sections 1278a and 1278b of the revised school code, MCL
8 380.1278a and 380.1278b.

9 (d) Furnish data and other information required by state and federal law to the
10 center and the department in the form and manner specified by the center or the
11 department, as applicable.

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

13 (f) Comply with section 761 of the revised school code, MCL 380.761.

14 Sec. 94. (1) From the general fund appropriation in section 11, there is
15 allocated to the department for ~~2016-2017~~ **2017-2018** an amount not to exceed
16 \$250,000.00 for efforts to increase the number of pupils who participate and succeed
17 in advanced placement and international baccalaureate programs.

18 (2) From the funds allocated under this section, the department shall award funds
19 to cover all or part of the costs of advanced placement test fees or international
20 baccalaureate test fees and international baccalaureate registration fees for low-
21 income pupils who take an advanced placement or an international baccalaureate test.
22 Payments shall not exceed \$20.00 per test completed or \$150.00 per international
23 baccalaureate registration fees per pupil registered.

24 (3) The department shall only award funds under this section if the department
25 determines that all of the following criteria are met:

26 (a) Each pupil for whom payment is made meets eligibility requirements of the
27 federal advanced placement test fee program under section 1701 of the no child left

1 behind act of 2001, Public Law 107-110, or under a corresponding provision of the
2 every student succeeds act, Public Law 114-95.

3 (b) The tests are administered by the college board, the international
4 baccalaureate organization, or another test provider approved by the department.

5 (c) The pupil for whom payment is made pays at least \$5.00 toward the cost of
6 each test for which payment is made.

7 (4) The department shall establish procedures for awarding funds under this
8 section.

9 (5) Notwithstanding section 17b, payments under this section shall be made on a
10 schedule determined by the department.

11 Sec. 94a. (1) There is created within the state budget office in the department
12 of technology, management, and budget the center for educational performance and
13 information. The center shall do all of the following:

14 (a) Coordinate the collection of all data required by state and federal law from
15 districts, intermediate districts, and postsecondary institutions.

16 (b) Create, maintain, and enhance this state's P-20 longitudinal data system and
17 ensure that it meets the requirements of subsection (4).

18 (c) Collect data in the most efficient manner possible in order to reduce the
19 administrative burden on reporting entities, including, but not limited to, electronic
20 transcript services.

21 (d) Create, maintain, and enhance this state's web-based educational portal to
22 provide information to school leaders, teachers, researchers, and the public in
23 compliance with all federal and state privacy laws. Data shall include, but are not
24 limited to, all of the following:

25 (i) Data sets that link teachers to student information, allowing districts to
26 assess individual teacher impact on student performance and consider student growth
27 factors in teacher and principal evaluation systems.

1 (ii) Data access or, if practical, data sets, provided for regional data
2 ~~warehouses~~ **HUBS** that, in combination with local data, can improve teaching and
3 learning in the classroom.

4 (iii) Research-ready data sets for researchers to perform research that advances
5 this state's educational performance.

6 (e) Provide data in a useful manner to allow state and local policymakers to make
7 informed policy decisions.

8 (f) Provide public reports to the citizens of this state to allow them to assess
9 allocation of resources and the return on their investment in the education system of
10 this state.

11 (g) Other functions as assigned by the state budget director.

12 (2) Each state department, officer, or agency that collects information from
13 districts, intermediate districts, or postsecondary institutions as required under
14 state or federal law shall make arrangements with the center to ensure that the state
15 department, officer, or agency is in compliance with subsection (1). This subsection
16 does not apply to information collected by the department of treasury under the
17 uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised
18 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
19 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or
20 section 1351a of the revised school code, MCL 380.1351a.

21 (3) The center may enter into any interlocal agreements necessary to fulfill its
22 functions.

23 (4) The center shall ensure that the P-20 longitudinal data system required under
24 subsection (1)(b) meets all of the following:

25 (a) Includes data at the individual student level from preschool through
26 postsecondary education and into the workforce.

27 (b) Supports interoperability by using standard data structures, data formats,

1 and data definitions to ensure linkage and connectivity in a manner that facilitates
2 the exchange of data among agencies and institutions within the state and between
3 states.

4 (c) Enables the matching of individual teacher and student records so that an
5 individual student may be matched with those teachers providing instruction to that
6 student.

7 (d) Enables the matching of individual teachers with information about their
8 certification and the institutions that prepared and recommended those teachers for
9 state certification.

10 (e) Enables data to be easily generated for continuous improvement and decision-
11 making, including timely reporting to parents, teachers, and school leaders on student
12 achievement.

13 (f) Ensures the reasonable quality, validity, and reliability of data contained
14 in the system.

15 (g) Provides this state with the ability to meet federal and state reporting
16 requirements.

17 (h) For data elements related to preschool through grade 12 and postsecondary,
18 meets all of the following:

19 (i) Contains a unique statewide student identifier that does not permit a student
20 to be individually identified by users of the system, except as allowed by federal and
21 state law.

22 (ii) Contains student-level enrollment, demographic, and program participation
23 information.

24 (iii) Contains student-level information about the points at which students exit,
25 transfer in, transfer out, drop out, or complete education programs.

26 (iv) Has the capacity to communicate with higher education data systems.

27 (i) For data elements related to preschool through grade 12 only, meets all of

1 the following:

2 (i) Contains yearly test records of individual students for assessments approved
3 by DED-OESE for accountability purposes under section 1111(b) of the elementary and
4 secondary education act of 1965, 20 USC 6311, including information on individual
5 students not tested, by grade and subject.

6 (ii) Contains student-level transcript information, including information on
7 courses completed and grades earned.

8 (iii) Contains student-level college readiness test scores.

9 (j) For data elements related to postsecondary education only:

10 (i) Contains data that provide information regarding the extent to which
11 individual students transition successfully from secondary school to postsecondary
12 education, including, but not limited to, all of the following:

13 (A) Enrollment in remedial coursework.

14 (B) Completion of 1 year's worth of college credit applicable to a degree within
15 2 years of enrollment.

16 (ii) Contains data that provide other information determined necessary to address
17 alignment and adequate preparation for success in postsecondary education.

18 (5) From the general fund appropriation in section 11, there is allocated an
19 amount not to exceed ~~\$12,173,200.00~~ **\$16,216,000.00** for ~~2016-2017~~ **2017-2018** to the
20 department of technology, management, and budget to support the operations of the
21 center. In addition, from the federal funds appropriated in section 11 there is
22 allocated for ~~2016-2017~~ **2017-2018** the amount necessary, estimated at \$193,500.00, to
23 support the operations of the center and to establish a P-20 longitudinal data system
24 necessary for state and federal reporting purposes. The center shall cooperate with
25 the department to ensure that this state is in compliance with federal law and is
26 maximizing opportunities for increased federal funding to improve education in this
27 state.

1 (6) From the funds allocated in subsection (5), the center may use an amount
2 determined by the center for competitive grants for ~~2016-2017~~ **2017-2018** to support
3 collaborative efforts on the P-20 longitudinal data system. All of the following apply
4 to grants awarded under this subsection:

5 (a) The center shall award competitive grants to eligible intermediate districts
6 or a consortium of intermediate districts based on criteria established by the center.

7 (b) Activities funded under the grant shall support the P-20 longitudinal data
8 system portal and may include portal hosting, hardware and software acquisition,
9 maintenance, enhancements, user support and related materials, and professional
10 learning tools and activities aimed at improving the utility of the P-20 longitudinal
11 data system.

12 (c) An applicant that received a grant under this subsection for the immediately
13 preceding fiscal year shall receive priority for funding under this section. However,
14 after 3 fiscal years of continuous funding, an applicant is required to compete openly
15 with new applicants.

16 (7) Funds allocated under this section that are not expended in the fiscal year
17 in which they were allocated may be carried forward to a subsequent fiscal year and
18 are appropriated for the purposes for which the funds were originally allocated.

19 (8) The center may bill departments as necessary in order to fulfill reporting
20 requirements of state and federal law. The center may also enter into agreements to
21 supply custom data, analysis, and reporting to other principal executive departments,
22 state agencies, local units of government, and other individuals and organizations.
23 The center may receive and expend funds in addition to those authorized in subsection
24 (5) to cover the costs associated with salaries, benefits, supplies, materials, and
25 equipment necessary to provide such data, analysis, and reporting services.

26 (9) As used in this section:

27 (a) "DED-OESE" means the United States Department of Education Office of

1 Elementary and Secondary Education.

2 (b) "State education agency" means the department.

3 Sec. 95a. (1) The educator evaluation reserve fund is created as a separate
4 account within the state school aid fund.

5 ~~_____ (2) The state treasurer may receive money or other assets from any source for~~
6 ~~deposit into the educator evaluation reserve fund. The state treasurer shall direct~~
7 ~~the investment of the educator evaluation reserve fund. The state treasurer shall~~
8 ~~credit to the educator evaluation reserve fund interest and earnings from the educator~~
9 ~~evaluation reserve fund.~~

10 ~~(3) Money in the educator evaluation reserve fund at the close of the fiscal year~~
11 ~~shall remain in the educator evaluation reserve fund and shall not lapse to the state~~
12 ~~school aid fund or to the general fund. The department of treasury shall be the~~
13 ~~administrator of the educator evaluation reserve fund for auditing purposes.~~

14 (2) ~~(4)~~ From the appropriations in section 11, there is allocated to the educator
15 evaluation reserve fund for ~~2014-2015~~ **2017-2018** an amount not to exceed \$12,100,000.00
16 ~~from the state school aid fund and an amount not to exceed \$2,700,000.00 from the~~
17 ~~general fund. Subject to subsections (5) and (6), the department shall expend the~~
18 ~~money in the educator evaluation reserve fund \$7,000,000.00 for implementing~~ **PAYMENTS**
19 **TO DISTRICTS AND INTERMEDIATE DISTRICTS TO SUPPORT THE IMPLEMENTATION OF LOCAL**
20 **evaluation systems for public school teachers and school administrators** **CONSISTENT**
21 **WITH SECTIONS 1249 AND 1249B OF THE REVISED SCHOOL CODE, MCL 380.1249 AND 380.1249B.**

22 ~~_____ (5) Funds in the educator evaluation reserve fund shall not be expended unless~~
23 ~~the state budget office has approved the department's spending plan.~~

24 (3) **LOCAL DISTRICT ACTIVITIES FUNDED BY THE EDUCATOR EVALUATION RESERVE FUND MAY**
25 **INCLUDE THE FOLLOWING:**

26 (A) **TRAINING FOR EVALUATORS AND OBSERVERS TO ENSURE EFFECTIVE IMPLEMENTATION OF**
27 **LOCALLY-ADOPTED EDUCATOR EVALUATION TOOLS.**

(B) PROFESSIONAL LEARNING FOR TEACHERS, PRINCIPALS, AND OTHER SCHOOL AND DISTRICT LEADERS USING GUIDANCE PROVIDED BY THE DEPARTMENT TO SUPPORT THE EFFECTIVE IMPLEMENTATION OF LOCALLY-ADOPTED EDUCATOR EVALUATION TOOLS. THE PROFESSIONAL LEARNING SHALL INCLUDE THE FOLLOWING COMPONENTS:

(i) MEASURING AND USING STUDENT GROWTH AND ACHIEVEMENT DATA WITHIN A LOCAL EVALUATION SYSTEM.

(ii) USING EVALUATION TOOLS TO COLLECT HIGH-QUALITY OBSERVATION DATA.

(iii) PROVIDING HIGH-QUALITY FEEDBACK BASED ON OBSERVATION AND STUDENT GROWTH AND ACHIEVEMENT DATA.

(iv) PERSONALIZING PROFESSIONAL LEARNING PLANS FOR INDIVIDUAL EDUCATORS.

(C) THE PURCHASE OF LICENSES, TECHNOLOGY, AND OTHER MATERIALS NECESSARY TO FULLY IMPLEMENT A LOCALLY-ADOPTED EVALUATION TOOL THAT IS ON THE DEPARTMENT-APPROVED LIST.

Sec. 98. (1) From the general fund money appropriated in section 11, there is allocated an amount not to exceed \$7,387,500.00 for ~~2016-2017~~ 2017-2018 for the purposes described in this section. The Michigan Virtual University shall provide a report to the legislature not later than November 1, ~~2016~~ 2017 that includes its mission, its plans, and proposed benchmarks it must meet, which shall include a plan to achieve a 50% increase in documented improvement in each requirement of the Michigan Virtual Learning Research Institute and Michigan Virtual School, and all other organizational priorities identified in this section, in order to receive full funding for ~~2017-2018~~ 2018-2019. Not later than March 1, ~~2017~~ 2018, the Michigan Virtual University shall provide an update to the house and senate appropriations subcommittees on school aid to show the progress being made to meet the benchmarks identified.

(2) The Michigan Virtual University shall operate the Michigan Virtual Learning Research Institute. The Michigan Virtual Learning Research Institute shall do all of the following:

1 (a) Support and accelerate innovation in education through the following
2 activities:

3 (i) Test, evaluate, and recommend as appropriate new technology-based
4 instructional tools and resources.

5 (ii) Research, design, and recommend virtual education delivery models for use by
6 pupils and teachers that include age-appropriate multimedia instructional content.

7 (iii) Research, develop, and recommend annually to the department criteria by
8 which cyber schools and virtual course providers should be monitored and evaluated to
9 ensure a quality education for their pupils.

10 (iv) Based on pupil completion and performance data reported to the department or
11 the center for educational performance and information from cyber schools and other
12 virtual course providers operating in this state, analyze the effectiveness of virtual
13 learning delivery models in preparing pupils to be college- and career-ready and
14 publish a report that highlights enrollment totals, completion rates, and the overall
15 impact on pupils. The report shall be submitted to the house and senate appropriations
16 subcommittees on state school aid, the state budget director, the house and senate
17 fiscal agencies, the department, districts, and intermediate districts not later than
18 March 31, ~~2017~~ **2018**.

19 (v) ~~Before August 31, 2017, provide~~ **PROVIDE** an extensive professional development
20 program to at least 30,000 educational personnel, including teachers, school
21 administrators, and school board members, that focuses on the effective integration of
22 virtual learning into curricula and instruction. The Michigan Virtual Learning
23 Research Institute is encouraged to work with the MiSTEM advisory council created
24 under section 99s to coordinate professional development of teachers in applicable
25 fields. In addition, the Michigan Virtual Learning Research Institute and external
26 stakeholders are encouraged to coordinate with the department for professional
27 development in this state. Not later than December 1, ~~2017~~ **2018**, the Michigan Virtual

1 Learning Research Institute shall submit a report to the house and senate
2 appropriations subcommittees on state school aid, the state budget director, the house
3 and senate fiscal agencies, and the department on the number and percentage of
4 teachers, school administrators, and school board members who have received
5 professional development services from the Michigan Virtual University. The report
6 shall also identify barriers and other opportunities to encourage the adoption of
7 virtual learning in the public education system.

8 (vi) Identify and share best practices for planning, implementing, and evaluating
9 virtual and blended education delivery models with intermediate districts, districts,
10 and public school academies to accelerate the adoption of innovative education
11 delivery models statewide.

12 (b) Provide leadership for this state's system of virtual learning education by
13 doing the following activities:

14 (i) Develop and report policy recommendations to the governor and the legislature
15 that accelerate the expansion of effective virtual learning in this state's schools.

16 (ii) Provide a clearinghouse for research reports, academic studies, evaluations,
17 and other information related to virtual learning.

18 (iii) Promote and distribute the most current instructional design standards and
19 guidelines for virtual teaching.

20 (iv) In collaboration with the department and interested colleges and
21 universities in this state, support implementation and improvements related to
22 effective virtual learning instruction.

23 (v) Pursue public/private partnerships that include districts to study and
24 implement competency-based technology-rich virtual learning models.

25 (vi) Create a statewide network of school-based mentors serving as liaisons
26 between pupils, virtual instructors, parents, and school staff, as provided by the
27 department or the center, and provide mentors with research-based training and

1 technical assistance designed to help more pupils be successful virtual learners.

2 (vii) Convene focus groups and conduct annual surveys of teachers,
3 administrators, pupils, parents, and others to identify barriers and opportunities
4 related to virtual learning.

5 (viii) Produce an annual consumer awareness report for schools and parents about
6 effective virtual education providers and education delivery models, performance data,
7 cost structures, and research trends.

8 (ix) Research and establish an internet-based platform that educators can use to
9 create student-centric learning tools and resources and facilitate a user network that
10 assists educators in using the platform. As part of this initiative, the Michigan
11 Virtual University shall work collaboratively with districts and intermediate
12 districts to establish a plan to make available virtual resources that align to
13 Michigan's K-12 curriculum standards for use by students, educators, and parents.

14 (x) Create and maintain a public statewide catalog of virtual learning courses
15 being offered by all public schools and community colleges in this state. The Michigan
16 Virtual Learning Research Institute shall identify and develop a list of nationally
17 recognized best practices for virtual learning and use this list to support reviews of
18 virtual course vendors, courses, and instructional practices. The Michigan Virtual
19 Learning Research Institute shall also provide a mechanism for intermediate districts
20 to use the identified best practices to review content offered by constituent
21 districts. The Michigan Virtual Learning Research Institute shall review the virtual
22 course offerings of the Michigan Virtual University, and make the results from these
23 reviews available to the public as part of the statewide catalog. The Michigan Virtual
24 Learning Research Institute shall ensure that the statewide catalog is made available
25 to the public on the Michigan Virtual University website and shall allow the ability
26 to link it to each district's website as provided for in section 21f. The statewide
27 catalog shall also contain all of the following:

1 (A) The number of enrollments in each virtual course in the immediately preceding
2 school year.

3 (B) The number of enrollments that earned 60% or more of the total course points
4 for each virtual course in the immediately preceding school year.

5 (C) The completion rate for each virtual course.

6 (xi) Develop prototype and pilot registration, payment services, and transcript
7 functionality to the statewide catalog and train key stakeholders on how to use new
8 features.

9 (xii) Collaborate with key stakeholders to examine district level accountability
10 and teacher effectiveness issues related to virtual learning under section 21f and
11 make findings and recommendations publicly available.

12 (xiii) Provide a report on the activities of the Michigan Virtual Learning
13 Research Institute.

14 (3) To further enhance its expertise and leadership in virtual learning, the
15 Michigan Virtual University shall continue to operate the Michigan Virtual School as a
16 statewide laboratory and quality model of instruction by implementing virtual and
17 blended learning solutions for Michigan schools in accordance with the following
18 parameters:

19 (a) The Michigan Virtual School must maintain its accreditation status from
20 recognized national and international accrediting entities.

21 (b) The Michigan Virtual University shall use no more than \$1,000,000.00 of the
22 amount allocated under this section to subsidize the cost paid by districts for
23 virtual courses.

24 (c) In providing educators responsible for the teaching of virtual courses as
25 provided for in this section, the Michigan Virtual School shall follow the
26 requirements to request and assess, and the department of state police shall provide,
27 a criminal history check and criminal records check under sections 1230 and 1230a of

1 the revised school code, MCL 380.1230 and 380.1230a, in the same manner as if the
2 Michigan Virtual School were a school district under those sections.

3 **(4) FROM THE FUNDS ALLOCATED UNDER SUBSECTION (1), THE MICHIGAN VIRTUAL**
4 **UNIVERSITY SHALL ALLOCATE UP TO \$500,000.00 TO SUPPORT THE EXPANSION OF NEW ONLINE AND**
5 **BLENDED EDUCATOR PROFESSIONAL DEVELOPMENT PROGRAMS WORKING COLLABORATIVELY WITH THE**
6 **MICHIGAN ASSOCIATION OF INTERMEDIATE SCHOOL ADMINISTRATORS.**

7 **(5) ~~(4)~~** If the course offerings are included in the statewide catalog of virtual
8 courses under subsection (2)(b)(ix), the Michigan Virtual School operated by the
9 Michigan Virtual University may offer virtual course offerings, including, but not
10 limited to, all of the following:

11 (a) Information technology courses.

12 (b) College level equivalent courses, as defined in section 1471 of the revised
13 school code, MCL 380.1471.

14 (c) Courses and dual enrollment opportunities.

15 (d) Programs and services for at-risk pupils.

16 (e) High school equivalency test preparation courses for adjudicated youth.

17 (f) Special interest courses.

18 (g) Professional development programs for teachers, school administrators, other
19 school employees, and school board members.

20 **(6) ~~(5)~~** If a home-schooled or nonpublic school student is a resident of a
21 district that subscribes to services provided by the Michigan Virtual School, the
22 student may use the services provided by the Michigan Virtual School to the district
23 without charge to the student beyond what is charged to a district pupil using the
24 same services.

25 **(7) ~~(6)~~** Not later than December 1 of each fiscal year, the Michigan Virtual
26 University shall provide a report to the house and senate appropriations subcommittees
27 on state school aid, the state budget director, the house and senate fiscal agencies,

1 and the department that includes at least all of the following information related to
2 the Michigan Virtual School for the preceding state fiscal year:

3 (a) A list of the districts served by the Michigan Virtual School.

4 (b) A list of virtual course titles available to districts.

5 (c) The total number of virtual course enrollments and information on
6 registrations and completions by course.

7 (d) The overall course completion rate percentage.

8 **(8)** ~~(7)~~ In addition to the information listed in subsection ~~(6)~~ **(7)**, the report
9 under subsection ~~(6)~~ **(7)** shall also include a plan to serve at least 600 schools with
10 courses from the Michigan Virtual School or with content available through the
11 internet-based platform identified in subsection (2) (b) (ix).

12 **(9)** ~~(8)~~ The governor may appoint an advisory group for the Michigan Virtual
13 Learning Research Institute established under subsection (2). The members of the
14 advisory group shall serve at the pleasure of the governor and shall serve without
15 compensation. The purpose of the advisory group is to make recommendations to the
16 governor, the legislature, and the president and board of the Michigan Virtual
17 University that will accelerate innovation in this state's education system in a
18 manner that will prepare elementary and secondary students to be career and college
19 ready and that will promote the goal of increasing the percentage of citizens of this
20 state with high-quality degrees and credentials to at least 60% by 2025.

21 **(10)** ~~(9)~~ Not later than November 1, ~~2016~~ **2017**, the Michigan Virtual University
22 shall submit to the house and senate appropriations subcommittees on state school aid,
23 the state budget director, and the house and senate fiscal agencies a detailed budget
24 for the ~~2016-2017~~ **2017-2018** fiscal year that includes a breakdown on its projected
25 costs to deliver virtual educational services to districts and a summary of the
26 anticipated fees to be paid by districts for those services. Not later than March 1
27 each year, the Michigan Virtual University shall submit to the house and senate

1 appropriations subcommittees on state school aid, the state budget director, and the
2 house and senate fiscal agencies a breakdown on its actual costs to deliver virtual
3 educational services to districts and a summary of the actual fees paid by districts
4 for those services based on audited financial statements for the immediately preceding
5 fiscal year.

6 (11) ~~(10)~~ As used in this section:

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

13 (b) "Cyber school" means a full-time instructional program of virtual courses for
14 pupils that may or may not require attendance at a physical school location.

15 (c) "Virtual course" means a course of study that is capable of generating a
16 credit or a grade and that is provided in an interactive learning environment in which
17 the majority of the curriculum is delivered using the internet and in which pupils are
18 separated from their instructor or teacher of record by time or location, or both.

19 Sec. 99h. (1) From the appropriation in section 11, there is allocated an amount
20 not to exceed \$2,500,000.00 for ~~2016-2017~~ **2017-2018** for competitive grants to
21 districts that provide pupils in grades K to 12 with expanded opportunities to improve
22 mathematics, science, and technology skills by participating in events hosted by a
23 science and technology development program known as FIRST (for inspiration and
24 recognition of science and technology) Robotics, including JR FIRST Lego League, FIRST
25 Lego League, FIRST tech challenge, and FIRST Robotics competition. Programs funded
26 under this section are intended to increase the number of pupils demonstrating
27 proficiency in science and mathematics on the state assessments and to increase the

1 number of pupils who are college- and career-ready upon high school graduation.
2 Notwithstanding section 17b, grant payments to districts under this section shall be
3 paid on a schedule determined by the department. The department shall set maximum
4 grant awards for each different level of competition in a manner that both maximizes
5 the number of teams that will be able to receive funds and expands the geographical
6 distribution of teams.

7 (2) A district applying for a grant under this section shall submit an
8 application in a form and manner determined by the department. To be eligible for a
9 grant, a district shall demonstrate in its application that the district has
10 established a partnership for the purposes of the FIRST Robotics program with at least
11 1 sponsor, business entity, higher education institution, or technical school, shall
12 submit a spending plan, and shall pay at least 25% of the cost of the FIRST Robotics
13 program.

14 (3) The department shall distribute the grant funding under this section for the
15 following purposes:

16 (a) Grants to districts to pay for stipends not to exceed \$1,500.00 for 1 coach
17 per team.

18 (b) Grants to districts for event registrations, materials, travel costs, and
19 other expenses associated with the preparation for and attendance at FIRST Robotics
20 events and competitions. Each grant recipient shall provide a local match from other
21 private or local funds for the funds received under this subdivision equal to at least
22 50% of the costs of participating in an event.

23 (c) Grants to districts for awards to teams that advance to the state and world
24 championship competitions. The department shall determine an equal amount per team for
25 those teams that advance to the state championship and a second equal award amount to
26 those teams that advance to the world championship.

