

SENATE BILL No. 913

March 21, 2018, Introduced by Senator HILDENBRAND and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled

"The state school aid act of 1979,"

by amending sections 6, 11, 11a, 11j, 11k, 11m, 11s, 15, 18, 19, 20, 20d, 20f, 20m, 21f, 21h, 22a, 22b, 22d, 22m, 22n, 24, 24a, 24c, 25e, 25f, 25g, 26a, 26b, 26c, 31a, 31d, 31f, 32d, 32p, 35a, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 56, 61a, 61b, 62, 64b, 67, 74, 81, 94, 94a, 98, 99h, 99r, 99s, 104c, 107, 147, 147a, 147b, 147c, 147e, 152a, 160, 163, 166b, 201, 206, 207a, 207b, 207c, 209, 210b, 217, 225, 226, 229a, 236, 236b, 236c, 241, 242, 245, 252, 256, 263, 264, 265, 265a, 267, 268, 269, 270, 274c, 276, 277, 278, 279, 280, 281, 282, 289, and 296 (MCL 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1615, 388.1618, 388.1619, 388.1620, 388.1620d, 388.1620f, 388.1620m, 388.1621f, 388.1621h, 388.1622a, 388.1622b, 388.1622d, 388.1622m, 388.1622n, 388.1624, 388.1624a, 388.1624c, 388.1625e, 388.1625f,

388.1625g, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1632d, 388.1632p, 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, 388.1662, 388.1664b, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1698, 388.1699h, 388.1699r, 388.1699s, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747b, 388.1747c, 388.1747e, 388.1752a, 388.1760, 388.1763, 388.1766b, 388.1801, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810b, 388.1817, 388.1825, 388.1826, 388.1829a, 388.1836, 388.1836b, 388.1836c, 388.1841, 388.1842, 388.1845, 388.1852, 388.1856, 388.1863, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874c, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1889, and 388.1896) sections 6, 11a, 11j, 11k, 11m, 11s, 15, 18, 20, 20d, 20f, 20m, 22a, 22b, 22d, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31d, 31f, 32p, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 56, 61a, 61b, 62, 64b, 67, 74, 81, 94, 94a, 98, 99s, 147, 147b, 147c, 152a, 201, 206, 207a, 207b, 207c, 209, 210b, 217, 225, 226, 229a, 236, 236b, 236c, 241, 245, 252, 256, 263, 264, 265, 265a, 267, 268, 269, 270, 274c, 276, 277, 278, 279, 280, 281, and 282 as amended and 21h, 22m, 22n, 147e, and 160 as added by 2017 PA 108, sections 11, 21f, 25e, 31a, 32d, 35a, 99h, 99r, 104c, 107, 147a, and 166b as amended by 2017 PA 143, section 19 as amended by 2016 PA 533, section 163 as amended by 2015 PA 85, section 242 as amended by 2012 PA 201, section 289 as amended by 2013 PA 60, section 296 as added by 2011 PA 62, and by adding sections 23f, 54c, 54d, 61d, 210e, and 265b; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

ARTICLE I

2

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

3

intermediate district for special education pupils from several districts in programs

4

for pupils with autism spectrum disorder, pupils with severe cognitive impairment,

5

pupils with moderate cognitive impairment, pupils with severe multiple impairments,

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

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

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

20 (4) "Membership", except as otherwise provided in this article, means for a
21 district, a public school academy, or an intermediate district the sum of the product
22 of .90 times the number of full-time equated pupils in grades K to 12 actually
23 enrolled and in regular daily attendance on the pupil membership count day for the
24 current school year, plus the product of .10 times the final audited count from the
25 supplemental count day for the immediately preceding school year. A district's, public
26 school academy's, or intermediate district's membership shall be adjusted as provided
27 under section 25e for pupils who enroll after the pupil membership count day in a

1 strict discipline academy operating under sections 1311b to 1311m of the revised
2 school code, MCL 380.1311b to 380.1311m. However, for a district that is a community
3 district, "membership" means the sum of the product of .90 times the number of full-
4 time equated pupils in grades K to 12 actually enrolled and in regular daily
5 attendance in the community district on the pupil membership count day for the current
6 school year, plus the product of .10 times the sum of the final audited count from the
7 supplemental count day of pupils in grades K to 12 actually enrolled and in regular
8 daily attendance in the community district for the immediately preceding school year
9 plus the final audited count from the supplemental count day of pupils in grades K to
10 12 actually enrolled and in regular daily attendance in the education achievement
11 system for the immediately preceding school year. All pupil counts used in this
12 subsection are as determined by the department and calculated by adding the number of
13 pupils registered for attendance plus pupils received by transfer and minus pupils
14 lost as defined by rules promulgated by the superintendent, and as corrected by a
15 subsequent department audit. The amount of the foundation allowance for a pupil in
16 membership is determined under section 20. In making the calculation of membership,
17 all of the following, as applicable, apply to determining the membership of a
18 district, a public school academy, or an intermediate district:

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

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

educating district must have the approval of the pupil's district of residence to count the pupil in membership, the pupil shall not be counted in membership in any district.

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

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

(e) A pupil enrolled in the Michigan Schools for the Deaf and Blind shall be counted in membership in the pupil's intermediate district of residence.

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

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

(h) For the purposes of this section and section 6a, for a cyber school, as defined in section 551 of the revised school code, MCL 380.551, that is in compliance with section 553a of the revised school code, MCL 380.553a, a pupil's participation in the cyber school's educational program is considered regular daily attendance, and for a district or public school academy, a pupil's participation in a virtual course as defined in section 21f is considered regular daily attendance.

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

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

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

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

22 (k) For an extended school year program approved by the superintendent, a pupil
23 enrolled, but not scheduled to be in regular daily attendance, on a pupil membership
24 count day, shall be counted in membership.

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

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

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

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

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

11 (B) Had dropped out of school.

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

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

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

27 (n) If a pupil counted in membership in a public school academy is also educated

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

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

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

26 (o) An individual less than 16 years of age as of September 1 of the current
27 school year who is being educated in an alternative education program shall not be

1 counted in membership if there are also adult education participants being educated in
2 the same program or classroom.

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

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

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

23 (s) For a district or a public school academy that has pupils enrolled in a grade
24 level that was not offered by the district or public school academy in the immediately
25 preceding school year, the number of pupils enrolled in that grade level to be counted
26 in membership is the average of the number of those pupils enrolled and in regular
27 daily attendance on the pupil membership count day and the supplemental count day of

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

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

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

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

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

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

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

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

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

18 (x) If a district's membership for a particular fiscal year, as otherwise
19 calculated under this subsection, would be less than 1,550 pupils and the district has
20 4.5 or fewer pupils per square mile, as determined by the department, and if the
21 district does not receive funding under section 22d(2), the district's membership
22 shall be considered to be the membership figure calculated under this subdivision. If
23 a district educates and counts in its membership pupils in grades 9 to 12 who reside
24 in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the
25 affected districts request the department to use the determination allowed under this
26 sentence, the department shall include the square mileage of both districts in
27 determining the number of pupils per square mile for each of the districts for the

1 purposes of this subdivision. The membership figure calculated under this subdivision
2 is the greater of the following:

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

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

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

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

21 (aa) For the first year in which a pupil is counted in membership on the pupil
22 membership count day in a middle college program, the membership is the average of the
23 full-time equated membership on the pupil membership count day and on the supplemental
24 count day for the current school year, as determined by the department. If a pupil
25 described in this subdivision was counted in membership by the operating district on
26 the immediately preceding supplemental count day, the pupil shall be excluded from the
27 district's immediately preceding supplemental count for the purposes of determining

1 the district's membership.

2 (bb) A district or public school academy that educates a pupil who attends a
3 United States Olympic Education Center may count the pupil in membership regardless of
4 whether or not the pupil is a resident of this state.

5 (cc) A pupil enrolled in a district other than the pupil's district of residence
6 pursuant to section 1148(2) of the revised school code, MCL 380.1148, shall be counted
7 in the educating district.

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

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

23 (ii) The pupil meets the district's definition under section 23a of satisfactory
24 monthly progress for that month or, if the pupil does not meet that definition of
25 satisfactory monthly progress for that month, the pupil did meet that definition of
26 satisfactory monthly progress in the immediately preceding month and appropriate
27 interventions are implemented within 10 school days after it is determined that the

1 pupil does not meet that definition of satisfactory monthly progress.

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

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

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

18 (hh) A pupil enrolled in a community district shall be counted in membership in
19 the community district.

20 (ii) A part-time pupil enrolled in a nonpublic school in grades K to 12 in
21 accordance with section 166b shall not be counted as more than 0.75 of a full-time
22 equated membership.

23 (jj) A district that borders another state or a public school academy that
24 operates at least grades 9 to 12 and is located within 20 miles of a border with
25 another state may count in membership a pupil who is enrolled in a course at a college
26 or university that is located in the bordering state and within 20 miles of the border
27 with this state if all of the following are met:

1 (i) The pupil would meet the definition of an eligible student under the
2 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, if the
3 course were an eligible course under that act.

4 (ii) The course in which the pupil is enrolled would meet the definition of an
5 eligible course under the postsecondary enrollment options act, 1996 PA 160, MCL
6 388.511 to 388.524, if the course were provided by an eligible postsecondary
7 institution under that act.

8 (iii) The department determines that the college or university is an institution
9 that, in the other state, fulfills a function comparable to a state university or
10 community college, as those terms are defined in section 3 of the postsecondary
11 enrollment options act, 1996 PA 160, MCL 388.513, or is an independent nonprofit
12 degree-granting college or university.

13 (iv) The district or public school academy pays for a portion of the pupil's
14 tuition at the college or university in an amount equal to the eligible charges that
15 the district or public school academy would pay to an eligible postsecondary
16 institution under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511
17 to 388.524, as if the course were an eligible course under that act.

18 (v) The district or public school academy awards high school credit to a pupil
19 who successfully completes a course as described in this subdivision.

20 (kk) A pupil enrolled in a middle college program may be counted for more than a
21 total of 1.0 full-time equated membership if the pupil is enrolled in more than the
22 minimum number of instructional days and hours required under section 101 and the
23 pupil is expected to complete the 5-year program with both a high school diploma and
24 at least 60 transferable college credits or is expected to earn an associate's degree
25 in fewer than 5 years.

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

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

5 (a) A nonpublic part-time pupil enrolled in grades ~~K-1~~ to 12 in accordance with
6 section 166b.

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

9 (c) A pupil enrolled in a public school academy.

10 (d) A pupil enrolled in a district other than the pupil's district of residence
11 under an intermediate district schools of choice pilot program as described in section
12 91a or former section 91 if the intermediate district and its constituent districts
13 have been exempted from section 105.

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

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

27 (i) "At school" means in a classroom, elsewhere on school premises, on a school

1 bus or other school-related vehicle, or at a school-sponsored activity or event
2 whether or not it is held on school premises.

3 (ii) "Serious assault" means an act that constitutes a felony violation of
4 chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90h, or that
5 constitutes an assault and infliction of serious or aggravated injury under section
6 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

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

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

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

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

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

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

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

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

27 (k) An expelled pupil who has been denied reinstatement by the expelling district

1 and is reinstated by another school board under section 1311 or 1311a of the revised
2 school code, MCL 380.1311 and 380.1311a.

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

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

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

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

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

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

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

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

(i) Fourth Wednesday in July.

(ii) First Wednesday in October.

(iii) Second Wednesday in February.

(iv) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance"

means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, intermediate district, or public school academy before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, or public school academy within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or ~~legally qualified~~ **AN INDIVIDUAL WORKING**

1 UNDER A VALID substitute ~~teacher~~ PERMIT, AUTHORIZATION, OR APPROVAL ISSUED BY THE
2 DEPARTMENT are together and instruction is taking place.

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

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

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

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

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

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

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

18 (16) "Tuition pupil" means a pupil of school age attending school in a district
19 other than the pupil's district of residence for whom tuition may be charged to the
20 district of residence. Tuition pupil does not include a pupil who is a special
21 education pupil, a pupil described in subsection (6)(c) to (o), or a pupil whose
22 parent or guardian voluntarily enrolls the pupil in a district that is not the pupil's
23 district of residence. A pupil's district of residence shall not require a high school
24 tuition pupil, as provided under section 111, to attend another school district after
25 the pupil has been assigned to a school district.

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

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

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

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

Sec. 11. (1) ~~For the fiscal year ending September 30, 2017, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$12,069,644,300.00 from the state school aid fund, the sum of \$179,100,000.00 from the general fund, an amount not to exceed \$72,000,000.00 from the community district education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262, and an amount not to exceed \$100.00 from the water emergency reserve fund. For the fiscal year ending September 30, 2018, 2019, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$12,547,270,300.00 \$12,762,325,200.00 from the state school aid fund, the sum of \$215,000,000.00 \$45,000,000.00 from the general fund, an amount not to exceed \$72,000,000.00 from the community district education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not to exceed \$23,100,000.00 \$31,900,000.00 from the MPSERS retirement obligation reform reserve fund, and an amount not to exceed \$100.00 from the water emergency reserve fund. In addition, all available federal funds are appropriated each fiscal year for the fiscal years YEAR ending September 30, 2017 and September 30, 2018 2019.~~

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

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

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

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

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

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

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

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

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

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

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

11 (7) For ~~2016-2017 and for 2017-2018, 2018-2019~~ in addition to the appropriations
12 in section 11, there is appropriated from the school aid stabilization fund to the
13 state school aid fund the amount necessary to fully fund the allocations under this
14 article.

15 Sec. 11j. From the appropriation in section 11, there is allocated an amount not
16 to exceed \$125,500,000.00 for ~~2017-2018-2018-2019~~ for payments to the school loan bond
17 redemption fund in the department of treasury on behalf of districts and intermediate
18 districts. Notwithstanding section 296 or any other provision of this act, funds
19 allocated under this section are not subject to proration and shall be paid in full.

20 Sec. 11k. For ~~2017-2018, 2018-2019~~, there is appropriated from the general fund
21 to the school loan revolving fund an amount equal to the amount of school bond loans
22 assigned to the Michigan finance authority, not to exceed the total amount of school
23 bond loans held in reserve as long-term assets. As used in this section, "school loan
24 revolving fund" means that fund created in section 16c of the shared credit rating
25 act, 1985 PA 227, MCL 141.1066c.

26 Sec. 11m. From the appropriation in section 11, there is allocated for ~~2016-2017~~
27 ~~an amount not to exceed \$5,500,000.00 and there is allocated for 2017-2018-2018-2019~~

1 an amount not to exceed ~~\$6,500,000.00~~ **\$24,000,000.00** for fiscal year cash-flow
2 borrowing costs solely related to the state school aid fund established by section 11
3 of article IX of the state constitution of 1963.

4 Sec. 11s. (1) From the general fund appropriation in section 11, there is
5 allocated ~~\$10,142,500.00 for 2016-2017 and there is allocated \$8,730,000.00~~
6 **\$3,230,000.00 for 2017-2018-2018-2019** for the purpose of providing services and
7 programs to children who reside within the boundaries of a district with the majority
8 of its territory located within the boundaries of a city for which an executive
9 proclamation of emergency is issued in the current or immediately preceding ~~2-3~~ fiscal
10 years under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421, **AND FOR**
11 **THE DEPARTMENT TO IMPLEMENT AND ADMINISTER GRANTS AWARDED FOR, OR TO PROVIDE SERVICES**
12 **FOR THESE CHILDREN.** From the funding appropriated in section 11, there is allocated
13 for ~~each~~ fiscal year ~~for 2016-2017 and for 2017-2018-2018-2019~~ \$100.00 from the water
14 emergency reserve fund for the purposes of this section.

15 (2) From the allocation in subsection (1), there is allocated to a district with
16 the majority of its territory located within the boundaries of a city in which an
17 executive proclamation of emergency is issued in the current or immediately preceding
18 ~~2-3~~ fiscal years and that has at least 4,500 pupils in membership for the 2016-2017
19 fiscal year or has at least 4,000 pupils in membership for a fiscal year after 2016-
20 2017, an amount not to exceed ~~\$1,292,500.00 for 2016-2017 and an amount not to exceed~~
21 ~~\$2,625,000.00~~ **\$2,375,000.00 for 2017-2018-2018-2019** for the purpose of employing
22 school nurses and school social workers. The district shall provide a report to the
23 department in a form, manner, and frequency prescribed by the department. The
24 department shall provide a copy of that report to the governor, the house and senate
25 school aid subcommittees, the house and senate fiscal agencies, and the state budget
26 director within 5 days after receipt. The report shall provide at least the following
27 information:

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

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

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

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

8 ~~(3) From the allocation in subsection (1), there is allocated to an intermediate~~
9 ~~district that has a constituent district described in subsection (2) an amount not to~~
10 ~~exceed \$1,195,000.00 for 2016-2017 and an amount not to exceed \$2,500,000.00 for 2017-~~
11 ~~2018 to augment staff for the purpose of providing additional early childhood services~~
12 ~~and for nutritional services to children described in subsection (1), regardless of~~
13 ~~location of school of attendance. For 2016-2017, the early childhood services to be~~
14 ~~provided under this subsection are state early intervention services as described in~~
15 ~~subsection (4) and early literacy services. Beginning with 2017-2018, the early~~
16 ~~childhood services to be provided under this subsection are 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:~~

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

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

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

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

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

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

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

20 ~~(5) From the allocation in subsection (1), there is allocated an amount not to~~
21 ~~exceed \$1,500,000.00 for 2016-2017 and an amount not to exceed \$3,000,000.00 for 2017-~~
22 ~~2018 to intermediate districts described in subsection (3) to enroll children~~
23 ~~described in subsection (1) in school-day great start readiness programs, regardless~~
24 ~~of household income eligibility requirements contained in section 39. The department~~
25 ~~shall administer this funding consistent with all other provisions of the great start~~
26 ~~readiness programs contained in section 32d and section 39.~~

27 (3) ~~(6)~~ For 2017-2018, **2018-2019**, from the allocation in subsection (1), there is

1 allocated an amount not to exceed \$605,000.00 for nutritional services to children
2 described in subsection (1).

3 (4) ~~(7)~~—In addition to other funding allocated and appropriated in this section,
4 there is appropriated an amount not to exceed \$15,000,000.00 ~~each fiscal year for~~
5 ~~2016-2017 and 2017-2018~~ **FOR FISCAL YEAR 2018-2019** for state restricted contingency
6 funds. These contingency funds are not available for expenditure until they have been
7 transferred to a section within this article under section 393(2) of the management
8 and budget act, 1984 PA 431, MCL 18.1393.

9 (5) ~~(8)~~—Notwithstanding section 17b, payments under this section shall be paid on
10 a schedule determined by the department.

11 Sec. 15. (1) If a district or intermediate district fails to receive its proper
12 apportionment, the department, upon satisfactory proof that the district or
13 intermediate district was entitled justly, shall apportion the deficiency in the next
14 apportionment. Subject to subsections (2) and (3), if a district or intermediate
15 district has received more than its proper apportionment, the department, upon
16 satisfactory proof, shall deduct the excess in the next apportionment. Notwithstanding
17 any other provision in this article, state aid overpayments to a district, other than
18 overpayments in payments for special education or special education transportation,
19 may be recovered from any payment made under this article other than a special
20 education or special education transportation payment, 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. State aid overpayments made in special education or
24 special education transportation payments may be recovered from subsequent special
25 education or special education transportation payments, from the proceeds of a loan to
26 the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
27 141.942, or from the proceeds of millage levied or pledged under section 1211 of the

1 revised school code, MCL 380.1211.

2 (2) If the result of an audit conducted by or for the department affects the
 3 current fiscal year membership, affected payments shall be adjusted in the current
 4 fiscal year. A deduction due to an adjustment made as a result of an audit conducted
 5 by or for the department, or as a result of information obtained by the department
 6 from the district, an intermediate district, the department of treasury, or the office
 7 of auditor general, shall be deducted from the district's apportionments when the
 8 adjustment is finalized. At the request of the district and upon the district
 9 presenting evidence satisfactory to the department of the hardship, the department may
 10 grant up to an additional ~~9-4~~ years for the adjustment and may advance payments to the
 11 district otherwise authorized under this article if the district would otherwise
 12 experience a significant hardship in satisfying its financial obligations. ~~At the~~
 13 ~~request of a district and upon the district presenting evidence satisfactory to the~~
 14 ~~department of the hardship, the department may waive all or a portion of the~~
 15 ~~adjustments under this subsection if the department determines that all of the~~
 16 ~~following apply:~~

17 ~~(a) The district would otherwise experience a significant hardship in satisfying~~
 18 ~~its financial obligations.~~

19 ~~(b) The district would otherwise experience a significant hardship in satisfying~~
 20 ~~its responsibility to provide instruction to its pupils.~~

21 ~~(c) The district has taken sufficient corrective action to ensure that the~~
 22 ~~circumstance or circumstances that necessitated the adjustment under this subsection~~
 23 ~~do not recur.~~

24 (3) If, based on an audit by the department or the department's designee or
 25 because of new or updated information received by the department, the department
 26 determines that the amount paid to a district or intermediate district under this
 27 article for the current fiscal year or a prior fiscal year was incorrect, the

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

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

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

18 ~~(6) The department shall not deduct any funds from a district due to a pupil~~
 19 ~~being counted in membership before the effective date of the amendatory act that added~~
 20 ~~section 6(4)(jj), or otherwise reduce an allocation under this article to a district~~
 21 ~~relative to the counting of a pupil in membership as provided under section 6(4)(jj),~~
 22 ~~if the district substantially complied with the requirements under section 6(4)(jj) in~~
 23 ~~a previous fiscal year as if section 6(4)(jj) had been in effect in the previous~~
 24 ~~fiscal year.~~

25 (6) ~~(7)~~—In addition to funds appropriated in section 11 for all programs and
 26 services, there is appropriated for ~~2017-2018-2018-2019~~ for obligations in excess of
 27 applicable appropriations an amount equal to the collection of overpayments, but not

1 to exceed amounts available from overpayments.