27 ~~———— (4) The funds allocated under this section are a work project appropriation, and~~

~~any unexpended funds for 2016-2017 are carried forward into 2017-2018. The purpose of the work project is to continue to implement the projects described under subsection (1). The estimated completion date of the work project is September 30, 2019.~~

SEC. 99K. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR 2017-2018 FOR COMPETITIVE GRANTS TO DISTRICTS THAT PROVIDE PUPILS IN GRADES 6 TO 12 WITH EXPANDED OPPORTUNITIES TO IMPROVE COMPUTER SCIENCE SKILLS BY PARTICIPATING IN CYBERSECURITY COMPETITIVE EVENTS HOSTED BY MERIT NETWORK, INCORPORATED, KNOWN AS MICHIGAN HIGH SCHOOL CYBER CHALLENGE, OR HOSTED BY THE AIR FORCE ASSOCIATION, KNOWN AS CYBERPATRIOT. PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN SCIENCE AND MATHEMATICS ON THE STATE ASSESSMENTS AND TO INCREASE THE NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL GRADUATION. NOTWITHSTANDING SECTION 17B, GRANT PAYMENTS TO DISTRICTS UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE DEPARTMENT. THE DEPARTMENT SHALL SET MAXIMUM GRANT AWARDS FOR EACH COMPETITION IN A MANNER THAT BOTH MAXIMIZES THE NUMBER OF TEAMS THAT WILL BE ABLE TO RECEIVE FUNDS AND THE GEOGRAPHICAL DISTRIBUTION OF TEAMS.

(2) A DISTRICT APPLYING FOR A GRANT UNDER THIS SECTION SHALL SUBMIT AN APPLICATION IN A FORM AND MANNER DETERMINED BY THE DEPARTMENT. TO BE ELIGIBLE FOR A GRANT, A DISTRICT SHALL DEMONSTRATE IN ITS APPLICATION THAT THE DISTRICT HAS ESTABLISHED A PARTNERSHIP WITH AT LEAST 1 SPONSOR, BUSINESS ENTITY, HIGHER EDUCATION INSTITUTION, OR TECHNICAL SCHOOL, SHALL SUBMIT A SPENDING PLAN, AND SHALL PAY AT LEAST 25% OF THE COST OF THE SELECTED CYBERSECURITY PROGRAM.

(3) THE DEPARTMENT SHALL DISTRIBUTE THE GRANT FUNDING UNDER THIS SECTION FOR THE FOLLOWING PURPOSES:

(A) GRANTS TO DISTRICTS TO PAY FOR STIPENDS NOT TO EXCEED \$1,500.00 FOR 1 COACH OR MENTOR PER TEAM.

(B) GRANTS TO DISTRICTS FOR EVENT REGISTRATIONS, MATERIALS, TRAVEL COSTS, AND

1 OTHER EXPENSES ASSOCIATED WITH THE PREPARATION FOR AND ATTENDANCE AT EVENTS AND
2 COMPETITIONS. EACH GRANT RECIPIENT SHALL PROVIDE A LOCAL MATCH FROM OTHER PRIVATE OR
3 LOCAL FUNDS FOR THE FUNDS RECEIVED UNDER THIS SUBDIVISION EQUAL TO AT LEAST 50% OF THE
4 COSTS OF PARTICIPATING IN AN EVENT.

5 (C) GRANTS TO DISTRICTS FOR AWARDS TO TEAMS THAT ADVANCE TO STATE AND WORLD
6 CHAMPIONSHIP COMPETITIONS. THE DEPARTMENT SHALL DETERMINE AN EQUAL AMOUNT PER TEAM FOR
7 THOSE TEAMS THAT ADVANCE TO THE STATE CHAMPIONSHIP AND A SECOND EQUAL AWARD AMOUNT TO
8 THOSE TEAMS THAT ADVANCE TO THE WORLD CHAMPIONSHIP FOR THE SELECTED CYBERSECURITY
9 PROGRAM.

10 (4) THE FUNDS ALLOCATED UNDER THIS SECTION ARE A WORK PROJECT APPROPRIATION, AND
11 ANY UNEXPENDED FUNDS FOR 2017-2018 ARE CARRIED FORWARD INTO 2018-2019. THE PURPOSE OF
12 THE WORK PROJECT IS TO CONTINUE TO IMPLEMENT THE PROJECTS DESCRIBED UNDER SUBSECTION
13 (1). THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30, 2020.

14 Sec. 99s. (1) From the funds appropriated under section 11, there is allocated
15 for ~~2016-2017~~ 2017-2018 an amount not to exceed ~~\$3,000,000.00~~ \$5,500,000.00 from the
16 state school aid fund appropriation and an amount not to exceed ~~\$1,300,000.00~~
17 \$300,000.00 from the general fund appropriation for Michigan science, technology,
18 engineering, and mathematics (MiSTEM) programs. In addition, from the federal funds
19 appropriated in section 11, there is allocated for ~~2016-2017~~ 2017-2018 an amount
20 estimated at ~~\$5,249,300.00~~ \$4,700,000.00 from DED-OESE, title II, mathematics and
21 science partnership grants. Programs funded under this section are intended to
22 increase the number of pupils demonstrating proficiency in science and mathematics on
23 the state assessments and to increase the number of pupils who are college- and
24 career-ready upon high school graduation. NOTWITHSTANDING SECTION 17B, PAYMENTS TO
25 ELIGIBLE ENTITIES UNDER THIS SECTION SHALL BE PAID ON A SCHEDULE DETERMINED BY THE
26 DEPARTMENT.

27 (2) From the general fund allocation in subsection (1), there is allocated an

1 amount not to exceed \$50,000.00 to the department for administrative, training, and
2 travel costs related to the MiSTEM advisory council. All of the following apply to the
3 MiSTEM advisory council funded under this subsection:

4 (a) The MiSTEM advisory council is created. The MiSTEM advisory council shall
5 provide to the governor, legislature, department of talent and economic development,
6 and department recommendations designed to improve and promote innovation in STEM
7 education and to prepare students for careers in science, technology, engineering, and
8 mathematics.

9 (b) The MiSTEM advisory council created under subdivision (a) shall consist of
10 the following members:

11 (i) The governor shall appoint 11 voting members who are representative of
12 business sectors that are important to Michigan's economy and rely on a STEM-educated
13 workforce, nonprofit organizations and associations that promote STEM education, K-12
14 and postsecondary education entities involved in STEM-related career education, or
15 other sectors as considered appropriate by the governor. Each of these members shall
16 serve at the pleasure of the governor and for a term determined by the governor.

17 (ii) The senate majority leader shall appoint 2 members of the senate to serve as
18 nonvoting, ex-officio members of the MiSTEM advisory council, including 1 majority
19 party member and 1 minority party member.

20 (iii) The speaker of the house of representatives shall appoint 2 members of the
21 house of representatives to serve as nonvoting, ex-officio members of the MiSTEM
22 advisory council, including 1 majority party member and 1 minority party member.

23 (c) Each member of the MiSTEM advisory council shall serve without compensation.

24 (d) The MiSTEM advisory council shall ~~recommend~~ **ANNUALLY REVIEW AND MAKE**
25 **RECOMMENDATIONS** to the governor, the legislature, and the department ~~a~~ **FOR CHANGES TO**
26 **THE** statewide strategy **ADOPTED BY THE COUNCIL** for delivering STEM education-related
27 opportunities to pupils ~~and objective criteria for determining preferred STEM~~

~~programs.~~ The MiSTEM advisory council shall use funds received under this subsection to ~~purchase training for~~ **ENSURE THAT** its members or their designees ~~from~~ **ARE TRAINED** **IN** the Change the Equation STEMworks rating system program for the purpose of rating STEM programs.

(e) ~~Not later than October 15 of each fiscal year, the MiSTEM advisory council shall provide STEM quality ratings for programs recommended for funding under subsection (3).~~ The MiSTEM advisory council shall make specific funding recommendations for the funds allocated under subsection (3) by December 15 of each fiscal year. The amount of each grant recommended shall not exceed \$250,000.00.

(f) If the MiSTEM advisory council is unable to make specific funding recommendations by December 15 of a fiscal year, the department shall distribute the funds allocated under subsection (3) on a competitive grant basis that ~~at least~~ follows the ~~quality guidelines and priority areas~~ **STATEWIDE STRATEGY PLAN AND RATING SYSTEM** recommended by the MiSTEM advisory council. Each grant shall not exceed \$250,000.00 and must provide STEM education-related opportunities for pupils.

(g) The MiSTEM advisory council shall work with ~~directors of mathematics and science centers~~ **THE EXECUTIVE DIRECTOR OF THE MISTEM CENTERS NETWORK** funded under subsection (4) to ~~connect educators with businesses, workforce developers, economic developers, community colleges, and universities~~ **IMPLEMENT THE STATEWIDE STEM STRATEGY ADOPTED BY THE MISTEM ADVISORY COUNCIL.**

(3) From the ~~general fund money allocated~~ **STATE SCHOOL AID FUND ALLOCATION** under subsection (1), there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$1,000,000.00~~ **\$3,000,000.00** for the purpose of funding programs under this section for ~~2016-2017~~ **2017-2018**, as recommended by the MiSTEM advisory council.

(4) From the state school aid fund allocation under subsection (1), there is allocated for ~~2016-2017~~ an amount not to exceed ~~\$2,750,000.00~~ **\$2,500,000.00 AND FROM THE GENERAL FUND ALLOCATION UNDER SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO**

1 **EXCEED \$250,000.00 FOR 2017-2018** to support the activities and programs of ~~mathematics~~
 2 ~~and science centers~~ **THE MISTEM CENTERS NETWORK**. In addition, from the federal funds
 3 allocated under subsection (1), there is allocated for ~~2016-2017~~ **2017-2018** an amount
 4 estimated at ~~\$5,249,300.00~~ **\$4,700,000.00** from DED-OESE, title II, mathematics and
 5 science partnership grants, for the purposes of this subsection. All of the following
 6 apply to the programs and funding under this subsection:

7 ~~—— (a) Within a service area designated locally, approved by the department, and~~
 8 ~~consistent with the comprehensive master plan for mathematics and science centers~~
 9 ~~developed by the department and approved by the state board, an established~~
 10 ~~mathematics and science center shall provide 2 or more of the following 6 basic~~
 11 ~~services, as described in the master plan, to constituent districts and communities:~~
 12 ~~leadership, pupil services, curriculum support, community involvement, professional~~
 13 ~~development, and resource clearinghouse services.~~

14 ~~—— (b) The department shall not award a state grant under this subsection to more~~
 15 ~~than 1 mathematics and science center located in a designated region as prescribed in~~
 16 ~~the 2007 master plan unless each of the grants serves a distinct target population or~~
 17 ~~provides a service that does not duplicate another program in the designated region.~~

18 ~~—— (c) As part of the technical assistance process, the department shall provide~~
 19 ~~minimum standard guidelines that may be used by the mathematics and science center for~~
 20 ~~providing fair access for qualified pupils and professional staff as prescribed in~~
 21 ~~this subsection.~~

22 ~~—— (d) Allocations under this subsection to support the activities and programs of~~
 23 ~~mathematics and science centers shall be continuing support grants to all 33~~
 24 ~~established mathematics and science centers. For 2016-2017, each established~~
 25 ~~mathematics and science center shall receive state funding in an amount equal to 100%~~
 26 ~~of the amount it was allocated under former section 99 for 2014-2015. If a center~~
 27 ~~declines state funding or a center closes, the remaining money available under this~~

1 ~~subsection shall be distributed to the remaining centers, as determined by the~~
2 ~~department.~~

3 ~~—— (c) From the funds allocated under this subsection, the department shall~~
4 ~~distribute for 2016-2017 an amount not to exceed \$750,000.00 in a form and manner~~
5 ~~determined by the department to those centers able to provide curriculum and~~
6 ~~professional development support to assist districts in implementing the Michigan~~
7 ~~merit curriculum components for mathematics and science. Funding under this~~
8 ~~subdivision is in addition to funding allocated under subdivision (d).~~

9 (A) FROM THE GENERAL FUND ALLOCATED UNDER THIS SUBSECTION, THERE IS ALLOCATED AN
10 AMOUNT NOT TO EXCEED \$250,000.00 TO THE DEPARTMENT TO SUPPORT THE FUNCTIONS OF THE
11 EXECUTIVE DIRECTOR OF THE MISTEM CENTERS NETWORK. THE STATE SUPERINTENDENT SHALL HIRE
12 AN EXECUTIVE DIRECTOR WITH THE ADVICE OF THE MISTEM ADVISORY COUNCIL. THE DEPARTMENT
13 SHALL ASSIST THE EXECUTIVE DIRECTOR IN PERFORMING HIS OR HER DUTIES AS NECESSARY. THE
14 EXECUTIVE DIRECTOR SHALL DO ALL OF THE FOLLOWING:

15 (I) COORDINATE THE DEVELOPMENT OF A NEW MASTER PLAN FOR THE REGIONAL MISTEM
16 CENTERS THAT IS CONSISTENT WITH THE STATEWIDE STEM STRATEGY DEVELOPED BY THE MISTEM
17 ADVISORY COUNCIL AND ENSURES SERVICES TO ALL DISTRICTS.

18 (II) SERVE AS A LIAISON TO THE DEPARTMENT, THE COUNCIL AND THE REGIONAL MISTEM
19 CENTERS IN A MANNER THAT CREATES A ROBUST STATEWIDE STEM CULTURE, THAT EMPOWERS STEM
20 TEACHERS, THAT INTEGRATES BUSINESS AND EDUCATION INTO THE STEM NETWORK, AND THAT
21 ENSURES HIGH QUALITY STEM EXPERIENCES FOR PUPILS.

22 (III) COORDINATE A CAMPAIGN TO BUILD STEM AWARENESS AND COMMUNICATE STEM NEEDS
23 AND OPPORTUNITIES TO STUDENTS, PARENTS, EDUCATORS AND THE BUSINESS COMMUNITY.

24 (IV) DISTRIBUTE AND MONITOR MISTEM CENTERS NETWORK GRANTS TO THE REGIONAL MISTEM
25 CENTERS.

26 (V) REPORT TO THE GOVERNOR, THE LEGISLATURE AND THE MISTEM ADVISORY COUNCIL
27 ANNUALLY ON THE ACTIVITIES AND PERFORMANCE OF THE REGIONAL MISTEM CENTERS.

1 (B) FROM THE FUNDS ALLOCATED UNDER THIS SUBSECTION, THERE IS ALLOCATED AN AMOUNT
2 NOT TO EXCEED \$500,000.00 TO THE DEPARTMENT TO PAY FOR COSTS TO TRANSITION FROM THE
3 EXISTING 33 MATHEMATICS AND SCIENCE CENTERS TO A NETWORK OF 10 REGIONAL MISTEM CENTERS
4 THAT ARE ALIGNED WITH THE PROSPERITY REGIONS. THE TRANSITION SHALL BE COMPLETED NO
5 LATER THAN MARCH 31, 2018. A TRANSITION PLAN SHALL CONTAIN AT LEAST THE FOLLOWING:

6 (I) IDENTIFICATION OF A FISCAL AGENT AND LOCATION FOR EACH OF THE REGIONAL MISTEM
7 CENTERS. A FISCAL AGENT MAY BE AN INTERMEDIATE DISTRICT, A COMMUNITY COLLEGE, OR A
8 UNIVERSITY. A FISCAL AGENT MAY NOT RECEIVE MORE THAN 10 PERCENT OF A CENTER GRANT TO
9 SERVE AS THE FISCAL AGENT.

10 (II) IDENTIFICATION OF AT LEAST 1 FULL-TIME EMPLOYEE POSITION AT EACH OF THE
11 REGIONAL MISTEM CENTERS TO SERVE AS THE DIRECTOR OF THE CENTER.

12 (C) FROM THE FUNDS ALLOCATED UNDER THIS SUBSECTION, THERE IS ALLOCATED AN AMOUNT
13 NOT TO EXCEED \$2,000,000.00 TO THE MISTEM CENTERS NETWORK FOR GRANTS OF UP TO
14 \$200,000.00 EACH TO A TOTAL OF 10 REGIONAL MISTEM CENTERS. REGIONAL MISTEM CENTERS
15 SHALL DO ALL OF THE FOLLOWING:

16 (I) COLLABORATE WITH THE TALENT DISTRICT CAREER COUNCIL THAT IS LOCATED IN THE
17 PROSPERITY REGION TO DEVELOP A REGIONAL STRATEGIC PLAN FOR STEM EDUCATION THAT CREATES
18 A ROBUST REGIONAL STEM CULTURE, THAT EMPOWERS STEM TEACHERS, THAT INTEGRATES BUSINESS
19 AND EDUCATION INTO THE STEM NETWORK, AND THAT ENSURES HIGH QUALITY STEM EXPERIENCES
20 FOR PUPILS. AT A MINIMUM, REGIONAL STEM STRATEGIC PLANS SHOULD:

21 (A) IDENTIFY REGIONAL EMPLOYER NEED FOR STEM USING THE METHODOLOGY DESCRIBED IN
22 SECTION 61B(4) (A) .

23 (B) IDENTIFY PROCESSES FOR REGIONAL EMPLOYERS AND EDUCATORS TO CREATE GUIDED
24 PATHWAYS FOR STEM CAREERS THAT INCLUDE INTERN/EXTERNSHIPS, APPRENTICESHIPS AND OTHER
25 EXPERIENTIAL ENGAGEMENTS FOR PUPILS.

26 (C) IDENTIFY EDUCATOR PROFESSIONAL DEVELOPMENT OPPORTUNITIES, INCLUDING
27 INTERN/EXTERNSHIPS AND APPRENTICESHIPS, THAT INTEGRATE MICHIGAN SCIENCE STANDARDS INTO

1 HIGH QUALITY STEM EXPERIENCES THAT ENGAGE PUPILS.

2 (II) FACILITATE REGIONAL STEM EVENTS SUCH AS EDUCATOR/EMPLOYER NETWORKING AND
3 STEM CAREER FAIRS TO RAISE STEM AWARENESS.

4 (III) CONTRIBUTE TO THE MISTEM WEBSITE AND ENGAGE IN OTHER STATEWIDE FUNCTIONS TO
5 FURTHER THE MISSION OF STEM IN MICHIGAN.

6 (D) ~~(f)~~ In order to receive state or federal funds under this subsection, a grant
7 recipient shall allow access for the department or the department's designee to audit
8 all records related to the program for which it receives those funds. The grant
9 recipient shall reimburse the state for all disallowances found in the audit.

10 ~~(g) Not later than September 30, 2017, the department shall work with the MiSTEM~~
11 ~~advisory council to revise the comprehensive master plan described in subdivision (a)~~
12 ~~to ensure that the comprehensive master plan is in compliance with the statewide~~
13 ~~strategy developed by the council under subsection (2)(d). The comprehensive master~~
14 ~~plan shall include a review of the feasibility of consolidating and reducing the~~
15 ~~number of mathematics and science centers.~~

16 ~~(h) The department shall give preference in awarding the federal grants allocated~~
17 ~~under this subsection to eligible existing mathematics and science centers.~~

18 (E) ~~(i)~~ In order to receive state funds under this subsection, a ~~grant recipient~~
19 REGIONAL MISTEM CENTER shall provide at least a 10% local match from local public or
20 private resources for the funds received under this subsection.

21 (F) ~~(j)~~ Not later than JULY 1, 2019 AND July 1 of each year THEREAFTER, a
22 ~~mathematics and science~~ REGIONAL MISTEM center that receives funds under this
23 subsection shall report to the ~~department~~ EXECUTIVE DIRECTOR OF THE MISTEM CENTERS
24 NETWORK in a form and manner prescribed by the ~~department on the following performance~~
25 ~~measures:~~ EXECUTIVE DIRECTOR ON PERFORMANCE MEASURES DEVELOPED BY THE REGIONAL MISTEM
26 CENTERS AND APPROVED BY THE EXECUTIVE DIRECTOR. THE PERFORMANCE MEASURES SHALL ENSURE
27 THAT THE ACTIVITIES OF THE MISTEM CENTERS NETWORK ARE IMPROVING STUDENT ACADEMIC

1 **OUTCOMES.**

2 ~~—— (i) Statistical change in pre- and post-assessment scores for students who~~
 3 ~~enrolled in mathematics and science activities provided to districts by the~~
 4 ~~mathematics and science center.~~

5 ~~—— (ii) Statistical change in pre- and post-assessment scores for teachers who~~
 6 ~~enrolled in professional development activities provided by the mathematics and~~
 7 ~~science center.~~

8 **(G) ~~(k)~~ As used in this subsection:**

9 (i) "DED" means the United States Department of Education.

10 (ii) "DED-OESE" means the DED Office of Elementary and Secondary Education.

11 **(III) "STEM" MEANS SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS.**

12 **(IV) "TALENT DISTRICT CAREER COUNCIL" MEANS AN ADVISORY COUNCIL TO THE LOCAL**
 13 **WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL,**
 14 **EMPLOYER, LABOR, AND PARENT REPRESENTATIVES.**

15 ~~—— (5) From the allocations under subsection (1), there is allocated an amount not~~
 16 ~~to exceed \$250,000.00 for 2016-2017 for competitive grants to districts that provide~~
 17 ~~pupils in grades K to 12 with expanded opportunities in science education and skills~~
 18 ~~by participating in events and competitions hosted by Science Olympiad. All of the~~
 19 ~~following apply to the grant funding under this subsection:~~

20 ~~—— (a) A district applying for a grant under this subsection shall submit an~~
 21 ~~application in the form and manner determined by the department not later than~~
 22 ~~November 15, 2016. The department shall select districts for grants and make~~
 23 ~~notification not later than December 15, 2016. To be eligible for a grant, a district~~
 24 ~~shall pay at least 25% of the cost of participating in the Science Olympiad program.~~

25 ~~—— (b) The department shall distribute the grant funding allocated under this~~
 26 ~~subsection for the following purposes:~~

27 ~~—— (i) Grants to districts of up to \$800.00 per new elementary team.~~

~~(ii) Grants to districts of up to \$400.00 per established elementary team.~~

~~(iii) Grants to districts of up to \$1,600.00 per new secondary team.~~

~~(iv) Grants to districts of up to \$800.00 per established secondary team.~~

~~(6) From the general fund allocation under subsection (1), there is allocated an amount not to exceed \$250,000.00 for 2016-2017 for a grant to the Van Andel Education Institute for the purposes of advancing and promoting science education and increasing the number of students who choose to pursue careers in science or science related fields. Funds allocated under this subsection shall be used to provide professional development for science teachers in using student driven, inquiry based instruction.~~

Sec. 104. (1) In order to receive state aid under this article, a district shall comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state school aid fund money appropriated in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$33,894,400.00~~ **\$33,709,400.00** for payments on behalf of districts for costs associated with complying with those provisions of law. In addition, from the federal funds appropriated in section 11, there is allocated for ~~2016-2017~~ **2017-2018** an amount estimated at \$6,250,000.00, funded from DED-OESE, title VI, state assessment funds, and from DED-OSERS, section 504 of part B of the individuals with disabilities education act, Public Law 94-142, plus any carryover federal funds from previous year appropriations, for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110, or the every student succeeds act, Public Law 114-95.

(2) The results of each test administered as part of the Michigan student test of educational progress (M-STEP), including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response. The

1 department shall work with the center to identify the number of students enrolled at
2 the time assessments are given by each district. In calculating the percentage of
3 pupils assessed for a district's scorecard, the department shall use only the number
4 of pupils enrolled in the district at the time the district administers the
5 assessments and shall exclude pupils who enroll in the district after the district
6 administers the assessments.

7 (3) All federal funds allocated under this section shall be distributed in
8 accordance with federal law and with flexibility provisions outlined in Public Law
9 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

10 ~~———— (4) From the allocation in subsection (1), there is allocated an amount not to~~
11 ~~exceed \$185,000.00 for the implementation of a kindergarten readiness assessment pilot~~
12 ~~project in 2016-2017. The funding would be allocated to an intermediate district~~
13 ~~located in a prosperity region with 2 or more subregions to participate in the~~
14 ~~Maryland-Ohio pilot and cover the cost of a contract with a university for~~
15 ~~implementation of version 1.75 of the kindergarten readiness assessment tool. The~~
16 ~~kindergarten readiness assessment pilot shall assess an estimated 4,000 children, and~~
17 ~~the designated intermediate district shall work with other intermediate districts to~~
18 ~~implement the pilot project, engage with the office of great start and the department,~~
19 ~~and provide a report to the legislature on the efficacy and usefulness of a~~
20 ~~kindergarten readiness assessment. Allowable costs under this pilot program include~~
21 ~~those incurred in August and September 2016.~~

22 (4) ~~(5)~~ The department shall continue to make the kindergarten entry assessment
23 developed by the department and field tested in 2015-2016 available to districts in
24 ~~2016-2017-2017-2018.~~

25 (5) ~~(6)~~ The department may recommend, but may not require, districts to allow
26 pupils to use an external keyboard with tablet devices for online M-STEP testing,
27 including, but not limited to, open-ended test items such as constructed response or

equation builder items.