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

14 (2) A district or intermediate district shall adopt an annual budget in a manner
15 that complies with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to
16 141.440a. Within 15 days after a district board adopts its annual operating budget for
17 the following school fiscal year, or after a district board adopts a subsequent
18 revision to that budget, the district shall make all of the following available
19 through a link on its website homepage, or may make the information available through
20 a link on its intermediate district's website homepage, in a form and manner
21 prescribed by the department:

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

23 (b) Using data that have already been collected and submitted to the department,
24 a summary of district expenditures for the most recent fiscal year for which they are
25 available, expressed in the following 2 ~~pie charts~~: **VISUAL DISPLAYS**

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

27 (A) Salaries and wages.

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

3 (C) Retirement benefit costs.

4 (D) All other personnel costs.

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

7 (A) Instruction.

8 (B) Support services.

9 (C) Business and administration.

10 (D) Operations and maintenance.

11 (c) Links to all of the following:

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

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

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

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

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

23 (vi) The district's written policy establishing specific categories of
24 reimbursable expenses, as described in section 1254(2) of the revised school code, MCL
25 380.1254.

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

1 members or employees of the district that were reimbursed by the district for the most
2 recent school fiscal year.

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

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

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

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

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

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

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

23 (4) For the purposes of determining the reasonableness of expenditures, whether a
24 district or intermediate district has received the proper amount of funds under this
25 article, and whether a violation of this article has occurred, all of the following
26 apply:

27 (a) The department shall require that each district and intermediate district

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

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

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

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

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

27 (i) A district shall file the annual financial audit reports with the

1 intermediate district and the department.

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

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

7 (f) The annual financial audit reports and pupil accounting procedures reports
8 shall be available to the public in compliance with the freedom of information act,
9 1976 PA 442, MCL 15.231 to 15.246.

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

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

1 classifications of salary, benefits, including categories for active employee health
2 expenditures, purchased services, supplies, capital outlay, and other. Districts shall
3 report the required level of detail consistent with the manual as part of the
4 comprehensive annual financial report.

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

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

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

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

17 (10) If a district or intermediate district does not comply with subsections (4),
18 (5), (6), ~~and~~ (7), **AND (12)** or if the department determines that the financial data
19 required under subsection (5) are not consistent with audited financial statements,
20 the department shall withhold all state school aid due to the district or intermediate
21 district under this article, beginning with the next payment due to the district or
22 intermediate district, until the district or intermediate district complies with
23 subsections (4), (5), (6), ~~and~~ (7), **AND (12)**. If the district or intermediate district
24 does not comply with subsections (4), (5), (6), ~~and~~ (7), **AND (12)** by the end of the
25 fiscal year, the district or intermediate district forfeits the amount withheld.

26 (11) If a district or intermediate district does not comply with subsection (2),
27 the department may withhold up to 10% of the total state school aid due to the

district or intermediate district under this article, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsection (2). If the district or intermediate district does not comply with subsection (2) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

(12) By November 1 of each year, if a district or intermediate district offers virtual learning under section 21f, **OR FOR A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE**, the district or intermediate district shall submit to the department a report that details the per-pupil costs of operating the virtual learning by vendor type **AND VIRTUAL LEARNING MODEL**. The report shall include ~~at least all of the following~~ information concerning the operation of virtual learning for the immediately preceding school fiscal ~~year~~ **YEAR, INCLUDING INFORMATION CONCERNING SUMMER PROGRAMMING. INFORMATION SHALL BE COLLECTED IN A FORM AND MANNER AS DETERMINED BY THE DEPARTMENT AND SHALL BE COLLECTED IN THE MOST EFFICIENT MANNER POSSIBLE IN ORDER TO REDUCE THE ADMINISTRATIVE BURDEN ON REPORTING ENTITIES.**

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

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

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

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

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

~~(f) The number of participating students who had previously been expelled from~~

1 ~~school.~~

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

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

10 (13) By March 31 of each year, the department shall submit to the house and
 11 senate appropriations subcommittees on state school aid, the state budget director,
 12 and the house and senate fiscal agencies a report summarizing the per-pupil costs by
 13 vendor type of virtual courses available under section 21f **OR VIRTUAL COURSES PROVIDED**
 14 **BY A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE**
 15 **REVISED SCHOOL CODE, MCD 380.551.**

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

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

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

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

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

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

25 (16) ~~Beginning October 1, 2017, and not less than once every 3 months after that~~
 26 ~~date, the~~ **THE** department shall submit to the senate and house subcommittees on school
 27 aid and to the senate and house standing committees on education an itemized list of

1 allocations under this article to any association or consortium consisting of
2 associations. The report shall detail the recipient or recipients, the amount
3 allocated, and the purpose for which the funds were distributed.

4 Sec. 19. (1) A district or intermediate district shall comply with all applicable
5 reporting requirements specified in state and federal law. Data provided to the
6 center, in a form and manner prescribed by the center, shall be aggregated and
7 disaggregated as required by state and federal law. In addition, a district or
8 intermediate district shall cooperate with all measures taken by the center to
9 establish and maintain a statewide P-20 longitudinal data system.

10 (2) Each district shall furnish to the center not later than 5 weeks after the
11 pupil membership count day and by ~~June 30~~ **THE LAST BUSINESS DAY IN JUNE** of the school
12 fiscal year ending in the fiscal year, in a manner prescribed by the center, the
13 information necessary for the preparation of the district and high school graduation
14 report **AND FOR PREPARATION OF THE STATE OR FEDERAL ACCOUNTABILITY REPORTS**. This
15 information shall meet requirements established in the pupil auditing manual approved
16 and published by the department. The center shall calculate an annual graduation and
17 pupil dropout rate for each high school, each district, and this state, in compliance
18 with nationally recognized standards for these calculations. The center shall report
19 all graduation and dropout rates to the senate and house education committees and
20 appropriations committees, the state budget director, and the department not later
21 than 30 days after the publication of the list described in subsection (5). Before
22 reporting these graduation and dropout rates, the department shall allow a school or
23 district to appeal the calculations. The department shall consider and act upon the
24 appeal within 30 days after it is submitted and shall not report these graduation and
25 dropout rates until after all appeals have been considered and decided.

26 (3) By the first business day in December and by ~~June 30~~ **THE LAST BUSINESS DAY IN**
27 **JUNE** of each year, a district shall furnish to the center, in a manner prescribed by

1 the center, information related to educational personnel as necessary for reporting
 2 required by state and federal law. For the purposes of this subsection, the center
 3 shall only require districts and intermediate districts to report information that is
 4 not already available from the office of retirement services in the department of
 5 technology, management, and budget.

6 (4) If a district or intermediate district fails to meet the requirements of this
 7 section, the department shall withhold 5% of the total funds for which the district or
 8 intermediate district qualifies under this article until the district or intermediate
 9 district complies with all of those subsections. If the district or intermediate
 10 district does not comply with all of those subsections by the end of the fiscal year,
 11 the department shall place the amount withheld in an escrow account until the district
 12 or intermediate district complies with all of those subsections.

13 (5) Before publishing a list of school or district accountability designations as
 14 required by the no child left behind act of 2001, Public Law 107-110, or the every
 15 student succeeds act, Public Law 114-95, **AND UTILIZING DATA THAT WAS CERTIFIED AS**
 16 **ACCURATE AND COMPLETE AFTER DISTRICTS AND INTERMEDIATE SCHOOL DISTRICTS HAVE ADHERED**
 17 **TO DEADLINES, DATA QUALITY REVIEWS AND CORRECTION PROCESSES LEADING TO LOCAL**
 18 **CERTIFICATION OF FINAL STUDENT DATA IN SUBSECTION 2 OF THIS SECTION,** the department
 19 shall allow a school or district to appeal **ANY CALCULATION ERRORS USED IN THE**
 20 **PREPARATION OF ACCOUNTABILITY METRICS.** ~~that determination.~~ The department shall
 21 consider and act upon the appeal within 30 days after it is submitted and shall not
 22 publish the list until after all appeals have been considered and decided.

23 (6) Beginning in 2016-2017, the department shall implement statewide standard
 24 reporting requirements for education data approved by the department in conjunction
 25 with the center. The department shall work with the center, intermediate districts,
 26 districts, and other interested stakeholders to implement this policy change. A
 27 district or intermediate district shall implement the statewide standard reporting

requirements not later than 2017-2018 or when a district or intermediate district updates its education data reporting system, whichever is later.

Sec. 20. (1) For ~~2017-2018~~, **2018-2019**, both of the following apply:

(a) The basic foundation allowance is ~~\$8,289.00~~ **\$8,409.00**.

(b) The minimum foundation allowance is ~~\$7,631.00~~ **\$7,871.00**.

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

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

(a) Except as otherwise provided in this subdivision, for a district that had a foundation allowance for the immediately preceding state fiscal year that was at least equal to the minimum foundation allowance for the immediately preceding state fiscal year, but less than the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district's foundation allowance for the immediately preceding state fiscal year plus the difference between twice the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year made in the basic foundation allowance and [(the difference between the basic foundation allowance for the current state fiscal year and basic foundation allowance for the immediately preceding state fiscal year minus ~~\$20.00~~ **\$40.00**) times (the difference between the district's foundation allowance for the immediately preceding state fiscal year and the minimum foundation allowance for the immediately preceding state fiscal year) divided by the difference between the basic foundation allowance for the current state fiscal year and the minimum foundation allowance for the immediately preceding

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

4 (b) Except as otherwise provided in this subsection, for a district that in the
5 immediately preceding state fiscal year had a foundation allowance in an amount equal
6 to the amount of the basic foundation allowance for the immediately preceding state
7 fiscal year, the district shall receive a foundation allowance for ~~2017-2018-2018-2019~~
8 in an amount equal to the basic foundation allowance for ~~2017-2018-2018-2019~~.

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

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

23 (e) For a district that received a foundation allowance supplemental payment
24 calculated under section 20m and paid under section 22b for ~~2016-2017, 2017-2018~~ the
25 district's ~~2016-2017-2017-2018~~ foundation allowance is considered to have been an
26 amount equal to the sum of the district's actual ~~2016-2017-2017-2018~~ foundation
27 allowance as otherwise calculated under this section plus the lesser of the per pupil

1 amount of the district's supplemental payment for ~~2016-2017~~-2017-2018 as calculated
2 under section 20m or the product of the district's foundation allowance for the
3 immediately preceding state fiscal year times the percentage increase in the United
4 States consumer price index in the calendar year ending in the immediately preceding
5 fiscal year as reported by the May revenue estimating conference conducted under
6 section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

1 community district to be used for the purposes of this subsection does not include the
2 taxable value of property within the geographic area of the community district.