(6) ~~(7)~~ Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

~~(7) (8) From the allocation in subsection (1), there is allocated an amount not to exceed \$3,200,000.00 for the development or selection of THE DEPARTMENT, IN COLLABORATION WITH THE CENTER, SHALL DEVELOP OR SELECT an online reporting tool to provide student-level assessment data in a secure environment to educators, parents, and pupils immediately after assessments are scored AND SHALL ENSURE THAT ASSESSMENT DATA IS MADE ACCESSIBLE ALONGSIDE OTHER EDUCATION OUTCOME DATA FOR USE IN PROFESSIONAL DEVELOPMENT ACTIVITIES FOR INTERMEDIATE SCHOOL DISTRICTS, DISTRICTS, AND PUBLIC SCHOOL ACADEMIES THROUGH THE MISCHOOL DATA PORTAL.~~ The department and the center shall ensure that any data collected by the online reporting tool do not provide individually identifiable student data to the federal government.

~~———— (9) From the allocation in subsection (1), there is allocated an amount not to exceed \$5,600,000.00 for the purpose of implementing a summative assessment system pursuant to section 104c.~~

(8) ~~(10)~~ As used in this section:

(a) "DED" means the United States Department of Education.

(b) "DED-OESE" means the DED Office of Elementary and Secondary Education.

(c) "DED-OSERS" means the DED Office of Special Education and Rehabilitative Services.

Sec. 104c. (1) In order to receive state aid under this article, a district shall administer the state assessments described in this section.

(2) For the purposes of this section, the department shall develop for use in the spring of 2015-2016 the Michigan student test of educational progress (M-STEP) assessments in English language arts and mathematics. These assessments shall be

1 aligned to state standards.

2 (3) For the purposes of this section, the department shall implement a summative
3 assessment system that is proven to be valid and reliable for administration to pupils
4 as provided under this subsection. The summative assessment system shall meet all of
5 the following requirements:

6 (a) The summative assessment system shall measure student proficiency on the
7 current state standards, shall measure student growth for consecutive grade levels in
8 which students are assessed in the same subject area in both grade levels, and shall
9 be capable of measuring individual student performance.

10 (b) The summative assessments for English language arts and mathematics shall be
11 administered to all public school pupils in grades 3 to 11, including those pupils as
12 required by the federal individuals with disabilities education act, Public Law 108-
13 446, and by title I of the federal ~~elementary and secondary education act~~ **EVERY**
14 **STUDENT SUCCEEDS ACT (ESSA)**.

15 (c) The summative assessments for science shall be administered to all public
16 school pupils in at least grades 4 and 7, including those pupils as required by the
17 federal individuals with disabilities education act, Public Law 108-446, and by title
18 I of the federal elementary and secondary education act.

19 (d) The summative assessments for social studies shall be administered to all
20 public school pupils in at least grades 5 and 8, including those pupils as required by
21 the federal individuals with disabilities education act, Public Law 108-446, and by
22 title I of the federal ~~elementary and secondary education act~~ **EVERY STUDENT SUCCEEDS**
23 **ACT (ESSA)**.

24 (e) The content of the summative assessments shall be aligned to state standards.

25 (f) The pool of questions for the summative assessments shall be subject to a
26 transparent review process for quality, bias, and sensitive issues involving educator
27 review and comment. The department shall post samples from tests or retired tests

1 featuring questions from this pool for review by the public.

2 (g) The summative assessment system shall ensure that students, parents, and
3 teachers are provided with reports that convey individual student proficiency and
4 growth on the assessment and that convey individual student domain-level performance
5 in each subject area, including representative questions, and individual student
6 performance in meeting state standards.

7 (h) The summative assessment system shall be capable of providing, and the
8 department shall ensure that students, parents, teachers, administrators, and
9 community members are provided with, reports that convey aggregate student proficiency
10 and growth data by teacher, grade, school, and district.

11 (i) The summative assessment system shall ensure the capability of reporting the
12 available data to support educator evaluations.

13 (j) The summative assessment system shall ensure that the reports provided to
14 districts containing individual student data are available within 60 days after
15 completion of the assessments.

16 (k) The summative assessment system shall ensure that access to individually
17 identifiable student data meets all of the following:

18 (i) Is in compliance with 20 USC 1232g, commonly referred to as the family
19 educational rights and privacy act of 1974.

20 (ii) Except as may be provided for in an agreement with a vendor to provide
21 assessment services, as necessary to support educator evaluations pursuant to
22 subdivision (i), or for research or program evaluation purposes, is available only to
23 the student; to the student's parent or legal guardian; and to a school administrator
24 or teacher, to the extent that he or she has a legitimate educational interest.

25 (l) The summative assessment system shall ensure that the assessments are pilot
26 tested before statewide implementation.

27 (m) The summative assessment system shall ensure that assessments are designed so

1 that the maximum total combined length of time that schools are required to set aside
2 for a pupil to answer all test questions on all assessments that are part of the
3 system for the pupil's grade level does not exceed that maximum total combined length
4 of time for the previous statewide assessment system or 9 hours, whichever is less.
5 This subdivision does not limit the amount of time a district may allow a pupil to
6 complete a test.

7 **(N) IN AN EFFORT TO ADD AND ADMINISTER STATEWIDE BENCHMARK ASSESSMENTS IN ENGLISH**
8 **LANGUAGE ARTS AND MATHEMATICS TO THE CURRENT ASSESSMENT SYSTEM, THE DEPARTMENT SHALL**
9 **BEGIN THE DEVELOPMENT AND PILOT OR FIELD-TESTING OF TEST CONTENT FOR THE STATEWIDE USE**
10 **OF BENCHMARK ASSESSMENTS UP TO THREE TIMES PER YEAR (FALL, WINTER, SPRING) FOR GRADES**
11 **3 TO 8 BEGINNING IN THE 2018-19 SCHOOL YEAR. THESE BENCHMARK ASSESSMENTS SHALL BE**
12 **FULLY ALIGNED TO MICHIGAN'S STATE CONTENT STANDARDS FOR ENGLISH LANGUAGE ARTS AND**
13 **MATHEMATICS AND MAY BE COMPUTER ADAPTIVE IN NATURE.**

14 **(O) ~~(n)~~** The total cost of executing the summative assessment system statewide
15 each year, including, but not limited to, the cost of contracts for administration,
16 scoring, and reporting, shall not exceed an amount equal to 2 times the cost of
17 executing the previous statewide assessment after adjustment for inflation.

18 (4) Beginning in the 2015-2016 school year, the department shall field test
19 assessments in the fall and spring of each school year to measure English language
20 arts and mathematics in each of grades K to 2 for full implementation when the
21 assessments have been successfully field tested. This full implementation shall occur
22 not later than the 2018-2019 school year. These assessments are necessary to determine
23 a pupil's proficiency level before grade 3.

24 (5) This section does not prohibit districts from adopting interim assessments.

25 (6) As used in this section, "English language arts" means that term as defined
26 in section 104b.

27 Sec. 107. (1) From the appropriation in section 11, there is allocated an amount

1 not to exceed \$25,000,000.00 for ~~2016-2017~~ **2017-2018** for adult education programs
2 authorized under this section. Except as otherwise provided under subsections (14) and
3 (15), funds allocated under this section are restricted for adult education programs
4 as authorized under this section only. A recipient of funds under this section shall
5 not use those funds for any other purpose.

6 (2) To be eligible for funding under this section, an eligible adult education
7 provider shall employ certificated teachers and qualified administrative staff and
8 shall offer continuing education opportunities for teachers to allow them to maintain
9 certification.

10 (3) To be eligible to be a participant funded under this section, an individual
11 shall be enrolled in an adult basic education program, an adult secondary education
12 program, an adult English as a second language program, a high school equivalency test
13 preparation program, or a high school completion program, that meets the requirements
14 of this section, and for which instruction is provided, and shall meet either of the
15 following:

16 (a) Has attained 20 years of age.

17 (b) Has attained 18 years of age and the individual's graduating class has
18 graduated.

19 (4) By April 1 of each fiscal year, the intermediate districts within a
20 prosperity region or subregion shall determine which intermediate district will serve
21 as the prosperity region's or subregion's fiscal agent for the next fiscal year and
22 shall notify the department in a form and manner determined by the department. The
23 department shall approve or disapprove of the prosperity region's or subregion's
24 selected fiscal agent. From the funds allocated under subsection (1), an amount as
25 determined under this subsection shall be allocated to each intermediate district
26 serving as a fiscal agent for adult education programs in each of the prosperity
27 regions or subregions identified by the department. An intermediate district shall not

1 use more than 5% of the funds allocated under this subsection for administration costs
2 for serving as the fiscal agent. Beginning in 2014-2015, 67% of the allocation
3 provided to each intermediate district serving as a fiscal agent shall be based on the
4 proportion of total funding formerly received by the adult education providers in that
5 prosperity region or subregion in 2013-2014, and 33% shall be allocated based on the
6 factors in subdivisions (a), (b), and (c). For 2017-2018, 33% of the allocation
7 provided to each intermediate district serving as a fiscal agent shall be based upon
8 the proportion of total funding formerly received by the adult education providers in
9 that prosperity region in 2013-2014 and 67% of the allocation shall be based upon the
10 factors in subdivisions (a), (b), and (c). Beginning in 2018-2019, 100% of the
11 allocation provided to each intermediate district serving as a fiscal agent shall be
12 based on the factors in subdivisions (a), (b), and (c). The funding factors for this
13 section are as follows:

14 (a) Sixty percent of this portion of the funding shall be distributed based upon
15 the proportion of the state population of individuals between the ages of 18 and 24
16 that are not high school graduates that resides in each of the prosperity regions or
17 subregions, as reported by the most recent 5-year estimates from the American
18 community survey (ACS) from the United States Census Bureau.

19 (b) Thirty-five percent of this portion of the funding shall be distributed based
20 upon the proportion of the state population of individuals age 25 or older who are not
21 high school graduates that resides in each of the prosperity regions or subregions, as
22 reported by the most recent 5-year estimates from the American community survey (ACS)
23 from the United States Census Bureau.

24 (c) Five percent of this portion of the funding shall be distributed based upon
25 the proportion of the state population of individuals age 18 or older who lack basic
26 English language proficiency that resides in each of the prosperity regions or
27 subregions, as reported by the most recent 5-year estimates from the American

1 community survey (ACS) from the United States Census Bureau.

2 (5) To be an eligible fiscal agent, an intermediate district must agree to do the
3 following in a form and manner determined by the department:

4 (a) Distribute funds to adult education programs in a prosperity region or
5 subregion as described in this section.

6 (b) Collaborate with the talent district career council, which is an advisory
7 council of the workforce development boards located in the prosperity region or
8 subregion, or its successor, to develop a regional strategy that aligns adult
9 education programs and services into an efficient and effective delivery system for
10 adult education learners, with special consideration for providing contextualized
11 learning and career pathways and addressing barriers to education and employment.

12 (c) Collaborate with the talent district career council, which is an advisory
13 council of the workforce development boards located in the prosperity region or
14 subregion, or its successor, to create a local process and criteria that will identify
15 eligible adult education providers to receive funds allocated under this section based
16 on location, demand for services, past performance, quality indicators as identified
17 by the department, and cost to provide instructional services. The fiscal agent shall
18 determine all local processes, criteria, and provider determinations. However, the
19 local processes, criteria, and provider services must be approved by the department
20 before funds may be distributed to the fiscal agent.

21 (d) Provide oversight to its adult education providers throughout the program
22 year to ensure compliance with the requirements of this section.

23 (e) Report adult education program and participant data and information as
24 prescribed by the department.

25 (6) An adult basic education program, an adult secondary education program, or an
26 adult English as a second language program operated on a year-round or school year
27 basis may be funded under this section, subject to all of the following:

1 (a) The program enrolls adults who are determined by a department-approved
2 assessment, in a form and manner prescribed by the department, to be below twelfth
3 grade level in reading or mathematics, or both, or to lack basic English proficiency.

4 (b) The program tests individuals for eligibility under subdivision (a) before
5 enrollment and upon completion of the program in compliance with the state-approved
6 assessment policy.

7 (c) A participant in an adult basic education program is eligible for
8 reimbursement until 1 of the following occurs:

9 (i) The participant's reading and mathematics proficiency are assessed at or
10 above the ninth grade level.

11 (ii) The participant fails to show progress on 2 successive assessments after
12 having completed at least 450 hours of instruction.

13 (d) A participant in an adult secondary education program is eligible for
14 reimbursement until 1 of the following occurs:

15 (i) The participant's reading and mathematics proficiency are assessed above the
16 twelfth grade level.

17 (ii) The participant fails to show progress on 2 successive assessments after
18 having at least 450 hours of instruction.

19 (e) A funding recipient enrolling a participant in an English as a second
20 language program is eligible for funding according to subsection (9) until the
21 participant meets 1 of the following:

22 (i) The participant is assessed as having attained basic English proficiency as
23 determined by a department-approved assessment.

24 (ii) The participant fails to show progress on 2 successive department-approved
25 assessments after having completed at least 450 hours of instruction. The department
26 shall provide information to a funding recipient regarding appropriate assessment
27 instruments for this program.

1 (7) A high school equivalency test preparation program operated on a year-round
2 or school year basis may be funded under this section, subject to all of the
3 following:

4 (a) The program enrolls adults who do not have a high school diploma or a high
5 school equivalency certificate.

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 high school equivalency practice test to determine the individual's
9 potential for success on the high school equivalency test, and shall administer a
10 post-test upon completion of the program in compliance with the state-approved
11 assessment policy.

12 (c) A funding recipient shall receive funding according to subsection (9) for a
13 participant, and a participant may be enrolled in the program until 1 of the following
14 occurs:

15 (i) The participant achieves a high school equivalency certificate.

16 (ii) The participant fails to show progress on 2 successive department-approved
17 assessments used to determine readiness to take a high school equivalency test after
18 having completed at least 450 hours of instruction.

19 (8) A high school completion program operated on a year-round or school year
20 basis may be funded under this section, subject to all of the following:

21 (a) The program enrolls adults who do not have a high school diploma.

22 (b) The program tests participants described in subdivision (a) before enrollment
23 and upon completion of the program in compliance with the state-approved assessment
24 policy.

25 (c) A funding recipient shall receive funding according to subsection (9) for a
26 participant in a course offered under this subsection until 1 of the following 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 (9) A funding recipient shall receive payments under this section in accordance
5 with all of the following:

6 (a) Statewide allocation criteria, including 3-year average enrollments, census
7 data, and local needs.

8 (b) Participant completion of the adult basic education objectives by achieving
9 an educational gain as determined by the national reporting system levels; for
10 achieving basic English proficiency, as determined by the department; for achieving a
11 high school equivalency certificate or passage of 1 or more individual high school
12 equivalency tests; for attainment of a high school diploma or passage of a course
13 required for a participant to attain a high school diploma; for enrollment in a
14 postsecondary institution, or for entry into or retention of employment, as
15 applicable.

16 (c) Participant completion of core indicators as identified in the innovation and
17 opportunity act.

18 (d) Allowable expenditures.

19 (10) A person who is not eligible to be a participant funded under this section
20 may receive adult education services upon the payment of tuition. In addition, a
21 person who is not eligible to be served in a program under this section due to the
22 program limitations specified in subsection (6), (7), or (8) may continue to receive
23 adult education services in that program upon the payment of tuition. The tuition
24 level shall be determined by the local or intermediate district conducting the
25 program.

26 (11) An individual who is an inmate in a state correctional facility shall not be
27 counted as a participant under this section.

1 (12) A funding recipient shall not commingle money received under this section or
2 from another source for adult education purposes with any other funds and shall
3 establish a separate ledger account for funds received under this section. This
4 subsection does not prohibit a district from using general funds of the district to
5 support an adult education or community education program.

6 (13) A funding recipient receiving funds under this section may establish a
7 sliding scale of tuition rates based upon a participant's family income. A funding
8 recipient may charge a participant tuition to receive adult education services under
9 this section from that sliding scale of tuition rates on a uniform basis. The amount
10 of tuition charged per participant shall not exceed the actual operating cost per
11 participant minus any funds received under this section per participant. A funding
12 recipient may not charge a participant tuition under this section if the participant's
13 income is at or below 200% of the federal poverty guidelines published by the United
14 States Department of Health and Human Services.

15 (14) In order to receive funds under this section, a funding recipient shall
16 furnish to the department, in a form and manner determined by the department, all
17 information needed to administer this program and meet federal reporting requirements;
18 shall allow the department or the department's designee to review all records related
19 to the program for which it receives funds; and shall reimburse the state for all
20 disallowances found in the review, as determined by the department. In addition, a
21 funding recipient shall agree to pay to a career and technical education program under
22 section 61a the amount of funding received under this section in the proportion of
23 career and technical education coursework used to satisfy adult basic education
24 programming, as billed to the funding recipient by programs operating under section
25 61a.

26 (15) From the amount appropriated in subsection (1), an amount not to exceed
27 \$500,000.00 shall be allocated for ~~2016-2017~~ **2017-2018** to not more than 1 pilot

1 program that is located in a prosperity region with 2 or more subregions and that
 2 connects adult education participants directly with employers by linking adult
 3 education, career and technical skills, and workforce development. To be eligible for
 4 funding under this subsection, a pilot program shall provide a collaboration linking
 5 adult education programs within the county, the area career/technical center, and
 6 local employers, and shall meet the additional criteria in subsections (16) and (17).
 7 Funding under this subsection for ~~2016-2017~~ **2017-2018** is for the ~~second~~ **THIRD** of 3
 8 years of funding.

9 (16) A pilot program funded under subsection (15) shall require adult education
 10 staff to work with Michigan works! agency to identify a cohort of participants who are
 11 most prepared to successfully enter the workforce. Participants identified under this
 12 subsection shall be dually enrolled in adult education programming and at least 1
 13 technical course at the area career/technical center.

14 (17) A pilot program funded under subsection (15) shall have on staff an adult
 15 education navigator who will serve as a caseworker for each participant identified
 16 under subsection (16). The navigator shall work with adult education staff and
 17 potential employers to design an educational program best suited to the personal and
 18 employment needs of the participant, and shall work with human service agencies or
 19 other entities to address any barrier in the way of participant access.

20 (18) Not later than December 1, ~~2017~~ **2018**, the pilot program funded under
 21 subsection (15) shall provide to the senate and house appropriations subcommittees on
 22 school aid ~~and~~, to the senate and house fiscal agencies, **AND TO THE STATE BUDGET**
 23 **DIRECTOR** a report detailing number of participants, graduation rates, and a measure of
 24 transitioning to employment.

25 ~~— (19) The department shall develop an application process for a pilot program to~~
 26 ~~be funded under subsection (15) and shall award funding not later than October 1,~~
 27 ~~2016. Funding allocated under subsection (15) may be paid on a schedule other than~~

1 ~~that specified under section 17b.~~

2 (19) ~~(20)~~ The department shall approve at least 3 high school equivalency tests
3 and determine whether a high school equivalency certificate meets the requisite
4 standards for high school equivalency in this state.

5 (20) ~~(21)~~ As used in this section:

6 (a) "Career pathway" means a combination of rigorous and high-quality education,
7 training, and other services that comply with all of the following:

8 (i) Aligns with the skill needs of industries in the economy of this state or in
9 the regional economy involved.

10 (ii) Prepares an individual to be successful in any of a full range of secondary
11 or postsecondary education options, including apprenticeships registered under the act
12 of August 16, 1937 (commonly known as the "national apprenticeship act"), 29 USC 50 et
13 seq.

14 (iii) Includes counseling to support an individual in achieving the individual's
15 education and career goals.

16 (iv) Includes, as appropriate, education offered concurrently with and in the
17 same context as workforce preparation activities and training for a specific
18 occupation or occupational cluster.

19 (v) Organizes education, training, and other services to meet the particular
20 needs of an individual in a manner that accelerates the educational and career
21 advancement of the individual to the extent practicable.

22 (vi) Enables an individual to attain a secondary school diploma or its recognized
23 equivalent, and at least 1 recognized postsecondary credential.

24 (vii) Helps an individual enter or advance within a specific occupation or
25 occupational cluster.

26 (b) "Department" means the department of talent and economic development.

27 (c) "Eligible adult education provider" means a district, intermediate district,

1 a consortium of districts, a consortium of intermediate districts, or a consortium of
2 districts and intermediate districts that is identified as part of the local process
3 described in subsection (5)(c) and approved by the department.

4 Sec. 147. (1) The allocation for ~~2016-2017~~ **2017-2018** for the public school
5 employees' retirement system pursuant to the public school employees retirement act of
6 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the individual
7 projected benefit entry age normal cost method of valuation and risk assumptions
8 adopted by the public school employees retirement board and the department of
9 technology, management, and budget.

10 (2) The annual level percentage of payroll contribution rates for the ~~2016-2017~~
11 **2017-2018** fiscal year, as determined by the retirement system, are estimated as
12 follows:

13 (a) For public school employees who first worked for a public school reporting
14 unit before July 1, 2010 and who are enrolled in the health premium subsidy, the
15 annual level percentage of payroll contribution rate is estimated at ~~36.64%~~ **36.88%**,
16 with ~~24.94%~~ **25.56%** paid directly by the employer.

17 (b) For public school employees who first worked for a public school reporting
18 unit on or after July 1, 2010 and who are enrolled in the health premium subsidy, the
19 annual level percentage of payroll contribution rate is estimated at ~~36.01%~~ **35.60%**,
20 with ~~24.31%~~ **24.28%** paid directly by the employer.

21 (c) For public school employees who first worked for a public school reporting
22 unit on or after July 1, 2010 and who participate in the personal healthcare fund, the
23 annual level percentage of payroll contribution rate is estimated at ~~35.79%~~ **35.35%**,
24 with ~~24.09%~~ **24.03%** paid directly by the employer.

25 (d) For public school employees who first worked for a public school reporting
26 unit on or after September 4, 2012, who elect defined contribution, and who
27 participate in the personal healthcare fund, the annual level percentage of payroll

1 contribution rate is estimated at ~~32.66%~~ **32.28%**, with 20.96% paid directly by the
2 employer.

3 (e) For public school employees who first worked for a public school reporting
4 unit before July 1, 2010, who elect defined contribution, and who are enrolled in the
5 health premium subsidy, the annual level percentage of payroll contribution rate is
6 estimated at ~~32.88%~~ **32.53%**, with ~~21.18%~~ **21.21%** paid directly by the employer.

7 (f) For public school employees who first worked for a public school reporting
8 unit before July 1, 2010, who elect defined contribution, and who participate in the
9 personal healthcare fund, the annual level percentage of payroll contribution rate is
10 estimated at ~~32.66%~~ **32.28%**, with 20.96% paid directly by the employer.

11 (g) For public school employees who first worked for a public school reporting
12 unit before July 1, 2010 and who participate in the personal healthcare fund, the
13 annual level percentage of payroll contribution rate is estimated at ~~36.42%~~ **36.63%**,
14 with ~~24.72%~~ **25.31%** paid directly by the employer.

15 (3) In addition to the employer payments described in subsection (2), the
16 employer shall pay the applicable contributions to the Tier 2 plan, as determined by
17 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
18 38.1408.

19 (4) The contribution rates in subsection (2) reflect an amortization period of ~~22~~
20 ~~21~~ years for ~~2016-2017~~ **2017-2018**. The public school employees' retirement system board
21 shall notify each district and intermediate district by February 28 of each fiscal
22 year of the estimated contribution rate for the next fiscal year.

23 Sec. 147a. **(1)** From the appropriation in section 11, there is allocated for ~~2016-~~
24 ~~2017-2017-2018~~ an amount not to exceed \$100,000,000.00 for payments to participating
25 districts. A district that receives money under this section shall use that money
26 solely for the purpose of offsetting a portion of the retirement contributions owed by
27 the district for the fiscal year in which it is received. The amount allocated to each

1 participating district under this ~~section~~ **SUBSECTION** shall be based on each
 2 participating district's percentage of the total statewide payroll for all
 3 participating districts for the immediately preceding fiscal year. As used in this
 4 ~~section~~ **SUBSECTION**, "participating district" means a district that is a reporting unit
 5 of the Michigan public school employees' retirement system under the public school
 6 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, and that
 7 reports employees to the Michigan public school employees' retirement system for the
 8 applicable fiscal year.

9 (2) IN ADDITION TO THE ALLOCATION IN SUBSECTION (1), FOR 2017-2018 THERE IS
 10 ALLOCATED FROM THE SCHOOL AID FUND MONEY APPROPRIATED UNDER SECTION 11 AN AMOUNT NOT
 11 TO EXCEED \$48,940,000.00 FOR PAYMENTS TO PARTICIPATING DISTRICTS AND INTERMEDIATE
 12 DISTRICTS, AND FROM THE GENERAL FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS
 13 ALLOCATED AN AMOUNT NOT TO EXCEED \$29,000.00 FOR PAYMENTS TO PARTICIPATING LIBRARIES.
 14 THE AMOUNT ALLOCATED TO EACH PARTICIPATING ENTITY UNDER THIS SUBSECTION SHALL BE BASED
 15 ON EACH PARTICIPATING DISTRICT'S PERCENTAGE OF THE TOTAL STATEWIDE PAYROLL FOR THAT
 16 TYPE OF PARTICIPATING ENTITY FOR THE IMMEDIATELY PRECEDING FISCAL YEAR. A
 17 PARTICIPATING ENTITY THAT RECEIVES MONEY UNDER THIS SUBSECTION SHALL USE THAT MONEY
 18 SOLELY FOR THE PURPOSE OF OFFSETTING THE NORMAL COST CONTRIBUTION RATE. AS USED IN
 19 THIS SUBSECTION, "PARTICIPATING ENTITY" MEANS A DISTRICT, INTERMEDIATE DISTRICT, OR
 20 DISTRICT LIBRARY THAT IS A REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES'
 21 RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA
 22 300, MCL 38.1301 TO 38.1408, AND THAT REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL
 23 EMPLOYEES' RETIREMENT SYSTEM FOR THE APPLICABLE FISCAL YEAR.

24 Sec. 147c. (1) From the appropriation in section 11, there is allocated for ~~2016-~~
 25 ~~2017-2017-2018~~ an amount not to exceed ~~\$982,200,000.00~~ **\$960,130,000.00** from the state
 26 school aid fund for payments to districts and intermediate districts that are
 27 participating entities of the Michigan public school employees' retirement system. In

1 addition, from the general fund money appropriated in section 11, there is allocated
2 for ~~2016-2017~~ **2017-2018** an amount not to exceed ~~\$600,000.00~~ **\$654,000.00** for payments
3 to district libraries that are participating entities of the Michigan public school
4 employees' retirement system.

5 (2) For ~~2016-2017~~ **2017-2018**, the amounts allocated under subsection (1) are
6 estimated to provide an average MPSERS rate cap per pupil amount of ~~\$660.00~~ **\$640.00**
7 and are estimated to provide a rate cap per pupil for districts ranging between ~~\$5.00~~
8 **\$4.00** and ~~\$3,100.00~~ **\$3,020.00**.

9 (3) Payments made under this section shall be equal to the difference between the
10 unfunded actuarial accrued liability contribution rate as calculated pursuant to
11 section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL
12 38.1341, as calculated without taking into account the maximum employer rate of 20.96%
13 included in section 41 of the public school employees retirement act of 1979, 1980 PA
14 300, MCL 38.1341, and the maximum employer rate of 20.96% included in section 41 of
15 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

16 (4) The amount allocated to each participating entity under this section shall be
17 based on each participating entity's proportion of the total covered payroll for the
18 immediately preceding fiscal year for the same type of participating entities. A
19 participating entity that receives funds under this section shall use the funds solely
20 for the purpose of retirement contributions as specified in subsection (5).

21 (5) Each participating entity receiving funds under this section shall forward an
22 amount equal to the amount allocated under subsection (4) to the retirement system in
23 a form, manner, and time frame determined by the retirement system.

24 (6) Funds allocated under this section should be considered when comparing a
25 district's growth in total state aid funding from 1 fiscal year to the next.

26 (7) Not later than December 20, ~~2016~~ **2017**, the department shall publish and post
27 on its website an estimated MPSERS rate cap per pupil for each district.

1 (8) As used in this section:

2 (a) "MPERS rate cap per pupil" means an amount equal to the quotient of the
3 district's payment under this section divided by the district's pupils in membership.

4 (b) "Participating entity" means a district, intermediate district, or district
5 library that is a reporting unit of the Michigan public school employees' retirement
6 system under the public school employees retirement act of 1979, 1980 PA 300, MCL
7 38.1301 to 38.1437, and that reports employees to the Michigan public school
8 employees' retirement system for the applicable fiscal year.

9 (c) "Retirement board" means the board that administers the retirement system
10 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
11 38.1437.

12 (d) "Retirement system" means the Michigan public school employees' retirement
13 system under the public school employees retirement act of 1979, 1980 PA 300, MCL
14 38.1301 to 38.1437.

15 Sec. 152a. (1) As required by the court in the consolidated cases known as Adair
16 v State of Michigan, Michigan supreme court docket nos. 137424 and 137453, from the
17 state school aid fund money appropriated in section 11, there is allocated for ~~2016-~~
18 ~~2017~~ **2017-2018** an amount not to exceed \$38,000,500.00 to be used solely for the
19 purpose of paying necessary costs related to the state-mandated collection,
20 maintenance, and reporting of data to this state.

21 (2) From the allocation in subsection (1), the department shall make payments to
22 districts and intermediate districts in an equal amount per-pupil based on the total
23 number of pupils in membership in each district and intermediate district. The
24 department shall not make any adjustment to these payments after the final installment
25 payment under section 17b is made.

26 Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor
27 who is enrolled in any of grades kindergarten to 12 in a nonpublic school or who is

1 being home-schooled from also enrolling the minor in a district, public school
2 academy, or intermediate district in any curricular offering that is provided by the
3 district, public school academy, or intermediate district at a public school site and
4 is available to pupils in the minor's grade level or age group, subject to compliance
5 with the same requirements that apply to a full-time pupil's participation in the
6 offering. However, state school aid shall be provided under this act for a minor
7 enrolled as described in this subsection only for curricular offerings that are
8 offered to full-time pupils in the minor's grade level or age group during regularly
9 scheduled school hours.

10 (2) This act does not prohibit a parent or legal guardian of a minor who is
11 enrolled in any of grades kindergarten to 12 in a nonpublic school or who resides
12 within the district and is being home-schooled from also enrolling the minor in the
13 district in a curricular offering being provided by the district at the nonpublic
14 school site. However, state school aid shall be provided under this act for a minor
15 enrolled as described in this subsection only if all of the following apply:

16 (a) Either of the following:

17 (i) The nonpublic school site is located, or the nonpublic students are educated,
18 within the geographic boundaries of the district.

19 (ii) If the nonpublic school has submitted a written request to the district in
20 which the nonpublic school is located for the district to provide certain instruction
21 under this subsection for a school year and the district does not agree to provide
22 some or all of that instruction by May 1 immediately preceding that school year or, if
23 the request is submitted after March 1 immediately preceding that school year, within
24 60 days after the nonpublic school submits the request, the instruction is instead
25 provided by an eligible other district. This subparagraph does not require a nonpublic
26 school to submit more than 1 request to the district in which the nonpublic school is
27 located for that district to provide instruction under this subsection, and does not

1 require a nonpublic school to submit an additional request to the district in which
2 the nonpublic school is located for that district to provide additional instruction
3 under this subsection beyond the instruction requested in the original request, before
4 having the instruction provided by an eligible other district. A public school academy
5 that is located in the district in which the nonpublic school is located or in an
6 eligible other district also may provide instruction under this subparagraph under the
7 same conditions as an eligible other district. As used in this subparagraph, "eligible
8 other district" means a district that is located in the same intermediate district as
9 the district in which the nonpublic school is located or is located in an intermediate
10 district that is contiguous to that intermediate district.

11 (b) The nonpublic school is registered with the department as a nonpublic school
12 and meets all state reporting requirements for nonpublic schools.

13 (c) The instruction is scheduled to occur during the regular school day.

14 (d) The instruction is provided directly by a certified teacher at the district
15 or public school academy or at an intermediate district.

16 (e) The curricular offering is also available to full-time pupils in the minor's
17 grade level or age group in the district or public school academy during the regular
18 school day at a public school site.

19 (f) The curricular offering is restricted to nonessential elective courses for
20 pupils in grades kindergarten to 12.

21 (3) A minor enrolled as described in this section is a part-time pupil for
22 purposes of state school aid under this act.

23 (4) A district that receives a written request to provide instruction under
24 subsection (2) shall reply to the request in writing by May 1 immediately preceding
25 the applicable school year or, if the request is made after March 1 immediately
26 preceding that school year, within 60 days after the nonpublic school submits the
27 request. The written reply shall specify whether the district agrees to provide or

1 does not agree to provide the instruction for each portion of instruction included in
2 the request.

3 ~~———— (5) The department shall establish a workgroup consisting of staff from the~~
4 ~~department, staff from the center, pupil accounting staff from districts and~~
5 ~~intermediate districts, other applicable staff from districts and intermediate~~
6 ~~districts, representatives from nonpublic schools, and representatives from home~~
7 ~~schools to examine the issue of providing a uniform definition of nonessential~~
8 ~~elective courses, and also to provide a uniform definition of a part-time pupil for~~
9 ~~the purposes of this section.~~

ARTICLE II

STATE AID TO COMMUNITY COLLEGES

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, ~~2017~~, **2018**, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$395,925,600.00~~. **\$398,167,600.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$395,925,600.00~~. **\$398,167,600.00**.

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

(i) Total federal revenues, \$0.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$260,414,800.00~~. **\$395,142,600.00**.

(v) State general fund/general purpose money, ~~\$135,510,800.00~~. **\$3,025,000.00**.

(2) Subject to subsection (3), the amount appropriated for community college operations is \$315,892,000.00, allocated as follows:

(a) The appropriation for Alpena Community College is \$5,544,700.00. ~~\$5,464,400.00 for operations and \$80,300.00 for performance funding.~~

(b) The appropriation for Bay de Noc Community College is \$5,560,900.00. ~~\$5,490,200.00 for operations and \$70,700.00 for performance funding.~~

(c) The appropriation for Delta College is \$14,907,700.00. ~~\$14,704,000.00 for operations and \$203,700.00 for performance funding.~~

(d) The appropriation for Glen Oaks Community College is \$2,586,900.00. ~~\$2,551,100.00 for operations and \$35,800.00 for performance funding.~~

(e) The appropriation for Gogebic Community College is \$4,577,800.00. ~~\$4,577,800.00 for operations and \$0.00 for performance funding.~~

1 ~~\$4,509,900.00 for operations and \$67,900.00 for performance funding.~~

2 (f) The appropriation for Grand Rapids Community College is \$18,450,500.00.

3 ~~, \$18,187,300.00 for operations and \$263,200.00 for performance funding.~~

4 (g) The appropriation for Henry Ford College is \$22,176,000.00. ~~, \$21,893,300.00~~

5 ~~for operations and \$282,700.00 for performance funding.~~

6 (h) The appropriation for Jackson College is \$12,397,600.00. ~~, \$12,245,300.00 for~~

7 ~~operations and \$152,300.00 for performance funding.~~

8 (i) The appropriation for Kalamazoo Valley Community College is \$12,873,900.00.

9 ~~, \$12,689,400.00 for operations and \$184,500.00 for performance funding.~~

10 (j) The appropriation for Kellogg Community College is \$10,087,500.00.

11 ~~, \$9,950,100.00 for operations and \$137,400.00 for performance funding.~~

12 (k) The appropriation for Kirtland Community College is \$3,270,000.00.

13 ~~, \$3,221,500.00 for operations and \$48,500.00 for performance funding.~~

14 (l) The appropriation for Lake Michigan College is \$5,492,800.00.

15 ~~, \$5,417,700.00 for operations and \$75,100.00 for performance funding.~~

16 (m) The appropriation for Lansing Community College is \$31,677,300.00.

17 ~~, \$31,288,200.00 for operations and \$389,100.00 for performance funding.~~

18 (n) The appropriation for Macomb Community College is \$33,681,800.00.

19 ~~, \$33,239,500.00 for operations and \$442,300.00 for performance funding.~~

20 (o) The appropriation for Mid Michigan Community College is \$4,834,100.00.

21 ~~, \$4,757,700.00 for operations and \$76,400.00 for performance funding.~~

22 (p) The appropriation for Monroe County Community College is \$4,636,700.00.

23 ~~, \$4,565,600.00 for operations and \$71,100.00 for performance funding.~~

24 (q) The appropriation for Montcalm Community College is \$3,343,100.00.

25 ~~, \$3,280,600.00 for operations and \$62,500.00 for performance funding.~~

26 (r) The appropriation for C.S. Mott Community College is \$16,115,500.00.

27 ~~, \$15,901,700.00 for operations and \$213,800.00 for performance funding.~~

(s) The appropriation for Muskegon Community College is \$9,150,600.00.

~~, \$9,020,700.00 for operations and \$129,900.00 for performance funding.~~

(t) The appropriation for North Central Michigan College is \$3,290,400.00.

~~, \$3,224,800.00 for operations and \$65,600.00 for performance funding.~~

(u) The appropriation for Northwestern Michigan College is \$9,318,000.00.

~~, \$9,200,500.00 for operations and \$117,500.00 for performance funding.~~

(v) The appropriation for Oakland Community College is \$21,770,900.00.

~~, \$21,429,400.00 for operations and \$341,500.00 for performance funding.~~

(w) The appropriation for Schoolcraft College is \$12,909,300.00. ~~, \$12,706,400.00~~

~~for operations and \$202,900.00 for performance funding.~~

(x) The appropriation for Southwestern Michigan College is \$6,732,500.00.

~~, \$6,657,600.00 for operations and \$74,900.00 for performance funding.~~

(y) The appropriation for St. Clair County Community College is \$7,259,300.00.

~~, \$7,158,000.00 for operations and \$101,300.00 for performance funding.~~

(z) The appropriation for Washtenaw Community College is \$13,534,000.00.

~~, \$13,301,100.00 for operations and \$232,900.00 for performance funding.~~

(aa) The appropriation for Wayne County Community College is \$17,234,200.00.

~~, \$16,989,800.00 for operations and \$244,400.00 for performance funding.~~

(bb) The appropriation for West Shore Community College is \$2,478,000.00.

~~, \$2,446,200.00 for operations and \$31,800.00 for performance funding.~~

(3) The amount appropriated in subsection (2) for community college operations is \$315,892,000.00, appropriated from ~~the following:~~ **THE STATE SCHOOL AID FUND.**

~~—— (a) State school aid fund, \$185,481,200.00.~~

~~—— (b) State general fund/general purpose money, \$130,410,800.00.~~

(4) **(A)** From the appropriations described in subsection (1), subject to section 207a, the amount appropriated for fiscal year ~~2016-2017~~ **2017-2018** to offset certain fiscal year ~~2016-2017~~ **2017-2018** retirement contributions is \$1,733,600.00,

1 appropriated from the state school aid fund.

2 (B) FOR FISCAL YEAR 2017-2018 ONLY, FROM THE APPROPRIATIONS DESCRIBED IN
3 SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$3,612,000.00 FOR PAYMENTS
4 TO PARTICIPATING COMMUNITY COLLEGES, APPROPRIATED FROM THE STATE SCHOOL AID FUND. A
5 COMMUNITY COLLEGE THAT RECEIVES MONEY UNDER THIS SUBSECTION SHALL USE THAT MONEY
6 SOLELY FOR THE PURPOSE OF OFFSETTING THE NORMAL COST CONTRIBUTION RATE.

7 (5) From the appropriations described in subsection (1), subject to section 207b,
8 the amount appropriated for payments to community colleges that are participating
9 entities of the retirement system is ~~\$73,200,000.00,~~ \$70,805,000.00, appropriated from
10 the state school aid fund.

11 (6) From the appropriations described in subsection (1), subject to section 207c,
12 the amount appropriated for renaissance zone tax reimbursements is ~~\$5,100,000.00,~~
13 \$3,100,000.00, appropriated from ~~general fund/general purpose money~~ THE STATE SCHOOL
14 AID FUND.

15 (7) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), SUBJECT TO 1986 PA 102,
16 MCL 390.1281 TO 390.1288, THE AMOUNT APPROPRIATED FOR A PILOT OF INDEPENDENT PART-TIME
17 STUDENT GRANTS IS \$2,000,000.00, APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY.
18 IF THE NUMBER OF ELIGIBLE APPLICANTS EXCEEDS THE MONEY AVAILABLE, PRIORITY SHALL BE
19 GIVEN TO PERSONS WITH THE GREATEST FINANCIAL NEED AS DETERMINED BY EACH EDUCATIONAL
20 INSTITUTION. BEGINNING IN FISCAL YEAR 2018-2019, A COMMUNITY COLLEGE SHALL REPORT, IN
21 A FORM AND MANNER DIRECTED BY AND SATISFACTORY TO THE DEPARTMENT OF TREASURY, BY
22 OCTOBER 15 OF EACH YEAR, ALL OF THE FOLLOWING:

23 (A) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR WHO
24 RECEIVED AN INDEPENDENT PART-TIME STUDENT GRANT AT THE COMMUNITY COLLEGE.

25 (B) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR WHO
26 RECEIVED AN INDEPENDENT PART-TIME STUDENT GRANT AT THE COMMUNITY COLLEGE AND
27 SUCCESSFULLY COMPLETED A CERTIFICATE OR DEGREE PROGRAM.

(8) BEGINNING IN FISCAL YEAR 2018-2019, IF A COMMUNITY COLLEGE FAILS TO REPORT THE INFORMATION REQUIRED IN SUBSECTION (7), THE DEPARTMENT OF TREASURY SHALL NOT AWARD INDEPENDENT PART-TIME STUDENT GRANTS TO OTHERWISE ELIGIBLE STUDENTS ENROLLED AT THE COMMUNITY COLLEGE. THE DEPARTMENT OF TREASURY SHALL REPORT THE INFORMATION REQUIRED IN SUBSECTION (7) TO MEMBERS OF THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BEFORE NOVEMBER 1 OF EACH YEAR.

(9) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THERE IS APPROPRIATED \$1,025,000.00 FROM GENERAL FUND/GENERAL PURPOSE MONEY, FOR FISCAL YEAR 2017-2018 ONLY, TO THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION, FOR THE PURPOSE OF ENHANCING THE MICHIGAN TRANSFER NETWORK WEBSITE TO IMPROVE THE TRANSFER OF COLLEGE CREDIT AMONG MICHIGAN'S POSTSECONDARY INSTITUTIONS. THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION SHALL PROVIDE INFORMATION ON REQUEST TO THE HOUSE AND SENATE SUBCOMMITTEES ON COMMUNITY COLLEGES, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ON THE USE OF THESE FUNDS UNTIL THE PROJECT IS COMPLETED.

Sec. 206. (1) The funds appropriated in section 201 are appropriated for community colleges with fiscal years ending June 30, ~~2017~~ 2018 and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, ~~2016~~ 2017. Each community college shall accrue its July and August ~~2017~~ 2018 payments to its institutional fiscal year ending June 30, ~~2017~~ 2018.

(2) ~~However, if~~ IF the state budget director determines that a community college failed to submit all verified Michigan community colleges activities classification structure data for school year 2015-2016 to the center by November 1, 2016, or failed to submit its longitudinal data system data set for school year 2015-2016 to the center under section 219, ANY OF THE FOLLOWING INFORMATION IN THE FORM AND MANNER

1 **SPECIFIED BY THE CENTER**, the state treasurer shall withhold the monthly installments
 2 from that community college until those data are submitted-: ~~The state budget director~~
 3 ~~shall notify the chairs of the house and senate appropriations subcommittees on~~
 4 ~~community colleges at least 10 days before withholding funds from any community~~
 5 ~~college.~~

6 (A) **ALL VERIFIED MICHIGAN COMMUNITY COLLEGES ACTIVITIES CLASSIFICATION STRUCTURE**
 7 **DATA FOR THE PRECEDING ACADEMIC YEAR TO THE CENTER BY NOVEMBER 1 OF EACH YEAR AS**
 8 **SPECIFIED IN SECTION 217.**

9 (B) **THE COLLEGE CREDIT OPPORTUNITY DATASET AS SPECIFIED IN SECTION 209.**

10 (C) **THE LONGITUDINAL DATA SET FOR THE PRECEDING ACADEMIC YEAR TO THE CENTER AS**
 11 **SPECIFIED IN SECTION 219.**

12 (D) **THE ANNUAL INDEPENDENT AUDIT AS SPECIFIED IN SECTION 222.**

13 (E) **TUITION AND MANDATORY FEES INFORMATION FOR THE CURRENT ACADEMIC YEAR AS**
 14 **SPECIFIED IN SECTION 225.**

15 (F) **THE NUMBER AND TYPE OF ASSOCIATE DEGREES AND OTHER CERTIFICATES AWARDED**
 16 **DURING THE PREVIOUS ACADEMIC YEAR AS SPECIFIED IN SECTION 226.**

17 Sec. 207a. All of the following apply to the allocation of the fiscal year ~~2016-~~
 18 ~~2017~~ **2017-2018** appropriations described in section 201(4):

19 (a) A community college that receives money under section 201(4) shall use that
 20 money solely for the purpose of offsetting a portion of the retirement contributions
 21 owed by the college for that fiscal year.

22 (b) The amount allocated to each participating community college under section
 23 201(4) shall be based on each college's percentage of the total covered payroll for
 24 all community colleges that are participating colleges in the immediately preceding
 25 fiscal year.

26 Sec. 207b. All of the following apply to the allocation of the fiscal year ~~2016-~~
 27 ~~2017~~ **2017-2018** appropriations described in section 201(5) for payments to community

1 colleges that are participating entities of the retirement system:

2 (a) The amount of a payment under section 201(5) shall be the difference between
 3 the unfunded actuarial accrued liability contribution rate as calculated under section
 4 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, **AS**
 5 **CALCULATED WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 20.96% INCLUDED IN**
 6 **SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL**
 7 **38.1341**, and the maximum employer rate of 20.96% under section 41 of the public school
 8 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

9 (b) The amount allocated to each community college under section 201(5) shall be
 10 based on each community college's percentage of the total covered payroll for all
 11 community colleges that are participating colleges in the immediately preceding fiscal
 12 year. A community college that receives funds under this subdivision shall use the
 13 funds solely for the purpose of retirement contributions under section 201(5).

14 (c) Each participating college that receives funds under section 201(5) shall
 15 forward an amount equal to the amount allocated under subdivision (b) to the
 16 retirement system in a form and manner determined by the retirement system.

17 Sec. 207c. All of the following apply to the allocation of the appropriations
 18 described in section 201(6) to community colleges described in section 12(3) of the
 19 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692:

20 (a) The amount allocated to each community college under section 201(6) for
 21 fiscal year ~~2016-2017~~ **2017-2018** shall be based on that community college's proportion
 22 of total revenue lost by community colleges as a result of the exemption of property
 23 taxes levied in ~~2016~~ **2017** under the Michigan renaissance zone act, 1996 PA 376, MCL
 24 125.2681 to 125.2696.

25 (b) The appropriations described in section 201(6) shall be made to each eligible
 26 community college within 60 days after the department of treasury certifies to the
 27 state budget director that it has received all necessary information to properly

determine the amounts payable to each eligible community college under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

Sec. 209. (1) Within 30 days after the board of a community college adopts its annual operating budget for the following fiscal year, or after the board adopts a subsequent revision to that budget, the community college shall make all of the following available through a link on its website homepage:

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

(b) A link to the most recent "Activities Classification Structure Data Book and Companion".

(c) General fund revenue and expenditure projections for **THE CURRENT** fiscal year ~~2016-2017~~ and **THE NEXT** fiscal year ~~2017-2018~~.

(d) A listing of all debt service obligations, detailed by project, anticipated ~~fiscal year 2016-2017~~ payment of each project, and total outstanding debt **FOR THE CURRENT FISCAL YEAR.**

~~———— (e) The estimated cost to the community college resulting from the patient protection and affordable care act, Public Law 111-148, as amended by the health care and education reconciliation act of 2010, Public Law 111-152.~~

(E) ~~(f)~~ Links to all of the following for the community college:

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

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

(iii) Audits and financial reports for the most recent fiscal year for which they are available.

~~———— (iv) A copy of the board of trustees resolution regarding compliance with best practices for the local strategic value component described in section 230(2).~~

(2) For statewide consistency and public visibility, community colleges must use the icon badge provided by the department of technology, management, and budget consistent with the icon badge developed by the department of education for K-12 school districts. It must appear on the front of each community college's homepage. The size of the icon may be reduced to 150 x 150 pixels.

~~———— (3) The state budget director shall determine whether a community college has complied with this section. The state budget director may withhold a community college's monthly installments described in section 206 until the community college complies with this section. The state budget director shall notify the chairs of the house and senate appropriations subcommittee on community colleges at least 10 days before withholding funds from any community college.~~

(3) ~~(4)~~ Each community college shall report the following information to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget office by November 15 of each fiscal year and post that information on its website as required under subsection (1):

(a) Budgeted **CURRENT** fiscal year ~~2016-2017~~ general fund revenue from tuition and fees.

(b) Budgeted **CURRENT** fiscal year ~~2016-2017~~ general fund revenue from state appropriations.

(c) Budgeted **CURRENT** fiscal year ~~2016-2017~~ general fund revenue from property taxes.

(d) Budgeted **CURRENT** fiscal year ~~2016-2017~~ total general fund revenue.

(e) Budgeted **CURRENT** fiscal year ~~2016-2017~~total general fund expenditures.

(4) ~~(5)~~ By November 15 of each year, a community college shall report the following information to the center and post the information on its website under the budget transparency icon badge:

(a) Opportunities for earning college credit through the following programs:

(i) State approved career and technical education or a tech prep articulated program of study.

(ii) Direct college credit or concurrent enrollment.

(iii) Dual enrollment.

(iv) An early college/middle college program.

(b) For each program described in subdivision (a) that the community college offers, all of the following information:

(i) The number of high school students participating in the program.

(ii) The number of school districts that participate in the program with the community college.

(iii) Whether a college professor, qualified local school district employee, or other individual teaches the course or courses in the program.

(iv) The total cost to the community college to operate the program.

(v) The cost per credit hour for the course or courses in the program.

(vi) The location where the course or courses in the program are held.

(vii) Instructional resources offered to the program instructors.

(viii) Resources offered to the student in the program.

(ix) Transportation services provided to students in the program.