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

15 (6) Except as otherwise provided in this subsection, for pupils in membership,
16 other than special education pupils, in a public school academy, the allocation
17 calculated under this section is an amount per membership pupil other than special
18 education pupils in the public school academy equal to the foundation allowance of the
19 district in which the public school academy is located or the state maximum public
20 school academy allocation, whichever is less. Except as otherwise provided in this
21 subsection, for pupils in membership, other than special education pupils, in a public
22 school academy that is a cyber school and is authorized by a school district, the
23 allocation calculated under this section is an amount per membership pupil other than
24 special education pupils in the public school academy equal to the foundation
25 allowance of the district that authorized the public school academy or the state
26 maximum public school academy allocation, whichever is less. However, a public school
27 academy that had an allocation under this subsection before 2009-2010 that was equal

1 to the sum of the local school operating revenue per membership pupil other than
2 special education pupils for the district in which the public school academy is
3 located and the state portion of that district's foundation allowance shall not have
4 that allocation reduced as a result of the 2010 amendment to this subsection.
5 Notwithstanding section 101, for a public school academy that begins operations after
6 the pupil membership count day, the amount per membership pupil calculated under this
7 subsection shall be adjusted by multiplying that amount per membership pupil by the
8 number of hours of pupil instruction provided by the public school academy after it
9 begins operations, as determined by the department, divided by the minimum number of
10 hours of pupil instruction required under section 101(3). The result of this
11 calculation shall not exceed the amount per membership pupil otherwise calculated
12 under this subsection. **BEGINNING IN 2018-2019, FOR PUPILS IN MEMBERSHIP IN A PUBLIC**
13 **SCHOOL ACADEMY THAT WAS ISSUED A CONTRACT UNDER SECTION 552 OF THE REVISED SCHOOL**
14 **CODE, MCL 380.552, TO OPERATE AS A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, THE**
15 **ALLOCATION CALCULATED UNDER THIS SECTION SHALL BE AN AMOUNT EQUAL TO 75% OF THE AMOUNT**
16 **AS WOULD OTHERWISE BE CALCULATED UNDER THIS SUBSECTION FOR A PUBLIC SCHOOL ACADEMY.**

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

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

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

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

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

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

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

1 conference.

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

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

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

25 (13) If an amendment to section 2 of article VIII of the state constitution of
26 1963 allowing state aid to some or all nonpublic schools is approved by the voters of
27 this state, each foundation allowance or per-pupil payment calculation under this

1 section may be reduced.

2 (14) As used in this section:

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

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

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

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

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

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

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

27 (h) "Local school operating revenue" means school operating taxes levied under

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

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

10 (j) "Maximum public school academy allocation", except as otherwise provided in
11 this subdivision, means the maximum per-pupil allocation as calculated by adding the
12 highest per-pupil allocation among all public school academies for the immediately
13 preceding state fiscal year plus the difference between twice the amount of the
14 difference between the basic foundation allowance for the current state fiscal year
15 and the basic foundation allowance for the immediately preceding state fiscal year and
16 [(the amount of the difference between the basic foundation allowance for the current
17 state fiscal year and the basic foundation allowance for the immediately preceding
18 state fiscal year minus ~~\$20.00~~-\$40.00) times (the difference between the highest per-
19 pupil allocation among all public school academies for the immediately preceding state
20 fiscal year and the minimum foundation allowance for the immediately preceding state
21 fiscal year) divided by the difference between the basic foundation allowance for the
22 current state fiscal year and the minimum foundation allowance for the immediately
23 preceding state fiscal year.] For the purposes of this subdivision, for ~~2017-2018,~~
24 2018-2019, the maximum public school academy allocation is ~~\$7,631.00~~-\$7,871.00.

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

27 (l) "Nonexempt property" means property that is not a principal residence,

1 qualified agricultural property, qualified forest property, supportive housing
2 property, industrial personal property, commercial personal property, or property
3 occupied by a public school academy.

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

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

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

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

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

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

26 Sec. 20d. In making the final determination required under former section 20a of
27 a district's combined state and local revenue per membership pupil in 1993-94 and in

1 making calculations under section 20 for ~~2017-2018~~, 2018-2019 the department and the
2 department of treasury shall comply with all of the following:

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

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

1 Sec. 20f. (1) From the funds appropriated in section 11, there is allocated an
2 amount not to exceed \$18,000,000.00 for ~~2017-2018-2018-2019~~ for payments to eligible
3 districts under this section.

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

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

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

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

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

19 (4) The funding under this subsection is from the allocation under subsection
20 (1). A district is eligible for funding under this subsection if the sum of the
21 following is less than \$25.00:

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

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

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

1 (d) The quotient of the district's allocation under section 31a for 2015-2016
2 divided by the district's membership pupils for 2015-2016 minus the quotient of the
3 district's allocation under section 31a for 2014-2015 divided by the district's
4 membership pupils for 2014-2015.

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

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

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

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

13 (d) The quotient of the district's allocation under section 31a for 2015-2016
14 divided by the district's membership pupils for 2015-2016 minus the quotient of the
15 district's allocation under section 31a for 2014-2015 divided by the district's
16 membership pupils for 2014-2015.

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

20 Sec. 20m. (1) Foundation allowance supplemental payments for ~~2017-2018-2018-2019~~
21 to districts that in the 2015-2016 fiscal year had a foundation allowance greater than
22 \$8,169.00 shall be calculated under this section.

23 (2) The per-pupil allocation to each district under this section shall be the
24 difference between the dollar amount of the adjustment from the 2015-2016 state fiscal
25 year to the current state fiscal year in the basic foundation allowance minus the
26 dollar amount of the adjustment from the 2015-2016 fiscal year to the current state
27 fiscal year in a qualifying district's foundation allowance.

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

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

18 Sec. 21f. (1) A primary district shall enroll an eligible pupil in virtual
19 courses in accordance with the provisions of this section. A primary district shall
20 not offer a virtual course to an eligible pupil unless the virtual course is published
21 in the primary district's catalog of board-approved courses or in the statewide
22 catalog of virtual courses maintained by the Michigan Virtual University pursuant to
23 section 98. The primary district shall also provide on its publicly accessible website
24 a link to the statewide catalog of virtual courses maintained by the Michigan Virtual
25 University. Unless the pupil is at least age 18 or is an emancipated minor, a pupil
26 shall not be enrolled in a virtual course without the consent of the pupil's parent or
27 legal guardian. **PARENTAL CONSENT SHALL BE OBTAINED IN A FORM AND MANNER SPECIFIED BY**

1 THE DEPARTMENT AND KEPT ON FILE BY THE PRIMARY DISTRICT.

2 (2) Subject to subsection (3), a primary district shall enroll an eligible pupil
3 in up to 2 virtual courses as requested by the pupil during an academic term,
4 semester, or trimester.

5 (3) A pupil may be enrolled in more than 2 virtual courses in a specific academic
6 term, semester, or trimester if all of the following conditions are met:

7 (a) The primary district has determined that it is in the best interest of the
8 pupil.

9 (b) The pupil agrees with the recommendation of the primary district.

10 (c) The primary district, in collaboration with the pupil, has developed an
11 education development plan, in a form and manner specified by the department, that is
12 kept on file by the district. Beginning October 1, 2016, this subdivision does not
13 apply to a pupil enrolled as a part-time pupil under section 166b.

14 (4) If the number of applicants eligible for acceptance in a virtual course does
15 not exceed the capacity of the provider to provide the virtual course, the provider
16 shall accept for enrollment all of the applicants eligible for acceptance. If the
17 number of applicants exceeds the provider's capacity to provide the virtual course,
18 the provider shall use a random draw system, subject to the need to abide by state and
19 federal antidiscrimination laws and court orders. A primary district that is also a
20 provider shall determine whether or not it has the capacity to accept applications for
21 enrollment from nonresident applicants in virtual courses and may use that limit as
22 the reason for refusal to enroll a nonresident applicant.

23 (5) A primary district may not establish additional requirements beyond those
24 specified in this subsection that would prohibit a pupil from taking a virtual course.
25 A pupil's primary district may deny the pupil enrollment in an online course if any of
26 the following apply, as determined by the district:

27 (a) The pupil is enrolled in any of grades K to 5.

1 (b) The pupil has previously gained the credits that would be provided from the
2 completion of the virtual course.

3 (c) The virtual course is not capable of generating academic credit.

4 (d) The virtual course is inconsistent with the remaining graduation requirements
5 or career interests of the pupil.

6 (e) The pupil has not completed the prerequisite coursework for the requested
7 virtual course or has not demonstrated proficiency in the prerequisite course content.

8 (f) The pupil has failed a previous virtual course in the same subject during the
9 2 most recent academic years.

10 (g) The virtual course is of insufficient quality or rigor. A primary district
11 that denies a pupil enrollment request for this reason shall enroll the pupil in a
12 virtual course in the same or a similar subject that the primary district determines
13 is of acceptable rigor and quality.

14 (h) The cost of the virtual course exceeds the amount identified in subsection
15 ~~(9)~~, (10), unless the pupil or the pupil's parent or legal guardian agrees to pay the
16 cost that exceeds this amount.

17 (i) The request for a virtual course enrollment did not occur within the same
18 timelines established by the primary district for enrollment and schedule changes for
19 regular courses.

20 (j) The request for a virtual course enrollment was not made in the academic
21 term, semester, trimester, or summer preceding the enrollment. This subdivision does
22 not apply to a request made by a pupil who is newly enrolled in the primary district.

23 (6) If a pupil is denied enrollment in a virtual course by the pupil's primary
24 district, the primary district shall provide written notification to the pupil of the
25 denial, the reason or reasons for the denial pursuant to subsection (5), and a
26 description of the appeal process. The pupil may appeal the denial by submitting a
27 letter to the superintendent of the intermediate district in which the pupil's primary

1 district is located. The letter of appeal shall include the reason provided by the
2 primary district for not enrolling the pupil and the reason why the pupil is claiming
3 that the enrollment should be approved. The intermediate district superintendent or
4 designee shall respond to the appeal within 5 days after it is received. If the
5 intermediate district superintendent or designee determines that the denial of
6 enrollment does not meet 1 or more of the reasons specified in subsection (5), the
7 primary district shall enroll the pupil in the virtual course.

8 (7) To provide a virtual course to an eligible pupil under this section, a
9 provider shall do all of the following:

10 (a) Ensure that the virtual course has been published in the pupil's primary
11 district's catalog of board-approved courses or published in the statewide catalog of
12 virtual courses maintained by the Michigan Virtual University.

13 (b) Assign to each pupil a teacher of record and provide the primary district
14 with the personnel identification code assigned by the center for the teacher of
15 record. If the provider is a community college, the virtual course must be taught by
16 an instructor employed by or contracted through the providing community college.

17 (c) Offer the virtual course on an open entry and exit method, or aligned to a
18 semester, trimester, or accelerated academic term format.

19 (d) If the virtual course is offered to eligible pupils in more than 1 district,
20 the following additional requirements must also be met:

21 (i) Provide the Michigan Virtual University with a course syllabus that meets the
22 definition under subsection (14)(g) in a form and manner prescribed by the Michigan
23 Virtual University for inclusion in a statewide catalog of virtual courses.

24 (ii) Not later than October 1 of each fiscal year, provide the Michigan Virtual
25 University with an aggregated count of enrollments for each virtual course the
26 provider delivered to pupils pursuant to this section during the immediately preceding
27 school year, and the number of enrollments in which the pupil earned 60% or more of

1 the total course points for each virtual course.

2 (8) To provide an online course under this section, a community college shall
3 ensure that each online course it provides under this section generates postsecondary
4 credit.

5 (9) For any virtual course a pupil enrolls in under this section, the pupil's
6 primary district must assign to the pupil a mentor and shall supply the provider with
7 the mentor's contact information.

8 (10) For a pupil enrolled in 1 or more virtual courses, the primary district
9 shall use foundation allowance or per-pupil funds calculated under section 20 to pay
10 for the expenses associated with the virtual course or courses. A primary district is
11 not required to pay toward the cost of a virtual course an amount that exceeds 6.67%
12 of the minimum foundation allowance for the current fiscal year as calculated under
13 section 20.

14 (11) A virtual learning pupil shall have the same rights and access to technology
15 in his or her primary district's school facilities as all other pupils enrolled in the
16 pupil's primary district. The department shall establish standards for hardware,
17 software, and Internet access for pupils who are enrolled in more than 2 virtual
18 courses in an academic term, semester, or trimester taken at a location other than a
19 school facility.

20 (12) If a pupil successfully completes a virtual course, as determined by the
21 pupil's primary district, the pupil's primary district shall grant appropriate
22 academic credit for completion of the course and shall count that credit toward
23 completion of graduation and subject area requirements. A pupil's school record and
24 transcript shall identify the virtual course title as it appears in the virtual course
25 syllabus.

26 (13) The enrollment of a pupil in 1 or more virtual courses shall not result in a
27 pupil being counted as more than 1.0 full-time equivalent pupils under this article.

1 The minimum requirements to count the pupil in membership are those established by the
2 pupil accounting manual as it was in effect for the 2015-2016 school year or as
3 subsequently amended by the department if the department notifies the legislature
4 about the proposed amendment at least 60 days before the amendment becomes effective.

5 (14) As used in this section:

6 (a) "Instructor" means an individual who is employed by or contracted through a
7 community college.

8 (b) "Mentor" means a professional employee of the primary district who monitors
9 the pupil's progress, ensures the pupil has access to needed technology, is available
10 for assistance, and ensures access to the teacher of record. A mentor may also serve
11 as the teacher of record if the primary district is the provider for the virtual
12 course and the mentor meets the requirements under subdivision (e).

13 (c) "Primary district" means the district that enrolls the pupil and reports the
14 pupil for pupil membership purposes.

15 (d) "Provider" means the district, intermediate district, or community college
16 that the primary district pays to provide the virtual course or the Michigan Virtual
17 University if it is providing the virtual course.

18 (e) "Teacher of record" means a teacher who meets all of the following:

19 (i) Holds a valid Michigan teaching certificate or a teaching permit recognized
20 by the department.

21 (ii) If applicable, is endorsed in the subject area and grade of the virtual
22 course.

23 (iii) Is responsible for providing instruction, determining instructional methods
24 for each pupil, diagnosing learning needs, assessing pupil learning, prescribing
25 intervention strategies and modifying lessons, reporting outcomes, and evaluating the
26 effects of instruction and support strategies.

27 (iv) Has a personnel identification code provided by the center.

1 (v) If the provider is a community college, is an instructor employed by or
2 contracted through the providing community college.

3 (f) "Virtual course" means a course of study that is capable of generating a
4 credit or a grade and that is provided in an interactive learning environment where
5 the majority of the curriculum is delivered using the Internet and in which pupils may
6 be separated from their instructor or teacher of record by time or location, or both.

7 (g) "Virtual course syllabus" means a document that includes all of the
8 following:

9 (i) An alignment document detailing how the course meets applicable state
10 standards or, if the state does not have state standards, nationally recognized
11 standards.

12 (ii) The virtual course content outline.

13 (iii) The virtual course required assessments.

14 (iv) The virtual course prerequisites.

15 (v) Expectations for actual instructor or teacher of record contact time with the
16 virtual learning pupil and other communications between a pupil and the instructor or
17 teacher of record.

18 (vi) Academic support available to the virtual learning pupil.

19 (vii) The virtual course learning outcomes and objectives.

20 (viii) The name of the institution or organization providing the virtual content.

21 (ix) The name of the institution or organization providing the instructor or
22 teacher of record.

23 (x) The course titles assigned by the provider and the course titles and course
24 codes from the National Center for Education Statistics (NCES) school codes for the
25 exchange of data (SCED).

26 (xi) The number of eligible pupils that will be accepted by the provider in the
27 virtual course. A primary district that is also the provider may limit the enrollment

1 to those pupils enrolled in the primary district.

2 (xii) The results of the virtual course quality review using the guidelines and
3 model review process published by the Michigan Virtual University.

4 (h) "Virtual learning pupil" means a pupil enrolled in 1 or more virtual courses.

5 Sec. 21h. (1) From the appropriation in section 11, there is allocated
6 ~~\$6,000,000.00~~ **\$8,000,000.00** for ~~2017-2018-2018-2019~~ for assisting districts assigned
7 by the superintendent to participate in a partnership to improve student achievement.
8 The purpose of the partnership is to identify district needs, develop intervention
9 plans, and partner with public, private, and nonprofit organizations to coordinate
10 resources and improve student achievement. Assignment of a district to a partnership
11 is at the sole discretion of the superintendent.

12 (2) A district assigned to a partnership by the superintendent is eligible for
13 funding under this section if the district includes at least 1 school that has been
14 rated with a grade of "F", or comparable performance rating, in the most recent state
15 accountability system rating, that is not under the supervision of the state school
16 reform/redesign office, and that does all of the following:

17 (a) Completes a comprehensive needs evaluation in collaboration with an
18 intermediate school district, community members, education organizations, and
19 postsecondary institutions, as applicable and approved by the superintendent, within
20 90 days of assignment to the partnership described in this section. The comprehensive
21 needs evaluation shall include at least all of the following:

22 (i) A review of the district's implementation and utilization of a multi-tiered
23 system of supports to ensure that it is used to appropriately inform instruction.

24 (ii) A review of the district and school building leadership and educator
25 capacity to substantially improve student outcomes.

26 (iii) A review of classroom, instructional, and operational practices and
27 curriculum to ensure alignment with research-based instructional practices and state

1 curriculum standards.

2 (b) Develops an intervention plan that has been approved by the superintendent
3 and that addresses the needs identified in the comprehensive needs evaluation
4 completed under subdivision (a). The intervention plan shall include at least all of
5 the following:

6 (i) Specific actions that will be taken by the district and each of its partners
7 to improve student achievement.

8 (ii) Specific measurable benchmarks that will be met within 18 months to improve
9 student achievement and identification of expected student achievement outcomes to be
10 attained within 3 years after assignment to the partnership.

11 (3) Upon approval of the intervention plan developed under subsection (2), the
12 department shall assign a team of individuals with expertise in comprehensive school
13 and district reform to partner with the district, the intermediate district, community
14 organizations, education organizations, and postsecondary institutions identified in
15 the intervention plan to review the district's use of existing financial resources to
16 ensure that those resources are being used as efficiently and effectively as possible
17 to improve student academic achievement.

18 (4) Funds allocated under this section may be used to pay for district
19 expenditures approved by the superintendent to improve student achievement. Funds may
20 be used for professional development for teachers or district or school leadership,
21 increased instructional time, teacher mentors, or other expenditures that directly
22 impact student achievement and cannot be paid from existing district financial
23 resources. An eligible district shall not receive funds under this section for more
24 than 3 years. Notwithstanding section 17b, payments to eligible districts under this
25 section shall be paid on a schedule determined by the department.

26 (5) The department shall annually report to the legislature on the activities
27 funded under this section and how those activities impacted student achievement in

1 eligible districts that received funds under this section.

2 Sec. 22a. (1) From the appropriation in section 11, there is allocated an amount
3 not to exceed ~~\$5,207,000,000.00 for 2016-2017 and there is allocated an amount not to~~
4 ~~exceed \$5,181,800,000.00~~ **\$5,048,000,000.00** for ~~2017-2018-2018-2019~~ for payments to
5 districts and qualifying public school academies to guarantee each district and
6 qualifying public school academy an amount equal to its 1994-95 total state and local
7 per pupil revenue for school operating purposes under section 11 of article IX of the
8 state constitution of 1963. Pursuant to section 11 of article IX of the state
9 constitution of 1963, this guarantee does not apply to a district in a year in which
10 the district levies a millage rate for school district operating purposes less than it
11 levied in 1994. However, subsection (2) applies to calculating the payments under this
12 section. Funds allocated under this section that are not expended in the state fiscal
13 year for which they were allocated, as determined by the department, may be used to
14 supplement the allocations under sections 22b, **23F**, and 51c in order to fully fund
15 those calculated allocations for the same fiscal year.

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

20 (a) Except as otherwise provided in this subsection, the state portion of a
21 district's 1994-95 foundation allowance is an amount equal to the district's 1994-95
22 foundation allowance or \$6,500.00, whichever is less, minus the difference between the
23 sum of the product of the taxable value per membership pupil of all property in the
24 district that is nonexempt property times the district's certified mills and, for a
25 district with certified mills exceeding 12, the product of the taxable value per
26 membership pupil of property in the district that is commercial personal property
27 times the certified mills minus 12 mills and the quotient of the ad valorem property

1 tax revenue of the district captured under tax increment financing acts divided by the
2 district's membership. For a district that has a millage reduction required under
3 section 31 of article IX of the state constitution of 1963, the state portion of the
4 district's foundation allowance shall be calculated as if that reduction did not
5 occur. For a receiving district, if school operating taxes are to be levied on behalf
6 of a dissolved district that has been attached in whole or in part to the receiving
7 district to satisfy debt obligations of the dissolved district under section 12 of the
8 revised school code, MCL 380.12, taxable value per membership pupil of all property in
9 the receiving district that is nonexempt property and taxable value per membership
10 pupil of property in the receiving district that is commercial personal property do
11 not include property within the geographic area of the dissolved district; ad valorem
12 property tax revenue of the receiving district captured under tax increment financing
13 acts does not include ad valorem property tax revenue captured within the geographic
14 boundaries of the dissolved district under tax increment financing acts; and certified
15 mills do not include the certified mills of the dissolved district. For a community
16 district, the allocation as otherwise calculated under this section shall be reduced
17 by an amount equal to the amount of local school operating tax revenue that would
18 otherwise be due to the community district if not for the operation of section 386 of
19 the revised school code, MCL 380.386, and the amount of this reduction shall be offset
20 by the increase in funding under section 22b(2).