Sec. 210b. By March 1, ~~2017~~ **2018**, the Michigan Community College Association and the Michigan Association of State Universities shall submit a report to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director ~~that includes all of the following:~~

~~———— (a) A progress report on the implementation of the Michigan transfer agreement developed by the study committee created under former section 210a, ON THE ACTIVITIES AND PROGRAMS OF THE TRANSFER STEERING COMMITTEE SINCE THE MARCH 1, 2017 REPORT REQUIRED UNDER THIS SECTION, including an update on progress made on outstanding concerns identified in the March 1, 2016 implementation update. ALL OF THE FOLLOWING:~~

~~(b) A report on improvements to articulation and credit transfer policies among and between all sectors of postsecondary education in this state. The report shall identify areas of progress since the March 1, 2016 report, required by former section 210e, including all of the following:~~

~~(A) (i) Identifying effective policies and practices developed by other states.~~

THE ALIGNMENT OF LEARNING OUTCOMES IN GATEWAY MATHEMATICS COURSES IN THE QUANTITATIVE REASONING, COLLEGE ALGEBRA AND STATISTICS PATHWAYS AND THE TRANSFERABILITY OF MATHEMATICS GATEWAY COURSES BETWEEN AND AMONG COMMUNITY COLLEGES AND UNIVERSITIES.

~~(B) (ii) Developing specific pathways, where advisable, that meet program requirements for both associate's and bachelor's degree programs.~~ **THE DEVELOPMENT OF PROGRAM SPECIFIC, STATEWIDE TRANSFER PATHWAYS THAT MEET PROGRAM REQUIREMENTS FOR BOTH ASSOCIATE'S AND BACHELOR'S DEGREE PROGRAMS.**

~~(C) (iii) Creating~~ **THE DEVELOPMENT OF** an enhanced online communication tool to share information about postsecondary options in Michigan, **COURSE EQUIVALENCIES,** particularly ~~AND clearly articulating~~ transfer pathways **THAT ARE CLEARLY ARTICULATED.**

~~(D) (iv) Establishing~~ **THE ESTABLISHMENT OF** clear timelines for finalizing **DEVELOPING AND IMPLEMENTING** transfer pathways.

(E) A PROGRESS REPORT ON THE IMPLEMENTATION OF THE MICHIGAN TRANSFER AGREEMENT.

Sec. 210e. By February 1, ~~2017~~ **2018**, the Michigan Community College Association, the Michigan Association of State Universities, and the Michigan Independent Colleges and Universities, on behalf of their member colleges and universities, shall submit to the senate and house appropriations subcommittees on higher education, the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director a comprehensive report detailing the number of academic program partnerships between public community colleges, public universities, and private colleges and universities, including, but not limited to, the following information:

1 (a) The names of the baccalaureate degree programs of study offered by public and
2 private universities on community college campuses.

3 (b) The names of the articulation agreements for baccalaureate degree programs of
4 study between public community colleges, public universities, and private colleges and
5 universities.

6 (c) The number of students enrolled and number of degrees awarded through
7 articulation agreements, and the number of courses offered, number of students
8 enrolled, and number of degrees awarded through on-campus programs named in
9 subdivision (a) from July 1, 2015 **2016** through June 30, ~~2016~~ **2017**.

10 Sec. 217. (1) The center 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 in
14 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 center the activities classification structure
26 advisory committee. The committee shall provide advice to the director of the center
27 regarding the management of the state community college database, including, but not

1 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 data.

6 (d) Establishing and maintaining data definitions, data transmission protocols,
7 and system specifications and procedures for the efficient and accurate transmission
8 and collection of data.

9 (e) Establishing and maintaining a process for ensuring the accuracy of the data.

10 (f) Establishing and maintaining policies related to data collection, including,
11 but not limited to, privacy policies related to individual student data.

12 (g) Ensuring that the data are made available to state policymakers and citizens
13 of this state in the most useful format possible.

14 (h) Addressing other matters as determined by the director of the center or as
15 required by law.

16 (3) The activities classification structure advisory committee created in
17 subsection (2) shall consist of the following members:

18 (a) One representative from the house fiscal agency, appointed by the director of
19 the house fiscal agency.

20 (b) One representative from the senate fiscal agency, appointed by the director
21 of the senate fiscal agency.

22 (c) One representative from the workforce development agency, appointed by the
23 director of the workforce development agency.

24 (d) One representative from the center appointed by the director of the center.

25 (e) One representative from the state budget office, appointed by the state
26 budget director.

27 (f) One representative from the governor's policy office, appointed by that

1 office.

2 (g) Four representatives of the Michigan Community College Association, appointed
3 by the president of the association. From the groupings of community colleges given in
4 table 17 of the activities classification structure database described in subsection
5 (1), the association shall appoint 1 representative each from group 1, group 2, and
6 group 3, and 1 representative from either group 3 or 4.

7 Sec. 222. Each community college shall have an annual audit of all income and
8 expenditures performed by an independent auditor and shall furnish the independent
9 auditor's management letter and an annual audited accounting of all general and
10 current funds income and expenditures including audits of college foundations to the
11 **CENTER BEFORE NOVEMBER 15 OF EACH YEAR. THE CENTER SHALL MAKE THIS INFORMATION**
12 **AVAILABLE TO** members of the senate and house appropriations subcommittees on community
13 colleges, the senate and house fiscal agencies, the auditor general, the workforce
14 development agency, ~~the center,~~ and the state budget director ~~before November 15 of~~
15 ~~each year.~~ If a community college fails to furnish the audit materials, the monthly
16 state aid installments shall be withheld from that college until the information is
17 submitted. All reporting shall conform to the requirements set forth in the "2001
18 Manual for Uniform Financial Reporting, Michigan Public Community Colleges". A
19 community college shall make the information the community college is required to
20 provide under this section available to the public on its website.

21 Sec. 223. (1) By February 15 of each year, the department of civil rights shall
22 annually submit to the state budget director, the house and senate appropriations
23 subcommittees on community colleges, and the house and senate fiscal agencies a report
24 on North American Indian tuition waivers for the preceding ~~fiscal year~~ **ACADEMIC YEAR**
25 that includes, but is not limited to, all of the following information:

26 (a) The number of waiver applications received and the number of waiver
27 applications approved.

(b) For each community college submitting information under subsection (2), all of the following:

(i) The number of North American Indian students enrolled each term for the previous ~~fiscal year~~ **ACADEMIC YEAR**.

(ii) The number of North American Indian waivers granted each term, **INCLUDING CONTINUING EDUCATION STUDENTS**, and the monetary value of the waivers for the previous ~~fiscal year~~ **ACADEMIC YEAR**.

(iii) The number of students attending under a North American Indian tuition waiver who withdrew from the college **EACH TERM** during the previous ~~fiscal year~~ **ACADEMIC YEAR. A WITHDRAWAL IS DEFINED AS ANY STUDENT WHO HAS BEEN AWARDED THE WAIVER WHO WITHDRAWS FROM THE INSTITUTION AT ANY POINT DURING THE TERM, REGARDLESS OF ENROLLMENT IN SUBSEQUENT TERMS.**

(iv) The number of students attending under a North American Indian tuition waiver who successfully complete a degree or certificate program, separated by degree or certificate level, and the graduation rate for students attending under a North American Indian tuition waiver who complete a degree **OR CERTIFICATE** within 150% of the normal time to complete, separated by the level of the degree **OR CERTIFICATE**.

(2) A community college that receives funds under section 201 shall provide to the department of civil rights any information necessary for preparing the report described in subsection (1), using guidelines and procedures developed by the department of civil rights.

(3) The department of civil rights may consolidate the report required under this section with the report required under section 268, but a consolidated report must separately identify data for universities and data for community colleges.

Sec. 224. ~~A community college~~ **USING THE DATA PROVIDED BY THE COMMUNITY COLLEGES AS REQUIRED UNDER SECTION 219 OF THIS ACT, THE CENTER** shall use the P-20 longitudinal data system to inform interested Michigan high schools and the public of the aggregate

1 academic status of its students for the previous academic year, ~~in a manner prescribed~~
 2 ~~by.~~ **THE CENTER SHALL WORK WITH** the Michigan Community College Association and in
 3 cooperation with the Michigan Association of Secondary School Principals. ~~Community~~
 4 ~~colleges shall cooperate with the center to maintain a systematic approach for~~
 5 ~~accomplishing this work.~~

6 Sec. 225. Each community college shall report to the ~~house and senate fiscal~~
 7 ~~agencies, the state budget director, and the center by August 31, 2016,~~ **OF EACH YEAR,**
 8 the tuition and mandatory fees paid by a full-time in-district student and a full-time
 9 out-of-district student as established by the college governing board for the ~~2016-~~
 10 ~~2017~~ **CURRENT** academic year. This report should also include the annual cost of
 11 attendance based on a full-time course load of 30 credits. Each community college
 12 shall also report any revisions to the reported ~~2016-2017~~ **CURRENT** academic year
 13 tuition and mandatory fees adopted by the college governing board to ~~the house and~~
 14 ~~senate fiscal agencies, the state budget director, and the center within 15 days of~~
 15 being adopted. **THE CENTER SHALL MAKE THIS INFORMATION AND ANY REVISIONS AVAILABLE TO**
 16 **THE HOUSE AND SENATE FISCAL AGENCIES AND THE STATE BUDGET DIRECTOR.**

17 Sec. 226. Each community college shall report to the center the numbers and type
 18 of associate degrees and other certificates awarded **BY THE COMMUNITY COLLEGE** during
 19 the previous fiscal year. The report shall be made not later than November 15 of each
 20 year. Community colleges shall work with the center to develop a systematic approach
 21 for meeting this requirement **USING THE P-20 LONGITUDINAL DATA SYSTEM.**

22 Sec. 229a. Included in the fiscal year ~~2016-2017~~ **2017-2018** appropriations for the
 23 department of technology, management, and budget are appropriations totaling
 24 \$30,879,600.00 to provide funding for the state share of costs for previously
 25 constructed capital projects for community colleges. Those appropriations for state
 26 building authority rent represent additional state general fund support for community
 27 colleges, and the following is an estimate of the amount of that support to each

- 1 community college:
- 2 (a) Alpena Community College, ~~\$632,500.00.~~ **\$630,000.00.**
- 3 (b) Bay de Noc Community College, ~~\$685,100.00.~~ **\$682,400.00.**
- 4 (c) Delta College, ~~\$3,360,600.00.~~ **\$3,347,300.00.**
- 5 (d) Glen Oaks Community College, ~~\$124,500.00.~~ **\$124,000.00.**
- 6 (e) Gogebic Community College, ~~\$56,700.00.~~ **\$56,400.00.**
- 7 (f) Grand Rapids Community College, ~~\$2,083,500.00.~~ **\$2,075,300.00.**
- 8 (g) Henry Ford College, ~~\$1,040,300.00.~~ **\$1,036,200.00.**
- 9 (h) Jackson College, ~~\$2,273,800.00.~~ **\$2,264,800.00.**
- 10 (i) Kalamazoo Valley Community College, ~~\$2,030,900.00.~~ **\$1,957,400.00.**
- 11 (j) Kellogg Community College, ~~\$526,200.00.~~ **\$524,100.00.**
- 12 (k) Kirtland Community College, ~~\$367,300.00.~~ **\$365,900.00.**
- 13 (l) Lake Michigan College, ~~\$344,100.00.~~ **\$342,700.00.**
- 14 (m) Lansing Community College, ~~\$1,154,600.00.~~ **\$1,150,000.00.**
- 15 (n) Macomb Community College, ~~\$1,715,700.00.~~ **\$1,662,100.00.**
- 16 (o) Mid Michigan Community College, ~~\$1,634,300.00.~~ **\$1,627,800.00.**
- 17 (p) Monroe County Community College, ~~\$1,278,100.00.~~ **\$1,273,000.00.**
- 18 (q) Montcalm Community College, ~~\$982,600.00.~~ **\$978,700.00.**
- 19 (r) C.S. Mott Community College, ~~\$1,497,600.00.~~ **\$1,817,300.00.**
- 20 (s) Muskegon Community College, ~~\$623,500.00.~~ **\$570,500.00.**
- 21 (t) North Central Michigan College, ~~\$417,900.00.~~ **\$416,300.00.**
- 22 (u) Northwestern Michigan College, ~~\$1,320,600.00.~~ **\$1,315,400.00.**
- 23 (v) Oakland Community College, ~~\$470,500.00.~~ **\$468,700.00.**
- 24 (w) Schoolcraft College, ~~\$1,564,400.00.~~ **\$1,558,300.00.**
- 25 (x) Southwestern Michigan College, ~~\$574,800.00.~~ **\$531,700.00.**
- 26 (y) St. Clair County Community College, ~~\$360,200.00.~~ **\$358,800.00.**
- 27 (z) Washtenaw Community College, ~~\$1,696,000.00.~~ **\$1,689,300.00.**

- 1 (aa) Wayne County Community College, ~~\$1,479,400.00.~~ **\$1,473,600.00.**
- 2 (bb) West Shore Community College, ~~\$583,900.00.~~ **\$581,600.00.**

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, ~~2017~~, **2018**, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$1,582,640,400.00~~. **\$1,637,224,400.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,582,640,400.00~~. **\$1,637,224,400.00**.

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

(i) Total federal revenues, ~~\$101,526,400.00~~. **\$111,526,400.00**.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$237,209,500.00~~. **\$235,743,500.00**.

(v) State general fund/general purpose money, ~~\$1,243,904,500.00~~.

\$1,289,954,500.00.

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

(a) The appropriation for Central Michigan University is ~~\$83,925,500.00~~, ~~\$81,127,100.00~~ **\$86,086,600.00**, **\$83,925,500.00** for operations and ~~\$2,798,400.00~~ **\$2,161,100.00** for performance funding.

(b) The appropriation for Eastern Michigan University is ~~\$73,593,800.00~~, ~~\$71,782,500.00~~ **\$75,564,000.00**, **\$73,593,800.00** for operations and ~~\$1,811,300.00~~ **\$1,970,200.00** for performance funding.

(c) The appropriation for Ferris State University is ~~\$52,259,900.00~~, ~~\$50,369,800.00~~ **\$53,929,400.00**, **\$52,259,900.00** for operations and ~~\$1,890,100.00~~ **\$1,669,500.00** for performance funding.

(d) The appropriation for Grand Valley State University is ~~\$68,227,900.00,~~
~~\$65,275,700.00~~ **\$70,568,100.00, \$68,227,900.00** for operations and ~~\$2,952,200.00~~
\$2,340,200.00 for performance funding.

(e) The appropriation for Lake Superior State University is ~~\$13,567,400.00,~~
~~\$13,207,400.00~~ **\$13,827,000.00, \$13,567,400.00** for operations and ~~\$360,000.00~~
\$259,600.00 for performance funding.

(f) The appropriation for Michigan State University is ~~\$337,777,800.00,~~
~~\$268,770,700.00~~ **\$346,049,100.00, \$275,862,100.00** for operations, ~~\$7,091,400.00~~
\$6,721,300.00 for performance funding, ~~\$33,243,100.00~~ **\$34,074,200.00** for MSU
 AgBioResearch, and ~~\$28,672,600.00~~ **\$29,391,500.00** for MSU Extension.

(g) The appropriation for Michigan Technological University is ~~\$48,097,500.00,~~
~~\$46,754,700.00~~ **\$49,290,900.00, \$48,097,500.00** for operations and ~~\$1,342,800.00~~
\$1,193,400.00 for performance funding.

(h) The appropriation for Northern Michigan University is ~~\$46,279,200.00,~~
~~\$45,107,700.00~~ **\$47,351,900.00, \$46,279,200.00** for operations and ~~\$1,171,500.00~~
\$1,072,700.00 for performance funding.

(i) The appropriation for Oakland University is ~~\$49,920,700.00, \$48,371,900.00~~
\$51,564,700.00, \$49,920,700.00 for operations and ~~\$1,548,800.00~~ **\$1,644,000.00** for
 performance funding.

(j) The appropriation for Saginaw Valley State University is ~~\$29,114,000.00,~~
~~\$28,181,200.00~~ **\$29,929,100.00, \$29,114,000.00** for operations and ~~\$932,800.00~~
\$815,100.00 for performance funding.

(k) The appropriation for University of Michigan - Ann Arbor is ~~\$308,639,000.00,~~
~~\$299,975,000.00~~ **\$316,076,500.00, \$308,639,000.00** for operations and ~~\$8,664,000.00~~
\$7,437,500.00 for performance funding.

(l) The appropriation for University of Michigan - Dearborn is ~~\$24,803,300.00,~~
~~\$24,033,100.00~~ **\$25,576,600.00, \$24,803,300.00** for operations and ~~\$770,200.00~~

1 \$773,300.00 for performance funding.

2 (m) The appropriation for University of Michigan - Flint is ~~\$22,549,300.00,~~
 3 ~~\$21,815,400.00~~ **\$23,189,900.00, \$22,549,300.00** for operations and ~~\$733,900.00~~
 4 **\$640,600.00** for performance funding.

5 (n) The appropriation for Wayne State University is ~~\$196,064,500.00,~~
 6 ~~\$191,451,300.00~~ **\$199,946,100.00, \$196,064,500.00** for operations and ~~\$4,613,200.00~~
 7 **\$3,881,600.00** for performance funding.

8 (o) The appropriation for Western Michigan University is ~~\$107,440,900.00,~~
 9 ~~\$104,334,100.00~~ **\$109,860,800.00, \$107,440,900.00** for operations and ~~\$3,106,800.00~~
 10 **\$2,419,900.00** for performance funding.

11 (3) The amount appropriated in subsection (2) for public universities is
 12 appropriated from the following:

13 (a) State school aid fund, \$231,219,500.00.

14 (b) State general fund/general purpose money, ~~\$1,231,041,200.00.~~
 15 **\$1,267,591,200.00.**

16 (4) The amount appropriated for Michigan public school employees' retirement
 17 system reimbursement is ~~\$5,890,000.00,~~ **\$4,005,000.00,** appropriated from the state
 18 school aid fund.

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

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

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

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

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

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

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

(7) Subject to subsection (8), the amount appropriated for grants and financial aid is ~~\$110,983,200.00,~~ **\$127,283,200.00**, allocated as follows:

(a) State competitive scholarships, ~~\$18,361,700.00.~~ **\$26,361,700.00.**

(b) Tuition grants, ~~\$35,021,500.00.~~ **\$38,021,500.00.**

(c) Tuition incentive program, ~~\$53,000,000.00.~~ **\$58,300,000.00.**

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

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

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

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

(b) Federal revenues under the social security act, temporary assistance for needy families, ~~\$98,326,400.00.~~ **\$108,326,400.00.**

(c) Contributions to children of veterans tuition grant program, \$100,000.00.

(d) State general fund/general purpose money, ~~\$9,356,800.00.~~ **\$15,656,800.00.**

~~(9) For fiscal year 2016-2017 only, \$500,000.00 is appropriated for the Michigan State University Diagnostic Center for Population and Animal Health, appropriated from state general fund/general purpose money.~~

(9) FOR FISCAL YEAR 2017-2018 ONLY, IN ADDITION TO THE ALLOCATION UNDER SUBSECTION (4), FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$419,000.00 FOR PAYMENTS TO PARTICIPATING PUBLIC UNIVERSITIES, APPROPRIATED FROM THE STATE SCHOOL AID FUND. A UNIVERSITY THAT RECEIVES MONEY UNDER THIS SUBSECTION SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF OFFSETTING THE NORMAL COST CONTRIBUTION RATE. AS USED IN THIS SUBSECTION, "PARTICIPATING PUBLIC UNIVERSITIES" MEANS PUBLIC UNIVERSITIES THAT ARE A REPORTING UNIT OF THE MICHIGAN

1 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES
 2 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437, AND THAT PAY
 3 CONTRIBUTIONS TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE STATE
 4 FISCAL YEAR.

5 (10) FOR FISCAL YEAR 2017-2018 ONLY, \$2,500,000.00 IS APPROPRIATED FOR THE
 6 MICHIGAN STATE UNIVERSITY ANIMAL AGRICULTURE INITIATIVE, APPROPRIATED FROM GENERAL
 7 FUND/GENERAL PURPOSE MONEY.

8 (11) FOR FISCAL YEAR 2017-2018 ONLY, \$1,200,000.00 IS APPROPRIATED FOR THE
 9 MICHIGAN STATE UNIVERSITY AGRICULTURE WORKFORCE INITIATIVE, APPROPRIATED FROM GENERAL
 10 FUND/GENERAL PURPOSE MONEY.

11 Sec. 236b. In addition to the funds appropriated in section 236, there is
 12 appropriated for grants and financial aid in fiscal year ~~2016-2017~~ **2017-2018** an amount
 13 not to exceed \$6,000,000.00 for federal contingency funds. These funds are not
 14 available for expenditure until they have been transferred under section 393(2) of the
 15 management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this
 16 article.

17 Sec. 236c. In addition to the funds appropriated for fiscal year ~~2016-2017~~ **2017-**
 18 **2018** in section 236, appropriations to the department of technology, management, and
 19 budget in the act providing general appropriations for fiscal year ~~2016-2017~~ **2017-2018**
 20 for state building authority rent, totaling an estimated \$144,995,300.00, provide
 21 funding for the state share of costs for previously constructed capital projects for
 22 state universities. These appropriations for state building authority rent represent
 23 additional state general fund support provided to public universities, and the
 24 following is an estimate of the amount of that support to each university:

25 (a) Central Michigan University, ~~\$11,819,500.00.~~ **\$12,570,900.00.**

26 (b) Eastern Michigan University, ~~\$4,868,000.00.~~ **\$5,177,500.00.**

27 (c) Ferris State University, ~~\$6,260,300.00.~~ **\$6,658,300.00.**

- (d) Grand Valley State University, ~~\$6,635,900.00.~~ **\$7,057,800.00.**
- (e) Lake Superior State University, ~~\$1,722,800.00.~~ **\$1,832,400.00.**
- (f) Michigan State University, ~~\$18,827,000.00.~~ **\$15,500,500.00.**
- (g) Michigan Technological University, ~~\$6,793,200.00.~~ **\$7,225,100.00.**
- (h) Northern Michigan University, ~~\$9,447,600.00.~~ **\$7,786,500.00.**
- (i) Oakland University, ~~\$12,685,900.00.~~ **\$13,492,400.00.**
- (j) Saginaw Valley State University, ~~\$10,331,000.00.~~ **\$10,918,500.00.**
- (k) University of Michigan - Ann Arbor, ~~\$11,875,600.00.~~ **\$10,586,200.00.**
- (l) University of Michigan - Dearborn, ~~\$9,008,800.00.~~ **\$9,581,500.00.**
- (m) University of Michigan - Flint, ~~\$4,357,600.00.~~ **\$4,315,600.00.**
- (n) Wayne State University, ~~\$15,399,400.00.~~ **\$16,378,300.00.**
- (o) Western Michigan University, ~~\$14,962,700.00.~~ **\$15,913,800.00.**

Sec. 237b. As used in this article: ~~the term "workforce development agency" means the workforce development agency within the department of talent and economic development talent investment agency.~~

(A) "CENTER" MEANS THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION CREATED IN SECTION 94A.

(B) "WORKFORCE DEVELOPMENT AGENCY" MEANS THE WORKFORCE DEVELOPMENT AGENCY WITHIN THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT--TALENT INVESTMENT AGENCY.

Sec. 241. (1) Subject to sections 244 and 265a, the funds appropriated in section 236 to public universities shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, ~~2016~~ **2017**. Except for Wayne State University, each institution shall accrue its July and August ~~2017~~ **2018** payments to its institutional fiscal year ending June 30, ~~2017~~ **2018**.

(2) All public universities shall submit higher education institutional data

1 inventory (HEIDI) data and associated financial and program information requested by
2 and in a manner prescribed by the state budget director. For public universities with
3 fiscal years ending June 30, ~~2016~~ **2017**, these data shall be submitted to the state
4 budget director by October 15, ~~2016~~ **2017**. Public universities with a fiscal year
5 ending September 30, ~~2016~~ **2017**, shall submit preliminary HEIDI data by November 15,
6 ~~2016~~ **2017** and final data by December 15, ~~2016~~ **2017**. If a public university fails to
7 submit HEIDI data and associated financial aid program information in accordance with
8 this reporting schedule, the state treasurer may withhold the monthly installments
9 under subsection (1) to the public university until those data are submitted.

10 Sec. 242. Funds received by the state from the federal government or private
11 sources for the use of a college or university are appropriated for the purposes for
12 which they are provided. ~~The acceptance and use of federal or private funds do not~~
13 ~~place an obligation on the legislature to continue the purposes for which the funds~~
14 ~~are made available.~~

15 Sec. 244. ~~A~~ **BY OCTOBER 15 OF EACH YEAR, A** public university receiving funds in
16 section 236 shall ~~cooperate with all measures taken by the state to develop, operate,~~
17 ~~and maintain~~ **PROVIDE ITS LONGITUDINAL DATA SYSTEM DATA SET FOR THE PRECEDING ACADEMIC**
18 **YEAR TO THE CENTER FOR INCLUSION IN** the statewide P-20 longitudinal data system
19 described in section 94a. If the state budget director finds that a university has not
20 complied with this section, the state budget director is authorized to withhold the
21 monthly installments provided to that university under section 241 until he or she
22 finds the university has complied with this section.