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

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

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

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

20 (5) Except as otherwise provided in this subsection, for a district that is
21 formed or reconfigured after June 1, 2000 by consolidation of 2 or more districts or
22 by annexation, the resulting district's 1994-95 foundation allowance under this
23 section beginning after the effective date of the consolidation or annexation shall be
24 the average of the 1994-95 foundation allowances of each of the original or affected
25 districts, calculated as provided in this section, weighted as to the percentage of
26 pupils in total membership in the resulting district in the state fiscal year in which
27 the consolidation takes place who reside in the geographic area of each of the

1 original districts. If an affected district's 1994-95 foundation allowance is less
2 than the 1994-95 basic foundation allowance, the amount of that district's 1994-95
3 foundation allowance shall be considered for the purpose of calculations under this
4 subsection to be equal to the amount of the 1994-95 basic foundation allowance. This
5 subsection does not apply to a receiving district unless there is a subsequent
6 consolidation or annexation that affects the district.

7 (6) Payments under this section are subject to section 25g.

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

11 (8)—(7) As used in this section:

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

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

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

19 (d) "Current year hold harmless school operating taxes per pupil" means the per
20 pupil revenue generated by multiplying a district's 1994-95 hold harmless millage by
21 the district's current year taxable value per membership pupil. For a receiving
22 district, if school operating taxes are to be levied on behalf of a dissolved district
23 that has been attached in whole or in part to the receiving district to satisfy debt
24 obligations of the dissolved district under section 12 of the revised school code, MCL
25 380.12, taxable value per membership pupil does not include the taxable value of
26 property within the geographic area of the dissolved district.

27 (e) "Dissolved district" means a district that loses its organization, has its

territory attached to 1 or more other districts, and is dissolved as provided under section 12 of the revised school code, MCL 380.12.

(f) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance greater than \$6,500.00, the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, and property occupied by a public school academy could be reduced as provided in section 1211 of the revised school code, MCL 380.1211, and the number of mills of school operating taxes that could be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year. 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 380.12, school operating taxes do not include school operating taxes levied within the geographic area of the dissolved district.

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

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

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

(j) "Qualifying public school academy" means a public school academy that was in

1 operation in the 1994-95 school year and is in operation in the current state fiscal
2 year.

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

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

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

16 (i) For the number of mills by which the exemption from the levy of school
17 operating taxes on a homestead, qualified agricultural property, qualified forest
18 property, supportive housing property, industrial personal property, commercial
19 personal property, and property occupied by a public school academy may be reduced as
20 provided in section 1211 of the revised school code, MCL 380.1211, the taxable value
21 of homestead, qualified agricultural property, qualified forest property, supportive
22 housing property, industrial personal property, commercial personal property, and
23 property occupied by a public school academy for the calendar year ending in the
24 current state fiscal year. For a receiving district, if school operating taxes are to
25 be levied on behalf of a dissolved district that has been attached in whole or in part
26 to the receiving district to satisfy debt obligations of the dissolved district under
27 section 12 of the revised school code, MCL 380.12, mills do not include mills within

1 the geographic area of the dissolved district.

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

10 Sec. 22b. (1) For discretionary nonmandated payments to districts under this
11 section, there is allocated for ~~2016-2017 an amount not to exceed \$3,841,000,000.00~~
12 ~~from the state school aid fund and general fund appropriations in section 11 and an~~
13 ~~amount not to exceed \$72,000,000.00 from the community district education trust fund~~
14 ~~appropriation in section 11, and there is allocated for 2017-2018-2018-2019 an amount~~
15 ~~not to exceed \$3,965,500,000.00~~ **\$4,156,600,000.00** from the state school aid fund and
16 general fund appropriations in section 11 and an amount not to exceed \$72,000,000.00
17 from the community district education trust fund appropriation in section 11. Except
18 for money allocated from the community district trust fund, money allocated under this
19 section that is not expended in the state fiscal year for which it was allocated, as
20 determined by the department, may be used to supplement the allocations under sections
21 22a, **23F**, and 51c in order to fully fund those calculated allocations for the same
22 fiscal year.

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

1 amount of local school operating tax revenue that would otherwise be due to the
2 community district if not for the operation of section 386 of the revised school code,
3 MCL 380.386, and this increase shall be paid from the community district education
4 trust fund allocation in subsection (1) in order to offset the absence of local school
5 operating revenue in a community district in the funding of the state portion of the
6 foundation allowance under section 20(4).

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

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

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

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

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

16 (e) Comply with section 21f.

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

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

25 (6) From the allocation in subsection (1), the department shall pay up to
26 \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits
27 filed by 1 or more districts or intermediate districts against this state. If the

1 allocation under this section is insufficient to fully fund all payments required
2 under this section, the payments under this subsection shall be made in full before
3 any proration of remaining payments under this section.

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

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

23 (9) If a claim is made in court that challenges the legislative determination of
24 the adequacy of funding for this state's constitutional obligations or alleges that
25 there exists an unfunded constitutional requirement, any interested party may seek an
26 expedited review of the claim by the local claims review board. If the claim exceeds
27 \$10,000,000.00, this state may remove the action to the court of appeals, and the

1 court of appeals shall have and shall exercise jurisdiction over the claim.

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

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

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

25 Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed
26 \$5,000,000.00 is allocated for ~~2017-2018-2018-2019~~ for supplemental payments to rural
27 districts under this section.

1 (2) From the allocation under subsection (1), there is allocated for ~~2017-2018~~
2 ~~2018-2019~~ an amount not to exceed \$957,300.00 for payments under this subsection to
3 districts that meet all of the following:

4 (a) Operates grades K to 12.

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

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

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

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

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

25 (4) Subject to subsection (6), from the allocation in subsection (1), there is
26 allocated for ~~2017-2018-2018-2019~~ an amount not to exceed \$4,042,700.00 for payments
27 under this subsection to districts that have 7.3 or fewer pupils per square mile as

1 determined by the department.

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

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

6 Sec. 22m. (1) From the appropriations in section 11, there is allocated for ~~2017-~~
7 ~~2018-2019~~ an amount not to exceed \$2,200,000.00 for supporting the integration of
8 local data systems into the Michigan data hub network based on common standards and
9 applications that are in compliance with section 19(6).

10 (2) An entity that is the fiscal agent for no more than 5 consortia of
11 intermediate districts that previously received funding from the technology readiness
12 infrastructure grant under former section 22i for the purpose of establishing regional
13 data hubs that are part of the Michigan data hub network is eligible for funding under
14 this section.

15 (3) The center shall work with an advisory committee composed of representatives
16 from intermediate districts within each of the data hub regions to coordinate the
17 activities of the Michigan data hub network.

18 (4) The center, in collaboration with the Michigan data hub network, shall
19 determine the amount of funds distributed under this section to each participating
20 regional data hub within the network, based upon a competitive grant process. Entities
21 receiving funding under this section shall represent geographically diverse areas in
22 this state.

23 (5) Notwithstanding section 17b, payments under this section shall be made on a
24 schedule determined by the center.

25 (6) To receive funding under this section, a regional data hub must have a
26 governance model that ensures local control of data, data security, and student
27 privacy issues. The integration of data within each of the regional data hubs shall

1 provide for the actionable use of data by districts and intermediate districts through
2 common reports and dashboards and for efficiently providing information to meet state
3 and federal reporting purposes.

4 (7) Participation in a data hub region in the Michigan data hub network under
5 this section is voluntary and is not required.

6 (8) Entities receiving funding under this section shall use the funds for all of
7 the following:

8 (a) Creating an infrastructure that effectively manages the movement of data
9 between data systems used by intermediate districts, districts, and other educational
10 organizations in Michigan based on common data standards to improve student
11 achievement.

12 (b) Utilizing the infrastructure to put in place commonly needed integrations,
13 reducing cost and effort to do that work while increasing data accuracy and usability.

14 (c) Promoting the use of a more common set of applications by promoting systems
15 that integrate with the Michigan data hub network.

16 (d) Promoting 100% district adoption of the Michigan data hub network. ~~by~~
17 ~~September 30, 2018.~~

18 (e) Ensuring local control of data, data security, and student data privacy.

19 (f) Utilizing the infrastructure to promote the actionable use of data through
20 common reports and dashboards that are consistent statewide.

21 (g) Creating a governance model to facilitate sustainable operations of the
22 infrastructure in the future, including administration, legal agreements,
23 documentation, staffing, hosting, and funding.

24 (h) Evaluating future data initiatives at all levels to determine whether the
25 initiatives can be enhanced by using the standardized environment in the Michigan data
26 hub network.

27 (9) Not later than January 1, 2018, ~~OF EACH FISCAL YEAR,~~ the center shall prepare

1 a summary report of information provided by each entity that received funds under this
 2 section that includes measurable outcomes based on the objectives described under this
 3 section. The report shall include a summary of compiled data from each entity to
 4 provide a means to evaluate the effectiveness of the project. The center shall submit
 5 the report to the house and senate appropriations subcommittees on state school aid
 6 and to the house and senate fiscal agencies.

7 Sec. 22n. (1) From the appropriation in section 11, there is allocated an amount
 8 not to exceed \$11,000,000.00 for ~~2017-2018~~ **2018-2019** for additional payments to
 9 districts for the higher instructional costs of educating high school pupils.

10 (2) A district is eligible for a payment under this section if it educates pupils
 11 in 1 or more of grades 9 to 12.

12 (3) The payment to each eligible district under this section shall be an amount
 13 equal to \$25.00 multiplied by the district's total pupil membership in grades 9 to 12
 14 as calculated under section 6 for the current fiscal year. If the allocation under
 15 subsection (1) is insufficient to fully fund payments under this subsection, the
 16 department shall prorate payments under this section on an equal per-pupil basis.

17 **SEC. 23F. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED FOR 2018-**
 18 **2019 AN AMOUNT NOT TO EXCEED \$64,100,000.00 FOR STATE FOUNDATION ALLOWANCE PAYMENTS AS**
 19 **CALCULATED UNDER SECTION 20 TO DISTRICTS FOR NONPUBLIC PART-TIME PUPILS ENROLLED IN**
 20 **DISTRICTS IN ACCORDANCE WITH SECTION 166B AND COUNTED IN MEMBERSHIP UNDER SECTION 6.**
 21 **MONEY ALLOCATED UNDER THIS SECTION THAT IS NOT EXPENDED IN THE STATE FISCAL YEAR FOR**
 22 **WHICH IT WAS ALLOCATED, AS DETERMINED BY THE DEPARTMENT, MAY BE USED TO SUPPLEMENT THE**
 23 **ALLOCATIONS UNDER SECTIONS 22A, 22B, AND 51C IN ORDER TO FULLY FUND THOSE CALCULATED**
 24 **ALLOCATIONS FOR THE SAME FISCAL YEAR.**

25 (2) PAYMENTS TO DISTRICTS UNDER THIS SECTION SHALL BE EQUAL TO THE AMOUNT THAT
 26 WOULD OTHERWISE BE PAID IN SECTION 22A AND SECTION 22B IF THE DISTRICT'S MEMBERSHIP
 27 USED TO CALCULATE THOSE PAYMENTS WERE EQUAL TO THE NUMBER OF NONPUBLIC PUPILS IN

1 MEMBERSHIP, AS DEFINED IN THIS SECTION.

2 (3) IN ORDER TO RECEIVE AN ALLOCATION UNDER SUBSECTION (1), DISTRICTS SHALL DO
3 ALL OF THE FOLLOWING:

4 (A) THE DISTRICT SHALL ENSURE THAT ALL INDIVIDUALS THAT HAVE CONTACT WITH
5 STUDENTS AS PART OF A COURSE PROVIDING SERVICES TO PUPILS ENROLLED IN THE DISTRICT
6 UNDER SECTION 166B AND COUNTED IN MEMBERSHIP UNDER SECTION 6 HAVE NOT BEEN CONVICTED
7 OF SEXUAL MISCONDUCT. THE DISTRICT SHALL ENSURE THAT ANY PERSON WHO PROVIDES DIRECT OR
8 INDIRECT CURRICULAR OFFERINGS TO PUPILS AS PART OF AN OPTIONAL OR REQUIRED PORTION OF
9 A COURSE PROVIDING SERVICES TO PUPILS ENROLLED IN THE DISTRICT UNDER SECTION 166B AND
10 COUNTED IN MEMBERSHIP UNDER SECTION 6, OR WHO HAS UNSUPERVISED CONTACT WITH PUPILS AS
11 PART OF SUCH COURSE, RECEIVE THE SAME CRIMINAL HISTORY AND CRIMINAL RECORDS CHECKS AS
12 EMPLOYEES OF THE DISTRICT, AS REQUIRED IN SECTION 1230, 1230A, 1230B, 1230C, 1230D,
13 1230E, AND 1230G OF THE REVISED SCHOOL CODE, 380.1230, 380.1230A, 380.1230B,
14 380.1230C, 380.1230D, 380.1230E, AND 380.1230G.

15 (B) IF A COURSE PROVIDING SERVICES TO PUPILS ENROLLED IN THE DISTRICT UNDER
16 SECTION 166B AND COUNTED IN MEMBERSHIP UNDER SECTION 6 HAS AN ASSOCIATED OPTIONAL
17 EXPERIENCE, THE DISTRICT SHALL ENSURE THAT THE OPTIONAL EXPERIENCE IS OFFERED ON A
18 SCHEDULE THAT WOULD MAKE IT FULLY AVAILABLE TO THE MAJORITY OF FULL-TIME PUPILS IN
19 MEMBERSHIP IN THE DISTRICT IN THE SAME GRADE LEVEL OR AGE GROUP AS STUDENTS
20 PARTICIPATING IN THE COURSE AND ENROLLING IN THE DISTRICT UNDER SECTION 166B.

21 (C) THE DISTRICT SHALL PROVIDE THE DEPARTMENT, IN A FORM AND MANNER PRESCRIBED BY
22 THE DEPARTMENT IN CONJUNCTION WITH THE CENTER, INFORMATION NECESSARY TO QUANTIFY THE
23 FOLLOWING:

24 (i) A COMPLETE LISTING OF ALL COURSES IN WHICH STUDENTS REPORTED FOR MEMBERSHIP
25 IN THE DISTRICT HAVE BEEN SERVED.

26 (ii) COURSE ENROLLMENTS BY EACH PARTICIPANT USING LOCAL CODING AND THE SCHOOL
27 CODES FOR THE EXCHANGE OF DATA (SCED).

1 (iii) IDENTIFICATION OF THE COURSE TEACHER OR MENTOR.

2 (iv) OUTCOMES FOR EACH STUDENT IN EACH COURSE.

3 (4) AS USED IN THIS SECTION "NONPUBLIC PUPILS IN MEMBERSHIP" MEANS THE NUMBER OF
4 FULL-TIME EQUATED NONPUBLIC SCHOOL PUPILS ENROLLED IN THE DISTRICT IN ACCORDANCE WITH
5 SECTION 166B AND COUNTED IN MEMBERSHIP UNDER SECTION 6. THIS NUMBER SHALL NOT EXCEED
6 AN AMOUNT EQUAL TO 5% OF THE AMOUNT CALCULATED BY SUBTRACTING THE DISTRICT'S
7 MEMBERSHIP UNDER SECTION 6 BY THE NUMBER OF FULL-TIME EQUATED NONPUBLIC SCHOOL PUPILS
8 ENROLLED IN THE DISTRICT IN ACCORDANCE WITH SECTION 166B AND COUNTED IN MEMBERSHIP
9 UNDER SECTION 6.

10 Sec. 24. (1) From the appropriation in section 11, there is allocated for ~~2017-~~
11 ~~2018-2019~~ an amount not to exceed \$8,000,000.00 for payments to the educating
12 district or intermediate district for educating pupils assigned by a court or the
13 department of health and human services to reside in or to attend a juvenile detention
14 facility or child caring institution licensed by the department of health and human
15 services and approved by the department to provide an on-grounds education program.
16 The amount of the payment under this section to a district or intermediate district
17 shall be calculated as prescribed under subsection (2).

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

23 (a) "Added cost" means 100% of the added cost each fiscal year for educating all
24 pupils assigned by a court or the department of health and human services to reside in
25 or to attend a juvenile detention facility or child caring institution licensed by the
26 department of health and human services or the department of licensing and regulatory
27 affairs and approved by the department to provide an on-grounds education program.

1 Added cost shall be computed by deducting all other revenue received under this
2 article for pupils described in this section from total costs, as approved by the
3 department, in whole or in part, for educating those pupils in the on-grounds
4 education program or in a program approved by the department that is located on
5 property adjacent to a juvenile detention facility or child caring institution. Costs
6 reimbursed by federal funds are not included.

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

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

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

21 Sec. 24a. From the appropriation in section 11, there is allocated an amount not
22 to exceed ~~\$1,339,000.00~~ **\$1,355,700.00** for ~~2017-2018~~ **2018-2019** for payments to
23 intermediate districts for pupils who are placed in juvenile justice service
24 facilities operated by the department of health and human services. Each intermediate
25 district shall receive an amount equal to the state share of those costs that are
26 clearly and directly attributable to the educational programs for pupils placed in
27 facilities described in this section that are located within the intermediate

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

10 Sec. 24c. From the appropriation in section 11, there is allocated an amount not
11 to exceed ~~\$1,528,400.00~~ **\$1,545,400.00** for ~~2017-2018-2018-2019~~ for payments to
12 districts for pupils who are enrolled in a nationally administered community-based
13 education and youth mentoring program, known as the youth challenge program, that is
14 administered by the department of military and veterans affairs. Both of the following
15 apply to a district receiving payments under this section:

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

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

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

25 (2) If a pupil counted in membership for the pupil membership count day transfers
26 from a district or intermediate district to enroll in another district or intermediate
27 district after the pupil membership count day and before the supplemental count day

1 and, due to the pupil's enrollment and attendance status as of the pupil membership
2 count day, the pupil was not counted in membership in the educating district or
3 intermediate district, the educating district or intermediate district may report the
4 enrollment and attendance information to the center through the pupil transfer process
5 within 30 days after the transfer or within 30 days after the pupil membership count
6 certification date, whichever is later. Pupil transfers may be submitted no earlier
7 than the first day after the certification deadline for the pupil membership count day
8 and before the supplemental count day. Upon receipt of the transfer information under
9 this subsection indicating that a pupil has enrolled and is in attendance in an
10 educating district or intermediate district as described in this subsection, the pupil
11 transfer process shall do the following:

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

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

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

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

21 (a) Adjust the membership calculation for each district or intermediate district
22 in which the pupil was previously counted in membership or that previously received an
23 adjustment in its membership calculation under this section due to a change in the
24 pupil's enrollment and attendance so that the district's or intermediate district's
25 membership is prorated to allow the district or intermediate district to receive for
26 each school day, as determined by the financial calendar furnished by the center, in
27 which the pupil was enrolled and in attendance in the district or intermediate

1 district an amount equal to $1/105$ of a full-time equated membership claimed in the
2 fall pupil membership count. The district or intermediate district shall receive a
3 prorated foundation allowance in an amount equal to the product of the adjustment
4 under this subdivision for the district or intermediate district multiplied by the
5 foundation allowance or per-pupil payment as calculated under section 20 for the
6 district or intermediate district. The foundation allowance or per-pupil payment shall
7 be adjusted by the pupil's full-time equated status as affected by the membership
8 definition under section 6(4).

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

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

27 (5) If a pupil enrolls in an educating district or intermediate district as

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

6 (6) The portion of the full-time equated pupil membership for which a pupil is
 7 enrolled in 1 or more online courses under section 21f that is representative of the
 8 amount that the primary district paid in course costs to the course provider shall not
 9 be counted or transferred under the pupil transfer process under this section.

10 (7) It is the intent of the legislature that the center determine the number of
 11 pupils who did not reside in this state as of the 2018-2019 pupil membership count day
 12 but who newly enrolled in a district or intermediate district after that pupil
 13 membership count day and before the 2018-2019 supplemental count day. It is the intent
 14 of the legislature that the center further determine the number of pupils who were
 15 counted in membership for the 2018-2019 pupil membership count day but who left this
 16 state before the 2018-2019 supplemental count day. In 2019-2020, the center shall
 17 provide a report to the senate and house appropriations subcommittees on state school
 18 aid, and to the senate and house fiscal agencies, detailing the number of pupils
 19 transferring in from ~~another state or transferring out from this state~~ **OUTSIDE THE**
 20 **MICHIGAN PUBLIC EDUCATION SYSTEM AND THE NUMBER OF PUPILS TRANSFERRING OUT OF THE**
 21 **MICHIGAN PUBLIC EDUCATION SYSTEM** between the pupil membership count day and
 22 supplemental count day as described in this subsection. ~~The center shall include in~~
 23 ~~the report a discussion of benefits and obstacles to developing a pupil enrollment~~
 24 ~~process for pupils who newly enroll in a district or intermediate district after the~~
 25 ~~pupil membership count day and before the supplemental count day, and developing a~~
 26 ~~process for deducting pupils who were counted on the pupil membership count day and~~
 27 ~~transfer out of this state before the supplemental count day.~~

1 (8) As used in this section:

2 (a) "Educating district or intermediate district" means the district or
3 intermediate district in which a pupil enrolls after the pupil membership count day or
4 after an adjustment was made in another district's or intermediate district's
5 membership calculation under this section due to the pupil's enrollment and
6 attendance.

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

9 Sec. 25f. (1) From the state school aid fund money appropriated in section 11,
10 there is allocated an amount not to exceed \$750,000.00 for ~~2017-2018-2018-2019~~ for
11 payments to strict discipline academies established under sections 1311b to 1311m of
12 the revised school code, MCL 380.1311b to 380.1311m, as provided under this section.