23 Sec. 245. (1) A public university shall maintain a public transparency website
24 available through a link on its website homepage. The public university shall update
25 this website within 30 days after the university's governing board adopts its annual
26 operating budget for the next academic year, or after the governing board adopts a
27 subsequent revision to that budget.

1 (2) The website required under subsection (1) shall include all of the following
2 concerning the public university:

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

4 (b) A summary of current expenditures for the most recent fiscal year for which
5 they are available, expressed as pie charts in the following 2 categories:

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

7 (A) Earnings and wages.

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

10 (C) Retirement benefit costs.

11 (D) All other personnel costs.

12 (ii) A chart of all current expenditures the public university reported as part
13 of its higher education institutional data inventory data under section 241(2), broken
14 into the same subcategories in which it reported those data.

15 (c) Links to all of the following for the public university:

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

17 (ii) Each health care benefits plan, including, but not limited to, medical,
18 dental, vision, disability, long-term care, or any other type of benefits that would
19 constitute health care services, offered to any bargaining unit or employee of the
20 public university.

21 (iii) Audits and financial reports for the most recent fiscal year for which they
22 are available.

23 (iv) Campus security policies and crime statistics pursuant to the student right-
24 to-know and campus security act, Public Law 101-542, 104 Stat. 2381. Information shall
25 include all material prepared pursuant to the public information reporting
26 requirements under the crime awareness and campus security act of 1990, title II of
27 the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381.

1 (d) A list of all positions funded partially or wholly through institutional
2 general fund revenue that includes the position title and annual salary or wage amount
3 for each position.

4 (e) General fund revenue and expenditure projections for the current fiscal year
5 and the next fiscal year.

6 (f) A listing of all debt service obligations, detailed by project, anticipated
7 fiscal year payment for each project, and total outstanding debt for the current
8 fiscal year.

9 (g) The institution's policy regarding the transferability of core college
10 courses between community colleges and the university.

11 (h) A listing of all community colleges that have entered into reverse transfer
12 agreements with the university.

13 (3) On the website required under subsection (1), a public university shall
14 provide a dashboard or report card demonstrating the university's performance in
15 several "best practice" measures. The dashboard or report card shall include at least
16 all of the following for the 3 most recent academic years for which the data are
17 available:

18 (a) Enrollment.

19 (b) Student retention rate.

20 (c) Six-year graduation rates.

21 (d) Number of Pell grant recipients and graduating Pell grant recipients.

22 (e) Geographic origination of students, categorized as in-state, out-of-state,
23 and international.

24 (f) Faculty to student ratios and total university employee to student ratios.

25 (g) Teaching load by faculty classification.

26 (h) Graduation outcome rates, including employment and continuing education.

27 (4) For statewide consistency and public visibility, public universities must use

the icon badge provided by the department of technology, management, and budget consistent with the icon badge developed by the department of education for K-12 school districts. It must appear on the front of each public university's homepage. The size of the icon may be reduced to 150 x 150 pixels. The font size and style for this reporting must be consistent with other documents on each university's website.

~~———— (5) The state budget director shall determine whether a public university has complied with this section. The state budget director may withhold a public university's monthly installments described in section 241 until the public university complies with this section.~~

(5) ~~(6)~~ By November 15 of each year, a public university shall report the following information to the center ~~for educational performance and information~~ and post the information on its website under the budget transparency icon badge:

(a) Opportunities for earning college credit through the following programs:

(i) State approved career and technical education or a tech prep articulated program of study.

(ii) Direct college credit or concurrent enrollment.

(iii) Dual enrollment.

(iv) An early college/middle college program.

(b) For each program described in subdivision (a) that the public university offers, all of the following information:

(i) The number of high school students participating in the program.

(ii) The number of school districts that participate in the program with the public university.

(iii) Whether a university professor, qualified local school district employee, or other individual teaches the course or courses in the program.

(iv) The total cost to the public university to operate the program.

(v) The cost per credit hour for the course or courses in the program.

(vi) The location where the course or courses in the program are held.

(vii) Instructional resources offered to the program instructors.

(viii) Resources offered to the student in the program.

(ix) Transportation services provided to students in the program.

SEC. 249. (1) THE FUNDS APPROPRIATED IN SECTION 236 FOR THE CHILDREN OF VETERANS AND OFFICER'S SURVIVOR TUITION GRANT PROGRAMS SHALL BE SUPPORTED WITH REVENUE FROM THE RESTRICTED ACCOUNT CREATED IN SECTION 5 OF THE CHILDREN OF VETERANS TUITION GRANT ACT, 2005 PA 248, MCL 390.1345. AS PROVIDED IN SECTION 5 OF THE CHILDREN OF VETERANS TUITION GRANT ACT, 2005 PA 248, MCL 390.1345, UNEXPENDED FUNDS REMAINING IN THE RESTRICTED ACCOUNT AT THE END OF THE FISCAL YEAR SHALL NOT LAPSE TO THE GENERAL FUND.

(2) THE GENERAL FUND/GENERAL PURPOSE FUNDS APPROPRIATED IN SECTION 236 FOR THE CHILDREN OF VETERANS AND OFFICER'S SURVIVOR TUITION GRANT PROGRAMS SHALL BE DEPOSITED INTO THE RESTRICTED ACCOUNT DESCRIBED IN SUBSECTION (1), AS REQUIRED IN SECTION 5 OF THE CHILDREN OF VETERANS TUITION GRANT ACT, 2005 PA 248, MCL 390.1345.

(3) FUNDS DEPOSITED INTO THE RESTRICTED ACCOUNT UNDER SUBSECTION (2) FOR THE CHILDREN OF VETERANS AND OFFICER'S SURVIVOR TUITION GRANT PROGRAMS ARE APPROPRIATED AND AVAILABLE FOR ALLOCATION AS REQUIRED IN THE CHILDREN OF VETERANS TUITION GRANT ACT, 2005 PA 248, MCL 390.1341 TO 390.1346.

SEC. 250. TO BE CONSIDERED ELIGIBLE FOR ANY SCHOLARSHIP OR GRANT FINANCIAL AID PROGRAM ADMINISTERED BY TREASURY THE STUDENT MUST FILE THE FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA) ANNUALLY.

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

(2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the department of treasury shall determine an actual maximum state competitive scholarship award per student, which shall be not less than ~~\$575.00~~, \$1,000.00, that ensures that the aggregate

1 payments for the state competitive scholarship program do not exceed the appropriation
2 contained in section 236 for the state competitive scholarship program. If the
3 department determines that insufficient funds are available to establish a maximum
4 award amount equal to at least ~~\$575.00~~, **\$1,000.00**, the department shall immediately
5 report to the house and senate appropriations subcommittees on higher education, the
6 house and senate fiscal agencies, and the state budget director regarding the
7 estimated amount of additional funds necessary to establish a ~~\$575.00~~ **\$1,000.00**
8 maximum award amount.

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

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

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

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

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

26 (2) Tuition grant awards shall be made to all eligible Michigan residents
27 enrolled in undergraduate degree programs who are qualified and who apply before July

1, 2017 ~~of each year for the next academic year.~~ **FOR THE 2017-2018 ACADEMIC YEAR.**
 BEGINNING WITH THE 2018-2019 ACADEMIC YEAR, TUITION GRANT AWARDS SHALL BE MADE TO ALL
 ELIGIBLE MICHIGAN RESIDENTS ENROLLED IN UNDERGRADUATE DEGREE PROGRAMS WHO ARE
 QUALIFIED AND WHO APPLY BEFORE JUNE 1 OF EACH YEAR FOR THE NEXT ACADEMIC YEAR.

(3) A TUITION GRANT MAY BE RENEWED FOR NOT MORE THAN 10 SEMESTERS OR ITS
 EQUIVALENT IN TRIMESTERS OR QUARTERS OF UNDERGRADUATE EDUCATION, OR IF AN ELIGIBLE
 APPLICANT HAS NOT COMPLETED USING THE GRANT WITHIN 10 YEARS AFTER HIS OR HER
 ELIGIBILITY IS DETERMINED, WHICHEVER OCCURS FIRST. THE DEPARTMENT SHALL DETERMINE AN
 EQUIVALENT TO 10 SEMESTERS OR ITS EQUIVALENT IN TRIMESTERS OR QUARTERS OF
 UNDERGRADUATE EDUCATION FOR LESS THAN FULL-TIME BUT MORE THAN HALF-TIME STUDENTS.

(4) ~~(3)~~ Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to
 subsections (7) and (8), the department of treasury shall determine an actual maximum
 tuition grant award per student, which shall be no less than ~~\$1,512.00~~, **\$2,000.00**,
 that ensures that the aggregate payments for the tuition grant program do not exceed
 the appropriation contained in section 236 for the state tuition grant program. If the
 department determines that insufficient funds are available to establish a maximum
 award amount equal to at least ~~\$1,512.00~~, **\$2,000.00**, the department shall immediately
 report to the house and senate appropriations subcommittees on higher education, the
 house and senate fiscal agencies, and the state budget director regarding the
 estimated amount of additional funds necessary to establish a ~~\$1,512.00~~ **\$2,000.00**
 maximum award amount. If the department determines that sufficient funds are available
 to establish a maximum award amount equal to at least ~~\$1,512.00~~, **\$2,000.00**, the
 department shall immediately report to the house and senate appropriations
 subcommittees on higher education, the house and senate fiscal agencies, and the state
 budget director regarding the maximum award amount established and the projected
 amount of any projected year-end appropriation balance based on that maximum award
 amount. By February 18 of each fiscal year, the department shall analyze the status of

1 award commitments, shall make any necessary adjustments, and shall confirm that those
2 award commitments will not exceed the appropriation contained in section 236 for the
3 tuition grant program. The determination and actions shall be reported to the state
4 budget director and the house and senate fiscal agencies no later than the final day
5 of February of each year. If award adjustments are necessary, the students shall be
6 notified of the adjustment by March 4 of each year.

7 ~~———— (4) Any unexpended and unencumbered funds remaining on September 30, 2017 from~~
8 ~~the amounts appropriated in section 236 for the tuition grant program for fiscal year~~
9 ~~2016-2017 shall not lapse on September 30, 2017, but shall continue to be available~~
10 ~~for expenditure for tuition grants provided in the 2017-2018 fiscal year under a work~~
11 ~~project account. The use of these unexpended fiscal year 2016-2017 funds shall~~
12 ~~terminate at the end of the 2017-2018 fiscal year.~~

13 (5) The department of treasury shall continue a proportional tuition grant
14 maximum award level for recipients enrolled less than full-time in a given semester or
15 term.

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

21 (7) Except as provided in subsection (4), the department of treasury shall not
22 award more than \$3,200,000.00 in tuition grants to eligible students enrolled in the
23 same independent nonprofit college or university in this state. Any decrease in the
24 maximum grant shall be proportional for all eligible students enrolled in that college
25 or university, as determined by the department.

26 (8) The department of treasury shall not award tuition grants to otherwise
27 eligible students enrolled in an independent college or university that does not

1 report, in a form and manner directed by and satisfactory to the department of
2 treasury, by September 30 of each year, all of the following:

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

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

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

12 (9) By February 1, ~~2017~~ **2018**, each independent college and university
13 participating in the tuition grant program shall report to the senate and house
14 appropriations subcommittees on higher education, the senate and house fiscal
15 agencies, and the state budget director on its efforts to develop and implement sexual
16 assault response training for the institution's title IX coordinator, campus law
17 enforcement personnel, campus public safety personnel, and any other campus personnel
18 charged with responding to on-campus incidents, including information on sexual
19 assault response training materials and the status of implementing sexual assault
20 response training for institutional personnel.

21 Sec. 254. The sums appropriated in section 236 for the state competitive
22 scholarship, tuition incentive, and tuition grant programs shall be paid out of the
23 state treasury and shall be distributed to the respective institutions under a
24 quarterly payment system as follows:

25 (a) For the state competitive scholarship and tuition grant programs, 50% shall
26 be paid at the beginning of the state's first fiscal quarter, 30% during the state's
27 second fiscal quarter, 10% during the state's third fiscal quarter, and 10% during the

1 state's fourth fiscal quarter.

2 (b) For the tuition incentive program, ~~55%~~ **65%** shall be paid at the beginning of
 3 the state's first fiscal quarter, ~~40%~~ **AND 35%** during the state's second fiscal
 4 quarter, ~~and 5% during the state's third fiscal quarter.~~

5 Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive
 6 program shall be distributed as provided in this section and pursuant to the
 7 administrative procedures for the tuition incentive program of the department of
 8 treasury.

9 (2) As used in this section:

10 (a) "Phase I" means the first part of the tuition incentive ~~assistance~~ program
 11 defined as the academic period of 80 semester or 120 term credits, or less, leading to
 12 an associate degree or certificate. **STUDENTS MUST BE ENROLLED IN A CERTIFICATE OR**
 13 **ASSOCIATE DEGREE PROGRAM AND TAKING CLASSES WITHIN THE PROGRAM OF STUDY FOR A**
 14 **CERTIFICATE OR ASSOCIATE DEGREE. TUITION WILL NOT BE COVERED FOR COURSES OUTSIDE OF A**
 15 **CERTIFICATE OR ASSOCIATE DEGREE PROGRAM.**

16 (b) "Phase II" means the second part of the tuition incentive ~~assistance~~ program
 17 which provides assistance in the third and fourth year of 4-year degree programs.

18 (c) "Department" means the department of treasury.

19 (d) "High school equivalency certificate" means that term as defined in section
 20 4.

21 (3) An individual shall meet the following basic criteria and financial
 22 thresholds to be eligible for tuition incentive program benefits:

23 (a) To be eligible for phase I, an individual shall meet all of the following
 24 criteria:

25 (i) Apply for certification to the department any time after he or she begins the
 26 sixth grade but before August 31 of the school year in which he or she graduates from
 27 high school or before achieving a high school equivalency certificate.

1 (ii) Be less than 20 years of age at the time he or she graduates from high
2 school with a diploma or certificate of completion or achieves a high school
3 equivalency certificate **OR, FOR STUDENTS ATTENDING A 5 YEAR MIDDLE COLLEGE APPROVED BY**
4 **THE MICHIGAN DEPARTMENT OF EDUCATION, BE LESS THAN 21 YEARS OF AGE WHEN HE OR SHE**
5 **GRADUATES FROM HIGH SCHOOL.**

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 achievement of a high school equivalency certificate. **ALL PROGRAM**
11 **ELIGIBILITY EXPIRES 6 YEARS FROM HIGH SCHOOL GRADUATION OR ACHIEVEMENT OF A HIGH**
12 **SCHOOL EQUIVALENCY CERTIFICATE.**

13 ~~(v) Request information on filing a FAFSA.~~

14 (v) ~~(vi)~~ Meet the satisfactory academic progress policy of the educational
15 institution he or she attends.

16 (b) To be eligible for phase II, an individual shall meet either of the following
17 criteria in addition to the criteria in subdivision (a):

18 (i) Complete at least 56 transferable semester or 84 transferable term credits.

19 (ii) Obtain an associate degree or certificate at a participating institution.

20 (c) To be eligible for phase I or phase II, an individual must not be
21 incarcerated and must be financially eligible as determined by the department. An
22 individual is financially eligible for the tuition incentive program if he or she was
23 eligible for Medicaid from the state of Michigan for 24 months within the 36
24 consecutive months before application. The department shall accept certification of
25 Medicaid eligibility only from the department of health and human services for the
26 purposes of verifying if a person is Medicaid eligible for 24 months within the 36
27 consecutive months before application. Certification of eligibility may begin in the

1 sixth grade. As used in this subdivision, "incarcerated" does not include detention of
2 a juvenile in a state-operated or privately operated juvenile detention facility.

3 (4) Beginning in fiscal year 2017-2018, the department shall not award more than
4 \$8,500,000.00 annually in tuition incentive program funds to eligible students
5 enrolled in the same college or university in this state.

6 (5) For phase I, the department shall provide payment on behalf of a person
7 eligible under subsection (3). The department **SHALL ONLY ACCEPT STANDARD PER-CREDIT**
8 **HOURLY TUITION BILLINGS AND** shall reject billings that are excessive or outside the
9 guidelines for the type of educational institution.

10 (6) For phase I, all of the following apply:

11 (a) Payments for associate degree or certificate programs shall not be made for
12 more than 80 semester or 120 term credits for any individual student at any
13 participating institution.

14 (b) For persons enrolled at a Michigan community college, the department shall
15 pay the current in-district tuition and mandatory fees. For persons residing in an
16 area that is not included in any community college district, the out-of-district
17 tuition rate may be authorized.

18 (c) **FOR FISCAL YEAR 2017-2018, For FOR** persons enrolled at a Michigan public
19 university, the department shall pay lower division resident tuition and mandatory
20 fees for the current year. **BEGINNING IN FISCAL YEAR 2018-2019, FOR PERSONS ENROLLED AT**
21 **A MICHIGAN PUBLIC UNIVERSITY, THE DEPARTMENT SHALL PAY MANDATORY FEES FOR THE CURRENT**
22 **YEAR AND A PER-CREDIT PAYMENT THAT DOES NOT EXCEED 2 TIMES THE AVERAGE COMMUNITY**
23 **COLLEGE IN-DISTRICT PER-CREDIT TUITION RATE AS REPORTED ON AUGUST 1 FOR THE**
24 **IMMEDIATELY PRECEDING ACADEMIC YEAR.**

25 (d) For persons enrolled at a Michigan independent, nonprofit degree-granting
26 college or university, or a Michigan federal tribally controlled community college, or
27 Focus: HOPE, the department shall pay mandatory fees for the current year and a per-

1 credit payment that does not exceed the average community college in-district per-
2 credit tuition rate as reported on August 1, for the immediately preceding academic
3 year.

4 (7) A person participating in phase II may be eligible for additional funds not
5 to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00
6 subject to the following conditions:

7 (a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year
8 college or university.

9 (b) The tuition reimbursement is for coursework completed within 30 months of
10 completion of the phase I requirements.

11 (8) The department shall work closely with participating institutions to develop
12 an application and eligibility determination process that will provide the highest
13 level of participation and ensure that all requirements of the program are met.

14 (9) Applications for the tuition incentive program may be approved at any time
15 after the student begins the sixth grade. If a determination of financial eligibility
16 is made, that determination is valid as long as the student meets all other program
17 requirements and conditions.

18 (10) Each institution shall ensure that all known available restricted grants for
19 tuition and fees are used prior to billing the tuition incentive program for any
20 portion of a student's tuition and fees.

21 (11) The department shall ensure that the tuition incentive program is well
22 publicized and that eligible Medicaid clients are provided information on the program.
23 The department shall provide the necessary funding and staff to fully operate the
24 program.

25 (12) **THE DEPARTMENT OF TREASURY SHALL COLLABORATE WITH THE CENTER TO USE THE P-20**
26 **LONGITUDINAL DATA SYSTEM TO REPORT THE FOLLOWING INFORMATION FOR EACH QUALIFIED**
27 **POSTSECONDARY INSTITUTION:**

(A) THE NUMBER OF PHASE I STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR WHO IN ANY ACADEMIC YEAR RECEIVED A TUITION INCENTIVE PROGRAM AWARD AND WHO SUCCESSFULLY COMPLETED A DEGREE OR CERTIFICATE PROGRAM. COHORT GRADUATION RATES FOR PHASE I STUDENTS SHALL BE CALCULATED USING THE ESTABLISHED SUCCESS RATE METHODOLOGY DEVELOPED BY THE CENTER IN COLLABORATION WITH THE POSTSECONDARY INSTITUTIONS.

(B) THE NUMBER OF STUDENTS IN THE MOST RECENTLY COMPLETED ACADEMIC YEAR WHO IN ANY ACADEMIC YEAR RECEIVED A PELL GRANT AT THE REPORTING INSTITUTION AND WHO SUCCESSFULLY COMPLETED A DEGREE OR CERTIFICATE PROGRAM. COHORT GRADUATION RATES FOR STUDENTS THAT RECEIVED PELL GRANTS SHALL BE CALCULATED USING THE ESTABLISHED SUCCESS RATE METHODOLOGY DEVELOPED BY THE CENTER IN COLLABORATION WITH THE POSTSECONDARY INSTITUTIONS.

(13) IF A QUALIFIED POSTSECONDARY INSTITUTION DOES NOT REPORT THE DATA NECESSARY TO COMPLY WITH SUBSECTION (12) TO THE P-20 LONGITUDINAL DATA SYSTEM, THE INSTITUTION SHALL REPORT, IN A FORM AND MANNER SATISFACTORY TO THE DEPARTMENT OF TREASURY AND THE CENTER, ALL OF THE INFORMATION NEEDED TO COMPLY WITH SUBSECTION (12) BY DECEMBER 1, 2017.

(14) BEGINNING IN FISCAL YEAR 2018-2019, IF A QUALIFIED POSTSECONDARY INSTITUTION DOES NOT REPORT THE DATA NECESSARY TO COMPLETE THE REPORTING IN SUBSECTION (12) TO THE P-20 LONGITUDINAL DATA SYSTEM BY OCTOBER 15 FOR THE PRIOR ACADEMIC YEAR, THE DEPARTMENT OF TREASURY SHALL NOT AWARD PHASE I TUITION INCENTIVE PROGRAM FUNDING TO OTHERWISE ELIGIBLE STUDENTS ENROLLED IN THAT INSTITUTION UNTIL THE DATA IS SUBMITTED.

Sec. 263. (1) Included in the appropriation in section 236 for fiscal year ~~2016-~~ ~~2017~~ 2017-2018 for MSU AgBioResearch is \$2,982,900.00 and included in the appropriation in section 236 for MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN" is an acronym for Generating Research and Extension to

1 Meet Environmental and Economic Needs.

2 (2) The department of agriculture and rural development and Michigan State
3 University, in consultation with agricultural commodity groups and other interested
4 parties, shall develop Project GREEN and its program priorities.

5 Sec. 263a. (1) Not later than September 30 of each year, Michigan State
6 University shall submit a report on MSU AgBioResearch and MSU Extension to the house
7 and senate appropriations subcommittees on agriculture and on higher education, the
8 house and senate standing committees on agriculture, the house and senate fiscal
9 agencies, and the state budget director for the preceding academic fiscal year.

10 (2) The report required under subsection (1) shall include all of the following:

11 (a) Total funds expended by MSU AgBioResearch and by MSU Extension identified by
12 state, local, private, federal, and university fund sources.

13 (b) The metric goals that were used to evaluate the impacts of programs operated
14 by MSU Extension and MSU AgBioResearch. The following metric goals will be used to
15 evaluate the impacts of those programs:

16 (i) Increasing the number of agriculture and food-related firms collaborating
17 with and using services of research and extension faculty and staff by 3% per year.

18 (ii) Increasing the number of individuals utilizing MSU Extension's educational
19 services by 5% per year.

20 (iii) Increasing external funds generated in support of research and extension,
21 beyond state appropriations, by 10% over the amounts generated in the past 3 state
22 fiscal years.

23 (iv) Increasing the sector's total economic impact to at least
24 ~~\$100,000,000,000.00~~ **\$125,000,000,000.00 BY 2020.**

25 (v) Increasing Michigan's agricultural exports to at least ~~\$3,500,000,000.00~~
26 **\$4,250,000,000.00 BY 2020.**

27 ~~—— (vi) Increasing jobs in the food and agriculture sector by 10%.~~

1 **(VI) ~~(vii)~~** Improving access by Michigan consumers to healthy foods by 20%.

2 (c) A review of major programs within both MSU AgBioResearch and MSU Extension
3 with specific reference to accomplishments, impacts, and the metrics described in
4 subdivision (b), including a specific accounting of Project GREEN expenditures and
5 the impact of those expenditures.

6 Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2016-2017~~
7 **2017-2018** for Michigan State University is \$80,000.00 for the Michigan Future Farmers
8 of America Association. This \$80,000.00 allocation shall not supplant any existing
9 support that Michigan State University provides to the Michigan Future Farmers of
10 America Association.

11 Sec. 265. (1) Payments under section 265a for performance funding shall only be
12 made to a public university that certifies to the state budget director by August 31,
13 ~~2016~~ **2017** that its board did not adopt an increase in tuition and fee rates for
14 resident undergraduate students after September 1, ~~2015~~ **2016** for the ~~2015-2016~~ **2016-**
15 **2017** academic year and that its board will not adopt an increase in tuition and fee
16 rates for resident undergraduate students for the ~~2016-2017~~ **2017-2018** academic year
17 that is greater than ~~4.2%~~ **3.8% OR \$475.00, WHICHEVER IS GREATER.** As used in this
18 subsection:

19 (a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of
20 all resident undergraduate students at least once during their enrollment at a public
21 university, as described in the higher education institutional data inventory (HEIDI)
22 user manual. A university increasing a fee that applies to a specific subset of
23 students or courses shall provide sufficient information to prove that the increase
24 applied to that subset will not cause the increase in the average amount of board-
25 authorized total tuition and fees paid by resident undergraduate students in the ~~2016-~~
26 ~~2017~~ **2017-2018** academic year to exceed the limit established in this subsection.

27 (b) "Tuition and fee rate" means the average of full-time rates paid by a

1 majority of students in each undergraduate class, based on an unweighted average of
2 the rates authorized by the university board and actually charged to students,
3 deducting any uniformly rebated or refunded amounts, for the 2 semesters with the
4 highest levels of full-time equated resident undergraduate enrollment during the
5 academic year, as described in the higher education institutional data inventory
6 (HEIDI) user manual.

7 ~~—— (c) For purposes of subdivision (a), for a public university that compels~~
8 ~~resident undergraduate students to be covered by health insurance as a condition to~~
9 ~~enroll at the university, "fee" includes the annual amount a student is charged for~~
10 ~~coverage by the university affiliated group health insurance policy if he or she does~~
11 ~~not provide proof that he or she is otherwise covered by health insurance. This~~
12 ~~subdivision does not apply to limited subsets of resident undergraduate students to be~~
13 ~~covered by health insurance for specific reasons other than general enrollment at the~~
14 ~~university.~~

15 (2) The state budget director shall implement uniform reporting requirements to
16 ensure that a public university receiving a payment under section 265a for performance
17 funding has satisfied the tuition restraint requirements of this section. The state
18 budget director shall have the sole authority to determine if a public university has
19 met the requirements of this section. Information reported by a public university to
20 the state budget director under this subsection shall also be reported to the house
21 and senate appropriations subcommittees on higher education and the house and senate
22 fiscal agencies.

23 ~~—— (3) Universities that exceed the tuition and fee rate cap described in subsection~~
24 ~~(1) shall not receive a planning or construction authorization for a state-funded~~
25 ~~capital outlay project in fiscal year 2017-2018 or fiscal year 2018-2019.~~

26 ~~—— (4) Notwithstanding any other provision of this act, the legislature may at any~~
27 ~~time adjust appropriations for a university that adopts an increase in tuition and fee~~

~~rates for resident undergraduate students that exceeds the rate cap established in subsection (1).~~

Sec. 265a. (1) Appropriations to public universities in section 236 for fiscal year ~~2016-2017~~ **2017-2018** for performance funding shall be paid only to a public university that complies with section 265 and certifies to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies by August 31, ~~2016~~ **2017** that it complies with all of the following requirements:

(a) The university participates in reverse transfer agreements described in section 286 with at least 3 Michigan community colleges.

(b) The university does not and will not consider whether dual enrollment credits earned by an incoming student were utilized towards his or her high school graduation requirements when making a determination as to whether those credits may be used by the student toward completion of a university degree or certificate program.

(c) The university actively participates in and submits timely updates to the Michigan Transfer Network created as part of the Michigan Association of Collegiate Registrars and Admissions Officers transfer agreement.

(2) Any performance funding amounts under section 236 that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) are unappropriated and reappropriated for performance funding to those public universities that meet the requirements under subsection (1), distributed in proportion to their performance funding appropriation amounts under section 236.

(3) The state budget director shall report to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies by September 30, ~~2016~~, **2017**, regarding any performance funding amounts that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) and any reappropriation of funds under subsection (2).

(4) Performance funding amounts described in section 236 are distributed based on the following formula:

(a) Proportional to each university's share of total operations funding appropriated in fiscal year 2010-2011, 50%.

(b) Based on weighted undergraduate completions in critical skills areas, 11.1%.

(c) Based on research and development expenditures, for universities classified in Carnegie classifications as ~~doctoral/research universities~~ **DOCTORAL UNIVERSITIES: MODERATE RESEARCH ACTIVITY**, ~~research universities (high research activity)~~ **DOCTORAL UNIVERSITIES: HIGHER RESEARCH ACTIVITY**, or ~~research universities (very high research activity)~~ **DOCTORAL UNIVERSITIES: HIGHEST RESEARCH ACTIVITY** only, 5.6%.

(d) Based on 6-year graduation rate, total degree completions, and institutional support as a percentage of core expenditures, and the percentage of students receiving Pell grants, scored against national Carnegie classification peers and weighted by total undergraduate fiscal year equated students, 33.3%.

(5) For purposes of determining the score of a university under subsection (4)(d), each university is assigned 1 of the following scores:

(a) A university classified as in the top 20%, a score of 3.

(b) A university classified as above national median, a score of 2.

(c) A university classified as improving, a score of 2. ~~It is the intent of the legislature that, beginning in the 2017-2018 state fiscal year, a university classified as improving is assigned a score of 1.~~

(d) A university that is not included in subdivision (a), (b), or (c), a score of 0.

(6) As used in this section, "Carnegie classification" means the basic classification of the university according to the most recent version ~~prior to February 1, 2016~~ of the Carnegie classification of institutions of higher education, published by the Carnegie Foundation for the Advancement of Teaching.

1 Sec. 267. All public universities shall submit the amount of tuition and fees
 2 actually charged to a full-time resident undergraduate student for academic year ~~2016-~~
 3 ~~2017~~ **2017-2018** as part of their higher education institutional data inventory (HEIDI)
 4 data by August 31 of each year. A public university shall report any revisions for any
 5 semester of the reported academic year ~~2016-2017~~ **2017-2018** tuition and fee charges to
 6 HEIDI within 15 days of being adopted.

7 Sec. 268. ~~(1) For the fiscal year ending September 30, 2017, it is the intent of~~
 8 ~~the legislature that funds be allocated for unfunded North American Indian tuition~~
 9 ~~waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to~~
 10 ~~390.1253, from the general fund.~~

11 **(1) (2)** By February 15 of each year, the department of civil rights shall
 12 annually submit to the state budget director, the house and senate appropriations
 13 subcommittees on higher education, and the house and senate fiscal agencies a report
 14 on North American Indian tuition waivers for the preceding ~~fiscal year~~ **ACADEMIC YEAR**
 15 that includes, but is not limited to, all of the following information:

16 (a) The number of waiver applications received and the number of waiver
 17 applications approved.

18 (b) For each university submitting information under subsection (3), all of the
 19 following:

20 (i) The number of graduate and undergraduate North American Indian students
 21 enrolled each term for the previous ~~fiscal year~~ **ACADEMIC YEAR**.

22 (ii) The number of North American Indian waivers granted each term, **INCLUDING**
 23 **CONTINUING EDUCATION STUDENTS**, and the monetary value of the waivers for the previous
 24 ~~fiscal year~~ **ACADEMIC YEAR**.

25 (iii) The number of graduate and undergraduate students attending under a North
 26 American Indian tuition waiver who withdrew from the university **EACH TERM** during the
 27 previous ~~fiscal year~~ **ACADEMIC YEAR. A WITHDRAWAL IS DEFINED AS ANY STUDENT WHO HAS**

1 **BEEN AWARDED THE WAIVER WHO WITHDRAWS FROM THE INSTITUTION AT ANY POINT DURING THE**
 2 **TERM, REGARDLESS OF ENROLLMENT IN SUBSEQUENT TERMS.**

3 (iv) The number of graduate and undergraduate students attending under a North
 4 American Indian tuition waiver who successfully complete a degree or certificate
 5 program, separated by degree or certificate level, and the graduation rate for
 6 graduate and undergraduate students attending under a North American Indian tuition
 7 waiver who complete a degree **OR CERTIFICATE** within 150% of the normal time to
 8 complete, separated by the level of the degree **OR CERTIFICATE.**

9 **(2) ~~(3)~~** A public university that receives funds under section 236 shall provide
 10 to the department of civil rights any information necessary for preparing the report
 11 detailed in subsection (2), using guidelines and procedures developed by the
 12 department of civil rights.

13 **(3) ~~(4)~~** The department of civil rights may consolidate the report required under
 14 this section with the report required under section 223, but a consolidated report
 15 must separately identify data for universities and data for community colleges.

16 Sec. 269. For fiscal year ~~2016-2017~~ **2017-2018**, from the amount appropriated in
 17 section 236 to Central Michigan University for operations, \$29,700.00 shall be paid to
 18 Saginaw Chippewa Tribal College for the costs of waiving tuition for North American
 19 Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

20 Sec. 270. For fiscal year ~~2016-2017~~ **2017-2018**, from the amount appropriated in
 21 section 236 to Lake Superior State University for operations, \$100,000.00 shall be
 22 paid to Bay Mills Community College for the costs of waiving tuition for North
 23 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

24 Sec. 274c. By February 1, ~~2017~~ **2018**, each university receiving funds under
 25 section 236 shall report to the senate and house appropriations subcommittees on
 26 higher education, the senate and house fiscal agencies, and the state budget director
 27 on its efforts to develop and implement sexual assault response training for the

1 university's title IX coordinator, campus law enforcement personnel, campus public
2 safety personnel, and any other campus personnel charged with responding to on-campus
3 incidents, including information on sexual assault response training materials and the
4 status of implementing sexual assault response training for campus personnel.

5 Sec. 275. (1) ~~It is the intent of the legislature that each~~ **EACH** public
6 university that receives an appropriation in section 236 **IS ENCOURAGED TO** do all of
7 the following:

8 (a) Meet the provisions of section 5003 of the post-911 veterans educational
9 assistance act of 2008, 38 USC 3301 to 3325, including voluntary participation in the
10 Yellow Ribbon GI Education Enhancement Program established in that act in 38 USC 3317.
11 ~~By October 1 of each year, each public university shall report to the house and senate~~
12 ~~appropriations subcommittees on higher education, the house and senate fiscal~~
13 ~~agencies, and the Michigan Association of State Universities on whether or not it has~~
14 ~~chosen to participate in the Yellow Ribbon GI Education Enhancement Program. If at any~~
15 ~~time during the fiscal year a university participating in the Yellow Ribbon Program~~
16 ~~chooses to leave the Yellow Ribbon Program, it shall notify the house and senate~~
17 ~~appropriations subcommittees on higher education, the house and senate fiscal~~
18 ~~agencies, and the Michigan Association of State Universities.~~

19 (b) Establish an on-campus veterans' liaison to provide information and
20 assistance to all student veterans.

21 (c) Provide flexible enrollment application deadlines for all veterans.

22 (d) Include in its admission application process a specific question as to
23 whether an applicant for admission is a veteran, an active member of the military, a
24 member of the National Guard or military reserves, or the spouse or dependent of a
25 veteran, active member of the military, or member of the National Guard or military
26 reserves, in order to more quickly identify potential educational assistance available
27 to that applicant.

1 (e) Consider all veterans residents of this state for determining their tuition
2 rates and fees.

3 (f) Waive enrollment fees for all veterans.

4 (2) By October 1 of each year, each public university shall report to the house
5 and senate appropriations subcommittees on higher education, the house and senate
6 fiscal agencies, and the department of military and veterans affairs regarding
7 services provided specifically to veterans and active military duty personnel,
8 including, but not limited to, the services described in subsection (1).

9 (3) As used in this section, "veteran" means an honorably discharged veteran
10 entitled to educational assistance under the provisions of section 5003 of the post-
11 911 veterans educational assistance act of 2008, 38 USC 3301 to 3325.

12 Sec. 276. (1) Included in the appropriation for fiscal year ~~2016-2017~~ **2017-2018**
13 for each public university in section 236 is funding for the Martin Luther King, Jr. -
14 Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool
15 of academically or economically disadvantaged candidates pursuing faculty teaching
16 careers in postsecondary education. Preference may not be given to applicants on the
17 basis of race, color, ethnicity, gender, or national origin. Institutions should
18 encourage applications from applicants who would otherwise not adequately be
19 represented in the graduate student and faculty populations. Each public university
20 shall apply the percentage change applicable to every public university in the
21 calculation of appropriations in section 236 to the amount of funds allocated to the
22 future faculty program.

23 (2) The program shall be administered by each public university in a manner
24 prescribed by the workforce development agency. The workforce development agency shall
25 use a good faith effort standard to evaluate whether a fellowship is in default.

26 Sec. 277. (1) Included in the appropriation for fiscal year ~~2016-2017~~ **2017-2018**
27 for each public university in section 236 is funding for the Martin Luther King, Jr. -

1 Cesar Chavez - Rosa Parks college day program that is intended to introduce
2 academically or economically disadvantaged schoolchildren to the potential of a
3 college education. Preference may not be given to participants on the basis of race,
4 color, ethnicity, gender, or national origin. Public universities should encourage
5 participation from those who would otherwise not adequately be represented in the
6 student population.

7 (2) Individual program plans of each public university shall include a budget of
8 equal contributions from this program, the participating public university, the
9 participating school district, and the participating independent degree-granting
10 college. College day funds shall not be expended to cover indirect costs. Not more
11 than 20% of the university match shall be attributable to indirect costs. Each public
12 university shall apply the percentage change applicable to every public university in
13 the calculation of appropriations in section 236 to the amount of funds allocated to
14 the college day program.

15 (3) The program described in this section shall be administered by each public
16 university in a manner prescribed by the workforce development agency.

17 Sec. 278. (1) Included in section 236 for fiscal year ~~2016-2017~~ **2017-2018** is
18 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student
19 support services program for developing academically or economically disadvantaged
20 student retention programs for 4-year public and independent educational institutions
21 in this state. Preference may not be given to participants on the basis of race,
22 color, ethnicity, gender, or national origin. Institutions should encourage
23 participation from those who would otherwise not adequately be represented in the
24 student population.

25 (2) An award made under this program to any 1 institution shall not be greater
26 than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college
27 or university basis.

1 (3) The program described in this section shall be administered by the workforce
2 development agency.

3 Sec. 279. (1) Included in section 236 for fiscal year ~~2016-2017~~ **2017-2018** is
4 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university
5 partnership program between 4-year public and independent colleges and universities
6 and public community colleges, which is intended to increase the number of
7 academically or economically disadvantaged students who transfer from community
8 colleges into baccalaureate programs. Preference may not be given to participants on
9 the basis of race, color, ethnicity, gender, or national origin. Institutions should
10 encourage participation from those who would otherwise not adequately be represented
11 in the transfer student population.

12 (2) The grants shall be made under the program described in this section to
13 Michigan public and independent colleges and universities. An award to any 1
14 institution shall not be greater than \$150,000.00, and the amount awarded shall be
15 matched on a 70% state, 30% college or university basis.

16 (3) The program described in this section shall be administered by the workforce
17 development agency.

18 Sec. 280. (1) Included in the appropriation for fiscal year ~~2016-2017~~ **2017-2018**
19 for each public university in section 236 is funding for the Martin Luther King, Jr. -
20 Cesar Chavez - Rosa Parks visiting professors program which is intended to increase
21 the number of instructors in the classroom to provide role models for academically or
22 economically disadvantaged students. Preference may not be given to participants on
23 the basis of race, color, ethnicity, gender, or national origin. Public universities
24 should encourage participation from those who would otherwise not adequately be
25 represented in the student population.

26 (2) The program described in this section shall be administered by the workforce
27 development agency.

1 Sec. 281. (1) Included in the appropriation for fiscal year ~~2016-2017~~ **2017-2018**
 2 in section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa
 3 Parks initiative for the Morris Hood, Jr. educator development program which is
 4 intended to increase the number of academically or economically disadvantaged students
 5 who enroll in and complete K-12 teacher education programs at the baccalaureate level.
 6 Preference may not be given to participants on the basis of race, color, ethnicity,
 7 gender, or national origin. Institutions should encourage participation from those who
 8 would otherwise not adequately be represented in the teacher education student
 9 population.

10 (2) The program described in this section shall be administered by each state-
 11 approved teacher education institution in a manner prescribed by the workforce
 12 development agency.

13 (3) Approved teacher education institutions may and are encouraged to use student
 14 support services funding in coordination with the Morris Hood, Jr. funding to achieve
 15 the goals of the program described in this section.

16 Sec. 282. Each institution receiving funds for fiscal year ~~2016-2017~~ **2017-2018**
 17 under ~~section~~ **SECTIONS** 278, 279, or 281 shall ~~notify~~ **PROVIDE TO** the workforce
 18 development agency by April 15, 2017 ~~as to whether it will expend by the end of its~~
 19 ~~fiscal year the funds received under section 278, 279, or 281.~~ **2018 THE UNOBLIGATED**
 20 **AND UNEXPENDED FUNDS AS OF MARCH 31, 2018 AND A PLAN TO EXPEND THE REMAINING FUNDS BY**
 21 **THE END OF THE FISCAL YEAR.** Notwithstanding the award limitations in sections 278 and
 22 279, the amount of funding reported as not being expended will be reallocated to the
 23 institutions that intend to expend all funding received under section 278, 279, or
 24 281.

25 Sec. 283. (1) ~~From the amount appropriated in section 236, the public~~
 26 ~~universities shall systematically~~ **USING THE DATA PROVIDED TO THE CENTER AS REQUIRED BY**
 27 **SECTION 244 OF THIS ACT, THE CENTER SHALL USE THE P-20 LONGITUDINAL DATA SYSTEM TO**

1 inform **INTERESTED** Michigan high schools **AND THE PUBLIC** regarding the **AGGREGATE**
 2 academic status of **ITS** students. ~~from each high school in a manner prescribed by THE~~
 3 **CENTER SHALL WORK WITH THE UNIVERSITIES**, the Michigan Association of State
 4 Universities **AND** in cooperation with the Michigan Association of Secondary School
 5 Principals. ~~Public universities shall also work with the center for educational~~
 6 ~~performance and information to maintain a systematic approach for accomplishing this~~
 7 ~~task.~~

8 (2) Michigan high schools shall systematically inform the public universities
 9 about the use of information received under this section in a manner prescribed by the
 10 Michigan Association of Secondary School Principals in cooperation with the Michigan
 11 Association of State Universities.

12 Sec. 284. ~~From the amount appropriated in section 236, the public universities~~
 13 **USING THE DATA PROVIDED TO THE CENTER AS REQUIRED BY SECTION 244 OF THIS ACT, THE**
 14 **CENTER** shall **USE THE P-20 LONGITUDINAL DATA SYSTEM TO** inform Michigan community
 15 colleges regarding the academic status of community college transfer students. ~~in a~~
 16 ~~manner prescribed by the~~ **THE CENTER SHALL WORK WITH THE UNIVERSITIES AND THE** Michigan
 17 Association of State Universities in cooperation with the Michigan Community College
 18 Association. ~~Public universities shall also work with the center for educational~~
 19 ~~performance and information to maintain a systematic approach for accomplishing this~~
 20 ~~task.~~

21 Sec. 286a. By February 1, ~~2017~~ **2018**, the Michigan Community College Association,
 22 the Michigan Association of State Universities, and the Michigan Independent Colleges
 23 and Universities, on behalf of their member colleges and universities, shall submit to
 24 the senate and house appropriations subcommittees on higher education, the senate and
 25 house appropriations subcommittees on community colleges, the senate and house fiscal
 26 agencies, and the state budget director a comprehensive report detailing the number of
 27 academic program partnerships between public community colleges, public universities,

1 and private colleges and universities, including, but not limited to, the following
2 information:

3 (a) The names of the baccalaureate degree programs of study offered by public and
4 private universities on community college campuses.

5 (b) The names of the articulation agreements for baccalaureate degree programs of
6 study between public community colleges, public universities, and private colleges and
7 universities.

8 (c) The number of students enrolled and number of degrees awarded through
9 articulation agreements, and the number of courses offered, number of students
10 enrolled, and number of degrees awarded through on-campus programs named in
11 subdivision (a) from July 1, ~~2015~~ **2016** through June 30, ~~2016~~ **2017**.

12 Sec. 289. (1) The auditor general ~~shall~~ **MAY** periodically audit higher education
13 institutional data inventory (HEIDI) data submitted by all public universities under
14 section 241 and may perform audits of selected public universities if determined
15 necessary. The audits shall be based upon the definitions, requirements, and uniform
16 reporting categories established by the state budget director in consultation with the
17 HEIDI advisory committee. The auditor general shall submit a report of findings to the
18 house and senate appropriations committees and the state budget director no later than
19 July 1 of each year an audit takes place.

20 (2) Student credit hours reports shall not include the following:

21 (a) Student credit hours generated through instructional activity by faculty or
22 staff in classrooms located outside Michigan, with the exception of instructional
23 activity related to study-abroad programs or field programs.

24 (b) Student credit hours generated through distance learning instruction for
25 students not eligible for the public university's in-state main campus resident
26 tuition rate. However, in instances where a student is enrolled in distance education
27 and non-distance education credit hours in a given term and the student's non-distance

1 education enrollment is at a campus or site located within Michigan, student credit
2 hours per the student's eligibility for in-state or out-of-state tuition rates may be
3 reported.

4 (c) Student credit hours generated through credit by examination.

5 (d) Student credit hours generated through inmate prison programs regardless of
6 teaching location.

7 (e) Student credit hours generated in new degree programs created on or after
8 January 1, 1975 and before January 1, 2013, that were not specifically authorized for
9 funding by the legislature, except spin-off programs converted from existing core
10 programs, and student credit hours generated in any new degree programs created after
11 January 1, 2013, that are specifically excluded from reporting by the legislature
12 under this section.

13 (3) "Distance learning instruction" as used in subsection (2) means instruction
14 that occurs solely in other than a traditional classroom setting where the student and
15 instructor are in the same physical location and for which a student receives course
16 credits and is charged tuition and fees. Examples of distance learning instruction are
17 instruction delivered solely through the internet, cable television, teleconference,
18 or mail.

ARTICLE IV

SUMMARY OF APPROPRIATIONS AND ANTICIPATED APPROPRIATIONS

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, 2018 AND ANTICIPATED APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019, FROM THE FUNDS INDICATED IN THIS ACT:

(2) SUMMARY OF EDUCATION OMNIBUS APPROPRIATIONS

GROSS APPROPRIATION	\$ 16,337,480,800	\$ 16,334,125,700
TOTAL INTERDEPARTMENTAL GRANTS AND		
INTRADEPARTMENTAL TRANSFERS	0	0
ADJUSTED GROSS APPROPRIATION	\$ 16,337,480,800	\$ 16,334,125,700
TOTAL FEDERAL REVENUES	1,838,469,900	1,828,469,900
TOTAL LOCAL REVENUES	0	0
TOTAL PRIVATE REVENUES	0	0
TOTAL OTHER STATE RESTRICTED REVENUES	12,991,031,400	13,072,401,300
STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,507,979,500	\$ 1,433,254,500

SEC. 298A. (1) SUMMARY OF APPROPRIATIONS FOR SCHOOL AID (ARTICLE I)
 APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 14,302,088,800	\$ 14,302,230,700
TOTAL INTERDEPARTMENTAL GRANTS AND		
INTRADEPARTMENTAL TRANSFERS	0	0
ADJUSTED GROSS APPROPRIATION	\$ 14,302,088,800	\$ 14,302,230,700
TOTAL FEDERAL REVENUES	1,726,943,500	1,726,943,500
TOTAL LOCAL REVENUES	0	0
TOTAL PRIVATE REVENUES	0	0

1	TOTAL OTHER STATE RESTRICTED REVENUES	12,360,145,300	12,430,287,200
2	STATE GENERAL FUND/GENERAL PURPOSE	\$ 215,000,000	\$ 145,000,000
3	(2) BASIC OPERATIONS		
4	PROPOSAL A OBLIGATION PAYMENT	\$ 5,107,000,000	\$ 5,030,000,000
5	DISCRETIONARY PAYMENT	3,950,000,000	3,947,000,000
6	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM		
7	REFORM COSTS.....	1,109,753,000	1,221,625,000
8	ISD GENERAL OPERATIONS	67,108,000	67,108,000
9	SHARED TIME PUPILS	60,000,000	60,000,000
10	HOLD HARMLESS PROVISION	18,000,000	18,000,000
11	ISOLATED DISTRICT FUNDING	<u>5,000,000</u>	<u>5,000,000</u>
12	GROSS APPROPRIATION.....	\$ 10,316,861,000	\$ 10,348,733,000
13	APPROPRIATED FROM:		
14	STATE RESTRICTED REVENUES	10,134,814,500	10,232,186,500
15	STATE GENERAL FUND/GENERAL PURPOSE	\$ 182,046,500	\$ 116,546,500
16	(3) SPECIAL EDUCATION		
17	SPECIAL EDUCATION HEADLEE OBLIGATION	\$ 640,400,000	\$ 652,900,000
18	SPECIAL EDUCATION FOUNDATIONS	266,000,000	270,500,000
19	SPECIAL EDUCATION MILLAGE EQUALIZATION	37,758,100	37,758,100
20	SPECIAL EDUCATION COURT PLACED FTES	10,500,000	10,500,000
21	SPECIAL EDUCATION NON-SEC. 52 PAYMENT	3,600,000	3,600,000
22	SPECIAL EDUCATION RULE CHANGE	2,200,000	2,200,000
23	MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	1,688,000	1,688,000
24	SPECIAL EDUCATION HOLD HARMLESS PAYMENT	1,000,000	1,000,000
25	SPECIAL EDUCATION FEDERAL PROGRAMS.....	<u>431,000,000</u>	<u>431,000,000</u>
26	GROSS APPROPRIATION	\$ 1,394,146,100	\$ 1,411,146,100
27	APPROPRIATED FROM:		

1	FEDERAL REVENUES	431,000,000	431,000,000
2	STATE RESTRICTED REVENUES	963,146,100	980,146,100
3	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
4	(4) SUPPORT SERVICES		
5	AT-RISK PROGRAMS	\$ 528,988,200	\$ 528,988,200
6	EARLY LITERACY PROGRAMS	26,900,000	26,900,000
7	ADULT EDUCATION	25,000,000	25,000,000
8	HIGH SCHOOL PER PUPIL PAYMENTS	22,000,000	22,000,000
9	DRINKING WATER DECLARATION OF EMERGENCY	8,730,100	0
10	COURT-PLACED CHILDREN	8,000,000	8,000,000
11	MATH/SCIENCE CENTERS	7,450,000	7,450,000
12	MICHIGAN VIRTUAL UNIVERSITY	7,387,500	7,387,500
13	DECLINING ENROLLMENT SUPPORTS	7,000,000	0
14	ADOLESCENT TEEN HEALTH CENTERS	5,557,300	5,557,300
15	VISION AND HEARING SCREENINGS	5,150,000	5,150,000
16	STATE SCHOOL REFORM OFFICE	5,000,000	5,000,000
17	STATEWIDE SCHOOL DRINKING WATER TESTING	4,500,000	0
18	PARTNERSHIP MODEL DISTRICTS	3,000,000	3,000,000
19	BALANCED CALENDAR GRANTS	3,000,000	0
20	SCHOOL BUS INSPECTION PROGRAMS	1,705,300	1,705,300
21	BUS DRIVER SAFETY PROGRAMS	1,625,000	1,625,000
22	INTEGRATED BEHAVIOR AND LEARNING SUPPORT INITIATIVES ..	1,600,000	1,600,000
23	CHALLENGE PROGRAM	1,528,400	1,528,400
24	JUVENILE DETENTION FACILITY PROGRAMS	1,339,000	1,339,000
25	BILINGUAL EDUCATION	1,200,000	1,200,000
26	FEDERAL PROGRAMS	<u>761,600,000</u>	<u>761,600,000</u>
27	GROSS APPROPRIATION	\$ 1,438,260,800	\$ 1,415,030,700

1	APPROPRIATED FROM:			
2	FEDERAL REVENUES	766,300,000		766,300,000
3	STATE RESTRICTED REVENUES	659,073,300		640,343,200
4	STATE GENERAL FUND/GENERAL PURPOSE	\$ 12,887,500	\$	8,387,500
5	(5) SCHOOL MEAL PROGRAMS			
6	SCHOOL LUNCH	\$ 545,695,100	\$	545,695,100
7	SCHOOL BREAKFAST	<u>4,500,000</u>		<u>4,500,000</u>
8	GROSS APPROPRIATION	\$ 550,195,100	\$	550,195,100
9	APPROPRIATED FROM:			
10	FEDERAL REVENUES	523,200,000		523,200,000
11	STATE RESTRICTED REVENUES	26,995,100		26,995,100
12	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$	0
13	(6) EARLY CHILDHOOD EDUCATION			
14	GREAT START READINESS PROGRAM	\$ 243,900,000	\$	243,900,000
15	GREAT START EARLY CHILDHOOD BLOCK GRANTS	<u>13,400,000</u>		<u>13,400,000</u>
16	GROSS APPROPRIATION	\$ 257,300,000	\$	257,300,000
17	APPROPRIATED FROM:			
18	STATE RESTRICTED REVENUES	257,000,000		257,000,000
19	STATE GENERAL FUND/GENERAL PURPOSE	\$ 300,000	\$	300,000
20	(7) STUDENT ASSESSMENT AND ACCOUNTABILITY			
21	STUDENT ASSESSMENTS	39,959,400		39,959,400
22	DATA COLLECTION AND REPORTING COSTS	38,000,500		38,000,500
23	CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION	16,409,500		16,409,500
24	EDUCATOR EVALUATIONS	7,000,000		0
25	STATE TECHNOLOGY DATA HUBS	<u>2,200,000</u>		<u>2,200,000</u>
26	GROSS APPROPRIATION	\$ 103,569,400	\$	96,569,400
27	APPROPRIATED FROM:			

1	FEDERAL REVENUES	6,443,500	6,443,500
2	STATE RESTRICTED REVENUES	80,909,900	73,909,900
3	STATE GENERAL FUND/GENERAL PURPOSE	\$ 16,216,000	\$ 16,216,000
4	(8) DEBT SERVICE AND OTHER REQUIREMENTS		
5	SCHOOL BOND LOAN REDEMPTION FUND	\$ 125,500,000	\$ 125,500,000
6	RENAISSANCE ZONE REIMBURSEMENT	\$ 18,000,000	\$ 18,000,000
7	SCHOOL AID FUND BORROWING COSTS	\$ 6,500,000	\$ 7,500,000
8	PAYMENT IN LIEU OF TAXES REIMBURSEMENT	\$ 4,405,100	\$ 4,405,100
9	PROMISE ZONE PAYMENTS	\$ <u>1,500,000</u>	\$ <u>2,500,000</u>
10	GROSS APPROPRIATION	\$ 155,905,100	\$ 157,905,100
11	APPROPRIATED FROM:		
12	STATE RESTRICTED REVENUES	155,905,100	157,905,100
13	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
14	(9) COLLEGE AND CAREER READINESS		
15	VOCATIONAL EDUCATION	\$ 36,611,300	\$ 36,611,300
16	CTE EQUIPMENT UPGRADES	20,000,000	0
17	VOCATIONAL EDUCATION MILLAGE REIMBURSEMENT	9,190,000	9,190,000
18	CTE AND EARLY MIDDLE COLLEGE PROGRAMS	9,000,000	9,000,000
19	MISTEM COUNCIL GRANTS AND ADMINISTRATION	3,050,000	3,050,000
20	MICHIGAN COLLEGE ACCESS NETWORK	3,000,000	3,000,000
21	FIRST ROBOTICS	2,500,000	2,500,000
22	DUAL ENROLLMENT INCENTIVE PAYMENTS	1,750,000	1,750,000
23	CYBER SECURITY COMPETITION GRANTS	500,000	0
24	ADVANCED PLACEMENT (AP) INCENTIVE PROGRAM	<u>250,000</u>	<u>250,000</u>
25	GROSS APPROPRIATION	\$ 85,851,300	\$ 65,351,300
26	APPROPRIATED FROM:		
27	STATE RESTRICTED REVENUES	82,301,300	61,801,300

1	STATE GENERAL FUND/GENERAL PURPOSE	\$	3,550,000	\$	3,550,000
2	SEC. 298B. (1) SUMMARY OF APPROPRIATIONS FOR COMMUNITY COLLEGES (ARTICLE II)				
3	APPROPRIATION SUMMARY				
4	GROSS APPROPRIATION	\$	398,167,600	\$	405,440,600
5	TOTAL INTERDEPARTMENTAL GRANTS AND				
6	INTRADEPARTMENTAL TRANSFERS		0		0
7	ADJUSTED GROSS APPROPRIATION	\$	398,167,600	\$	405,440,600
8	TOTAL FEDERAL REVENUES		0		0
9	TOTAL LOCAL REVENUES		0		0
10	TOTAL PRIVATE REVENUES		0		0
11	TOTAL OTHER STATE RESTRICTED REVENUES		395,142,600		403,440,600
12	STATE GENERAL FUND/GENERAL PURPOSE	\$	3,025,000	\$	2,000,000
13	(2) OPERATIONS				
14	(A) ALPENA COMMUNITY COLLEGE				
15	OPERATIONS	\$	5,544,700	\$	5,544,700
16	PERFORMANCE FUNDING		0		0
17	GROSS APPROPRIATION	\$	5,544,700	\$	5,544,700
18	(B) BAY DE NOC COMMUNITY COLLEGE				
19	OPERATIONS	\$	5,560,900	\$	5,560,900
20	PERFORMANCE FUNDING		0		0
21	GROSS APPROPRIATION	\$	5,560,900	\$	5,560,900
22	(C) DELTA COLLEGE				
23	OPERATIONS	\$	14,907,700	\$	14,907,700
24	PERFORMANCE FUNDING		0		0
25	GROSS APPROPRIATION	\$	14,907,700	\$	14,907,700
26	(D) GLEN OAKS COMMUNITY COLLEGE				
27	OPERATIONS	\$	2,586,900	\$	2,586,900

1	PERFORMANCE FUNDING		0		0
2	GROSS APPROPRIATION	\$	2,586,900	\$	2,586,900
3	(E) GOGEBIC COMMUNITY COLLEGE				
4	OPERATIONS	\$	4,577,800	\$	4,577,800
5	PERFORMANCE FUNDING		0		0
6	GROSS APPROPRIATION	\$	4,577,800	\$	4,577,800
7	(F) GRAND RAPIDS COMMUNITY COLLEGE				
8	OPERATIONS	\$	18,450,500	\$	18,450,500
9	PERFORMANCE FUNDING		0		0
10	GROSS APPROPRIATION	\$	18,450,500	\$	18,450,500
11	(G) HENRY FORD COLLEGE				
12	OPERATIONS	\$	22,176,000	\$	22,176,000
13	PERFORMANCE FUNDING		0		0
14	GROSS APPROPRIATION	\$	22,176,000	\$	22,176,000
15	(H) JACKSON COLLEGE				
16	OPERATIONS	\$	12,397,600	\$	12,397,600
17	PERFORMANCE FUNDING		0		0
18	GROSS APPROPRIATION	\$	12,397,600	\$	12,397,600
19	(I) KALAMAZOO VALLEY COMMUNITY COLLEGE				
20	OPERATIONS	\$	12,873,900	\$	12,873,900
21	PERFORMANCE FUNDING		0		0
22	GROSS APPROPRIATION	\$	12,873,900	\$	12,873,900
23	(J) KELLOGG COMMUNITY COLLEGE				
24	OPERATIONS	\$	10,087,500	\$	10,087,500
25	PERFORMANCE FUNDING		0		0
26	GROSS APPROPRIATION	\$	10,087,500	\$	10,087,500
27	(K) KIRTLAND COMMUNITY COLLEGE				

1	OPERATIONS	\$	3,270,000	\$	3,270,000
2	PERFORMANCE FUNDING		0		0
3	GROSS APPROPRIATION	\$	3,270,000	\$	3,270,000
4	(L) LAKE MICHIGAN COLLEGE				
5	OPERATIONS	\$	5,492,800	\$	5,492,800
6	PERFORMANCE FUNDING		0		0
7	GROSS APPROPRIATION	\$	5,492,800	\$	5,492,800
8	(M) LANSING COMMUNITY COLLEGE				
9	OPERATIONS	\$	31,677,300	\$	31,677,300
10	PERFORMANCE FUNDING		0		0
11	GROSS APPROPRIATION	\$	31,677,300	\$	31,677,300
12	(N) MACOMB COMMUNITY COLLEGE				
13	OPERATIONS	\$	33,681,800	\$	33,681,800
14	PERFORMANCE FUNDING		0		0
15	GROSS APPROPRIATION	\$	33,681,800	\$	33,681,800
16	(O) MID MICHIGAN COMMUNITY COLLEGE				
17	OPERATIONS	\$	4,834,100	\$	4,834,100
18	PERFORMANCE FUNDING		0		0
19	GROSS APPROPRIATION	\$	4,834,100	\$	4,834,100
20	(P) MONROE COUNTY COMMUNITY COLLEGE				
21	OPERATIONS	\$	4,636,700	\$	4,636,700
22	PERFORMANCE FUNDING		0		0
23	GROSS APPROPRIATION	\$	4,636,700	\$	4,636,700
24	(Q) MONTCALM COMMUNITY COLLEGE				
25	OPERATIONS	\$	3,343,100	\$	3,343,100
26	PERFORMANCE FUNDING		0		0
27	GROSS APPROPRIATION	\$	3,343,100	\$	3,343,100

1	(R) C. S. MOTT COMMUNITY COLLEGE				
2	OPERATIONS	\$	16,115,500	\$	16,115,500
3	PERFORMANCE FUNDING		0		0
4	GROSS APPROPRIATION	\$	16,115,500	\$	16,115,500
5	(S) MUSKEGON COMMUNITY COLLEGE				
6	OPERATIONS	\$	9,150,600	\$	9,150,600
7	PERFORMANCE FUNDING		0		0
8	GROSS APPROPRIATION	\$	9,150,600	\$	9,150,600
9	(T) NORTH CENTRAL MICHIGAN COLLEGE				
10	OPERATIONS	\$	3,290,400	\$	3,290,400
11	PERFORMANCE FUNDING		0		0
12	GROSS APPROPRIATION	\$	3,290,400	\$	3,290,400
13	(U) NORTHWESTERN MICHIGAN COLLEGE				
14	OPERATIONS	\$	9,318,000	\$	9,318,000
15	PERFORMANCE FUNDING		0		0
16	GROSS APPROPRIATION	\$	9,318,000	\$	9,318,000
17	(V) OAKLAND COMMUNITY COLLEGE				
18	OPERATIONS	\$	21,770,900	\$	21,770,900
19	PERFORMANCE FUNDING		0		0
20	GROSS APPROPRIATION	\$	21,770,900	\$	21,770,900
21	(W) SCHOOLCRAFT COLLEGE				
22	OPERATIONS	\$	12,909,300	\$	12,909,300
23	PERFORMANCE FUNDING		0		0
24	GROSS APPROPRIATION	\$	12,909,300	\$	12,909,300
25	(X) SOUTHWESTERN MICHIGAN COLLEGE				
26	OPERATIONS	\$	6,732,500	\$	6,732,500
27	PERFORMANCE FUNDING		0		0

1	GROSS APPROPRIATION	\$	6,732,500	\$	6,732,500
2	(Y) ST. CLAIR COUNTY COMMUNITY COLLEGE				
3	OPERATIONS	\$	7,259,300	\$	7,259,300
4	PERFORMANCE FUNDING		0		0
5	GROSS APPROPRIATION	\$	7,259,300	\$	7,259,300
6	(Z) WASHTENAW COMMUNITY COLLEGE				
7	OPERATIONS	\$	13,534,000	\$	13,534,000
8	PERFORMANCE FUNDING		0		0
9	GROSS APPROPRIATION	\$	13,534,000	\$	13,534,000
10	(AA) WAYNE COUNTY COMMUNITY COLLEGE				
11	OPERATIONS	\$	17,234,200	\$	17,234,200
12	PERFORMANCE FUNDING		0		0
13	GROSS APPROPRIATION	\$	17,234,200	\$	17,234,200
14	(BB) WEST SHORE COMMUNITY COLLEGE				
15	OPERATIONS	\$	2,478,000	\$	2,478,000
16	PERFORMANCE FUNDING		0		0
17	GROSS APPROPRIATION	\$	2,478,000	\$	2,478,000
18	(CC) OPERATIONS FUNDING SOURCES				
19	GROSS APPROPRIATION	\$	315,892,000	\$	315,892,000
20	APPROPRIATED FROM:				
21	STATE SCHOOL AID FUND		315,892,000		315,892,000
22	STATE GENERAL FUND/GENERAL PURPOSE	\$	0	\$	0
23	(3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT				
24	SYSTEM (MPSERS)				
25	MPSERS COST OFFSET	\$	1,733,600	\$	1,733,600
26	MPSERS UAL CAP REIMBURSEMENT		70,805,000		75,490,000
27	GROSS APPROPRIATION	\$	72,538,600	\$	77,223,600

1	APPROPRIATED FROM:			
2	STATE SCHOOL AID FUND	72,538,600		77,223,600
3	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$	0
4	(4) RENAISSANCE ZONE REIMBURSEMENTS			
5	RENAISSANCE ZONE REIMBURSEMENTS	\$ 3,100,000	\$	3,100,000
6	GROSS APPROPRIATION	\$ 3,100,000	\$	3,100,000
7	APPROPRIATED FROM:			
8	STATE SCHOOL AID FUND	\$ 3,100,000	\$	3,100,000
9	(5) GRANTS AND FINANCIAL AID			
10	INDEPENDENT PART-TIME STUDENT GRANTS	\$ 2,000,000	\$	2,000,000
11	GROSS APPROPRIATION	\$ 2,000,000	\$	2,000,000
12	APPROPRIATED FROM:			
13	STATE SCHOOL AID FUND	0		0
14	STATE GENERAL FUND/GENERAL PURPOSE	\$ 2,000,000	\$	2,000,000
15	(6) ONE-TIME APPROPRIATIONS			
16	MICHIGAN TRANSFER NETWORK	\$ 1,025,000	\$	0
17	MPERS NORMAL COST OFFSET	3,612,000		7,225,000
18	GROSS APPROPRIATION	\$ 4,637,000	\$	7,225,000
19	APPROPRIATED FROM:			
20	STATE SCHOOL AID FUND	3,612,000		7,225,000
21	STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,025,000	\$	0
22	SEC. 298C. (1) SUMMARY OF APPROPRIATIONS FOR UNIVERSITIES AND STUDENT FINANCIAL AID			
23	(ARTICLE III)			
24	APPROPRIATION SUMMARY			
25	GROSS APPROPRIATION	\$ 1,637,224,400	\$	1,626,454,400
26	TOTAL INTERDEPARTMENTAL GRANTS AND			
27	INTRADEPARTMENTAL TRANSFERS	0		0
28	ADJUSTED GROSS APPROPRIATION	\$ 1,637,224,400	\$	1,626,454,400

1	TOTAL FEDERAL REVENUES	111,526,400	101,526,400
2	TOTAL LOCAL REVENUES	0	0
3	TOTAL PRIVATE REVENUES	0	0
4	TOTAL OTHER STATE RESTRICTED REVENUES	235,743,500	238,673,500
5	STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,289,954,500	\$ 1,286,254,500
6	(2) UNIVERSITY OPERATIONS		
7	(A) CENTRAL MICHIGAN UNIVERSITY		
8	OPERATIONS	\$ 83,925,500	\$ 86,086,600
9	PERFORMANCE FUNDING	2,161,100	0
10	GROSS APPROPRIATION	\$ 86,086,600	\$ 86,086,600
11	(B) EASTERN MICHIGAN UNIVERSITY		
12	OPERATIONS	\$ 73,593,800	\$ 75,564,000
13	PERFORMANCE FUNDING	1,970,200	0
14	GROSS APPROPRIATION	\$ 75,564,000	\$ 75,564,000
15	(C) FERRIS STATE UNIVERSITY		
16	OPERATIONS	\$ 52,259,900	\$ 53,929,400
17	PERFORMANCE FUNDING	1,669,500	0
18	GROSS APPROPRIATION	\$ 53,929,400	\$ 53,929,400
19	(D) GRAND VALLEY STATE UNIVERSITY		
20	OPERATIONS	\$ 68,227,900	\$ 70,568,100
21	PERFORMANCE FUNDING	2,340,200	0
22	GROSS APPROPRIATION	\$ 70,568,100	\$ 70,568,100
23	(E) LAKE SUPERIOR STATE UNIVERSITY		
24	OPERATIONS	\$ 13,567,400	\$ 13,827,000
25	PERFORMANCE FUNDING	259,600	0
26	GROSS APPROPRIATION	\$ 13,827,000	\$ 13,827,000
27	(F) MICHIGAN STATE UNIVERSITY		

1	OPERATIONS	\$	275,862,100	\$	282,583,400
2	PERFORMANCE FUNDING		6,721,300		0
3	MSU AGBIORESEARCH		34,074,200		34,074,200
4	MSU EXTENSION		29,391,500		29,391,500
5	GROSS APPROPRIATION	\$	346,049,100	\$	346,049,100
6	(G) MICHIGAN TECHNOLOGICAL UNIVERSITY				
7	OPERATIONS	\$	48,097,500	\$	49,290,900
8	PERFORMANCE FUNDING		1,193,400		0
9	GROSS APPROPRIATION	\$	49,290,900	\$	49,290,900
10	(H) NORTHERN MICHIGAN UNIVERSITY				
11	OPERATIONS	\$	46,279,200	\$	47,351,900
12	PERFORMANCE FUNDING		1,072,700		0
13	GROSS APPROPRIATION	\$	47,351,900	\$	47,351,900
14	(I) OAKLAND UNIVERSITY				
15	OPERATIONS	\$	49,920,700	\$	51,564,700
16	PERFORMANCE FUNDING		1,644,000		0
17	GROSS APPROPRIATION	\$	51,564,700	\$	51,564,700
18	(J) SAGINAW VALLEY STATE UNIVERSITY				
19	OPERATIONS	\$	29,114,000	\$	29,929,100
20	PERFORMANCE FUNDING		815,100		0
21	GROSS APPROPRIATION	\$	29,929,100	\$	29,929,100
22	(K) UNIVERSITY OF MICHIGAN - ANN ARBOR				
23	OPERATIONS	\$	308,639,000	\$	316,076,500
24	PERFORMANCE FUNDING		7,437,500		0
25	GROSS APPROPRIATION	\$	316,076,500	\$	316,076,500
26	(L) UNIVERSITY OF MICHIGAN - DEARBORN				
27	OPERATIONS	\$	24,803,300	\$	25,576,600

1	PERFORMANCE FUNDING	773,300	0
2	GROSS APPROPRIATION	\$ 25,576,600	\$ 25,576,600
3	(M) UNIVERSITY OF MICHIGAN - FLINT		
4	OPERATIONS	\$ 22,549,300	\$ 23,189,900
5	PERFORMANCE FUNDING	640,600	0
6	GROSS APPROPRIATION	\$ 23,189,900	\$ 23,189,900
7	(N) WAYNE STATE UNIVERSITY		
8	OPERATIONS	\$ 196,064,500	\$ 199,946,100
9	PERFORMANCE FUNDING	3,881,600	0
10	GROSS APPROPRIATION	\$ 199,946,100	\$ 199,946,100
11	(O) WESTERN MICHIGAN UNIVERSITY		
12	OPERATIONS	\$ 107,440,900	\$ 109,860,800
13	PERFORMANCE FUNDING	2,419,900	0
14	GROSS APPROPRIATION	\$ 109,860,800	\$ 109,860,800
15	(P) OPERATIONS FUNDING SOURCES		
16	GROSS APPROPRIATION	\$ 1,498,810,700	\$ 1,498,810,700
17	APPROPRIATED FROM:		
18	STATE SCHOOL AID FUND	231,219,500	231,219,500
19	STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,267,591,200	\$ 1,267,591,200
20	(3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT		
21	SYSTEM (MPSERS)		
22	MPSERS UAL CAP REIMBURSEMENT	\$ 4,005,000	\$ 6,516,000
23	GROSS APPROPRIATION	\$ 4,005,000	\$ 6,516,000
24	APPROPRIATED FROM:		
25	STATE SCHOOL AID FUND	4,005,000	6,516,000
26	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
27	(4) STATE AND REGIONAL PROGRAMS		

1	HIGHER EDUCATION DATABASE MODERNIZATION AND			
2	CONVERSION	\$	200,000	\$ 200,000
3	MIDWESTERN HIGHER EDUCATION COMPACT		115,000	115,000
4	GROSS APPROPRIATION	\$	315,000	\$ 315,000
5	APPROPRIATED FROM:			
6	STATE GENERAL FUND/GENERAL PURPOSE	\$	315,000	\$ 315,000
7	(5) MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA			
8	PARKS PROGRAM			
9	SELECT STUDENT SUPPORT SERVICES	\$	1,956,100	\$ 1,956,100
10	MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM		586,800	586,800
11	MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM		148,600	148,600
12	GROSS APPROPRIATION	\$	2,691,500	\$ 2,691,500
13	APPROPRIATED FROM:			
14	STATE GENERAL FUND/GENERAL PURPOSE	\$	2,691,500	\$ 2,691,500
15	(6) GRANTS AND FINANCIAL AID			
16	STATE COMPETITIVE SCHOLARSHIPS	\$	26,361,700	\$ 26,361,700
17	TUITION GRANTS		38,021,500	38,021,500
18	TUITION INCENTIVE PROGRAM		58,300,000	48,300,000
19	CHILDREN OF VETERANS AND OFFICER'S SURVIVOR			
20	TUITION GRANT PROGRAMS		1,400,000	1,400,000
21	PROJECT GEAR-UP		3,200,000	3,200,000
22	GROSS APPROPRIATION	\$	127,283,200	\$ 117,283,200
23	APPROPRIATED FROM:			
24	UNITED STATES DEPARTMENT OF EDUCATION, OFFICE OF			
25	ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP PROGRAM..		3,200,000	3,200,000
26	SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR NEEDY			
27	FAMILIES.....		108,326,400	98,326,400

CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT

PROGRAM.....	100,000	100,000
STATE GENERAL FUND/GENERAL PURPOSE	\$ 15,656,800	\$ 15,656,800

Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending on school aid under article I as amended by this amendatory act from state sources for fiscal year 2017-2018 is estimated at \$12,575,145,300.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2017-2018 are estimated at \$12,411,741,800.00.

(2) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2017-2018 under article II as amended by this amendatory act is estimated at \$398,167,600.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2017-2018 is estimated at \$398,167,600.00.

(3) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2017-2018 under article III as amended by this amendatory act is estimated at \$1,525,698,000.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2017-2018 is estimated at \$0.

Enacting section 2. Sections 11o, 11r, 20g, 21g, 22g, 25f, 25g, 31c, 31h, 31j, 32q, 55, 63, 65, 99t, 102d, 104d, 152b, 201a, 208, 212, 227, 228, 236a, 261, 271a, 274, and 275a of the state school aid act of 1979, 1979 PA 94, MCL 388.1611o, 388.1611r, 388.1620g, 388.1621g, 388.1622g, 388.1625f, 388.1625g, 388.1631c, 388.1631h, 388.1631j, 388.1632q, 388.1655, 388.1663, 388.1665, 388.1699t, 388.1702d, 388.1704d, 388.1752b, 388.1801a, 388.1808, 388.1812, 388.1827, 388.1828, 388.1836a, 388.1861, 388.1871a, 388.1874, and 388.1875a are repealed effective October 1, 2017.