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

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

25 (a) "Added cost" means 100% of the added cost each fiscal year for educating all
26 pupils enrolled and in regular daily attendance at a strict discipline academy. Added
27 cost shall be computed by deducting all other revenue received under this article for

1 pupils described in this subsection from total costs, as approved by the department,
2 in whole or in part, for educating those pupils in a strict discipline academy. The
3 department shall include all costs including, but not limited to, educational costs,
4 insurance, management fees, technology costs, legal fees, auditing fees, interest,
5 pupil accounting costs, and any other administrative costs necessary to operate the
6 program or to comply with statutory requirements. Costs reimbursed by federal funds
7 are not included.

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

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

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

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

20 Sec. 25g. (1) From the state school aid fund money appropriated in section 11,
21 there is allocated an amount not to exceed \$750,000.00 for ~~2017-2018~~-2018-2019 for the
22 purposes of this section. If the operation of the special membership counting
23 provisions under section 6(4)(dd) and the other membership counting provisions under
24 section 6(4) result in a pupil being counted as more than 1.0 FTE in a fiscal year,
25 then the payment made for the pupil under sections 22a and 22b shall not be based on
26 more than 1.0 FTE for that pupil, and that portion of the FTE that exceeds 1.0 shall
27 be paid under this section in an amount equal to that portion multiplied by the

educating district's foundation allowance or per-pupil payment calculated under section 20.

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

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

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

Sec. 26a. From the funds appropriated in section 11, there is allocated an amount not to exceed ~~\$17,000,000.00 each fiscal year for 2016-2017 and for 2017-2018~~ **\$15,000,000.00 FOR FISCAL YEAR 2018-2019** to reimburse districts and intermediate districts pursuant to section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in ~~2016 and 2017 as applicable~~ **2018**. The allocations shall be made not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2017-2018-2018-2019~~ an amount not to exceed \$4,405,100.00 for payments to districts, intermediate districts, and community college districts for the portion of the payment in lieu of taxes obligation that is attributable to districts, intermediate districts, and community college districts pursuant to section 2154 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2154.

(2) If the amount appropriated under this section is not sufficient to fully pay obligations under this section, payments shall be prorated on an equal basis among all 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 ~~\$1,500,000.00~~ **\$3,000,000.00** for ~~2017-2018-2018-2019~~ to the promise zone
3 fund created in subsection (3). The funds allocated under this section reflect the
4 amount of revenue from the collection of the state education tax captured under
5 section 17(2) of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1677.

6 (2) Funds allocated to the promise zone fund under this section shall be used
7 solely for payments to eligible districts and intermediate districts, in accordance
8 with section 17(3) of the Michigan promise zone authority act, 2008 PA 549, MCL
9 390.1677, that have a promise zone development plan approved by the department of
10 treasury under section 7 of the Michigan promise zone authority act, 2008 PA 549, MCL
11 390.1667. Eligible districts and intermediate districts shall use payments made under
12 this section for reimbursement for qualified educational expenses as defined in
13 section 3 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1663.

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

18 (a) The state treasurer shall direct the investment of the promise zone fund. The
19 state treasurer shall credit to the promise zone fund interest and earnings from fund
20 investments.

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

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

27 (5) Notwithstanding section 17b, payments under this section shall be paid on a

1 schedule determined by the department.

2 Sec. 31a. (1) From the state school aid fund money appropriated in section 11,
3 there is allocated for ~~2017-2018-2018-2019~~ an amount not to exceed \$510,207,300.00 for
4 payments to eligible districts and eligible public school academies for the purposes
5 of ensuring that pupils are proficient in English language arts by the end of grade 3,
6 that pupils are proficient in mathematics by the end of grade 8, that pupils are
7 attending school regularly, that high school graduates are career and college ready,
8 **THAT DISTRICTS IMPLEMENT WITH FIDELITY A MULTI-TIERED SYSTEM OF SUPPORTS**, and for the
9 purposes under subsections (7) and (8).

10 (2) For a district that has combined state and local revenue per membership pupil
11 under sections 20 and 20m that is greater than the basic foundation allowance under
12 section 20 for the current fiscal year, the allocation under this section shall be an
13 amount equal to 30% of the allocation for which it would otherwise be eligible under
14 this section before any proration under subsection (14).

15 (3) For a district or public school academy to be eligible to receive funding
16 under this section, other than funding under subsection (7) or (8), the district or
17 public school academy, for grades K to ~~3~~ **12**, shall comply with the requirements under
18 section 1280f of the revised school code, MCL 380.1280f, and **SHALL** use resources to
19 address early literacy **AND NUMERACY**, and for at least grades ~~4-K~~ to 8 or, if the
20 district or public school academy does not operate all of grades ~~4-K~~ to 8, for all of
21 the grades it operates, must implement a multi-tiered system of supports that is an
22 evidence-based ~~model~~ **FRAMEWORK** that uses data-driven problem solving to integrate
23 academic and behavioral instruction and that uses intervention delivered to all pupils
24 in varying intensities based on pupil needs. **FOR ENGLISH LEARNERS, THE DISTRICT SHALL**
25 **IMPLEMENT CULTURALLY AND LINGUISTICALLY RESPONSIVE TEACHING STRATEGIES FOCUSED ON**
26 **ACADEMIC LANGUAGE DEVELOPMENT ALIGNED WITH STATE ENGLISH LANGUAGE PROFICIENCY**
27 **STANDARDS. This THE** multi-tiered system of supports **DESCRIBED UNDER THIS SUBSECTION**

1 must provide at least all of the following essential ~~elements~~ **COMPONENTS**:

2 (a) ~~Implements effective instruction for all learners.~~ **TEAM BASED LEADERSHIP.**

3 (b) ~~Intervenes early.~~ **TIERED DELIVERY SYSTEM.**

4 (c) ~~Provides a multi tiered model of instruction and intervention that provides~~
 5 ~~the following.~~ **SELECTION AND IMPLEMENTATION OF INSTRUCTION, INTERVENTIONS, AND**
 6 **SUPPORTS.**

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

9 ~~(ii) Targeted group interventions.~~

10 ~~(iii) Intense individual interventions.~~

11 (d) ~~Monitors pupil progress to inform instruction.~~ **COMPREHENSIVE SCREENING AND**
 12 **ASSESSMENT SYSTEM.**

13 (e) ~~Uses data to make instructional decisions.~~ **CONTINUOUS DATA-BASED DECISION**
 14 **MAKING.**

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

17 ~~(g) Engages families and the community.~~

18 (h) ~~Implements evidence based, scientifically validated, instruction and~~
 19 ~~intervention.~~

20 ~~(i) Implements instruction and intervention practices with fidelity.~~

21 ~~(j) Uses a collaborative problem solving model.~~

22 (4) Except as otherwise provided in this subsection, an eligible district or
 23 eligible public school academy shall receive under this section for each membership
 24 pupil in the district or public school academy who is determined to be economically
 25 disadvantaged, as reported to the center in the form and manner prescribed by the
 26 center not later than the fifth Wednesday after the pupil membership count day of the
 27 immediately preceding fiscal year, an amount per pupil equal to 11.5% of the statewide

1 weighted average foundation allowance. However, a public school academy that began
2 operations as a public school academy after the pupil membership count day of the
3 immediately preceding school year shall receive under this section for each membership
4 pupil in the public school academy, who is determined to be economically
5 disadvantaged, as reported to the center in the form and manner prescribed by the
6 center not later than the fifth Wednesday after the pupil membership count day of the
7 current fiscal year, an amount per pupil equal to 11.5% of the statewide weighted
8 average foundation allowance.

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

23 (6) A district or public school academy that receives funds under this section
24 and that operates a school breakfast program under section 1272a of the revised school
25 code, MCL 380.1272a, shall use from the funds received under this section an amount,
26 not to exceed \$10.00 per pupil for whom the district or public school academy receives
27 funds under this section, necessary to pay for costs associated with the operation of

1 the school breakfast program.

2 (7) From the funds allocated under subsection (1), there is allocated for ~~2017-~~
3 ~~2018-2018-2019~~ an amount not to exceed \$6,057,300.00 to support primary health care
4 services provided to children and adolescents up to age 21. These funds shall be
5 expended in a form and manner determined jointly by the department and the department
6 of health and human services. If any funds allocated under this subsection are not
7 used for the purposes of this subsection for the fiscal year in which they are
8 allocated, those unused funds shall be used that fiscal year to avoid or minimize any
9 proration that would otherwise be required under subsection (14) for that fiscal year.

10 (8) From the funds allocated under subsection (1), there is allocated for ~~2017-~~
11 ~~2018-2018-2019~~ an amount not to exceed \$5,150,000.00 for the state portion of the
12 hearing and vision screenings as described in section 9301 of the public health code,
13 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of
14 the total cost of the screenings. The frequency of the screenings shall be as required
15 under R 325.13091 to R 325.13096 and R 325.3271 to R 325.3276 of the Michigan
16 Administrative Code. Funds shall be awarded in a form and manner approved jointly by
17 the department and the department of health and human services. Notwithstanding
18 section 17b, payments to eligible entities under this subsection shall be paid on a
19 schedule determined by the department.

20 (9) Each district or public school academy receiving funds under this section
21 shall submit to the department by July 15 of each fiscal year a report, in the form
22 and manner prescribed by the department, that includes a brief description of each
23 program conducted or services performed by the district or public school academy using
24 funds under this section, the amount of funds under this section allocated to each of
25 those programs or services, the total number of at-risk pupils served by each of those
26 programs or services, and the data necessary for the department and the department of
27 health and human services to verify matching funds for the temporary assistance for

1 needy families program. In prescribing the form and manner of the report, the
 2 department shall ensure that districts are allowed to expend funds received under this
 3 section on any activities that are permissible under this section. If a district or
 4 public school academy does not comply with this subsection, the department shall
 5 withhold an amount equal to the August payment due under this section until the
 6 district or public school academy complies with this subsection. If the district or
 7 public school academy does not comply with this subsection by the end of the state
 8 fiscal year, the withheld funds shall be forfeited to the school aid fund.

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

14 (11) Subject to subsections (6), (7), and (8), **IN SCHOOLS WHERE GREATER THAN 50%**
 15 **OF PUPILS ARE IDENTIFIED AS AT-RISK**, a district or public school academy may use ~~up to~~
 16 ~~100% of the funds it receives under this section to implement schoolwide reform in~~
 17 ~~schools with 40% or more of their pupils identified as at-risk pupils by providing~~
 18 ~~instructional or noninstructional services consistent with the school improvement~~
 19 ~~plan.~~ **REFORMS BY PROVIDING INSTRUCTIONAL OR NONINSTRUCTIONAL SERVICES CONSISTENT WITH**
 20 **THE SCHOOL IMPROVEMENT PLAN THAT ARE TIER 1 EVIDENCE BASED, HIGH QUALITY ACADEMIC,**
 21 **BEHAVIORAL, AND SOCIAL-EMOTIONAL INSTRUCTION, AND PART OF THE DISTRICT'S MULTI-TIERED**
 22 **SYSTEM OF SUPPORT. DECISIONS ON IMPLEMENTING SCHOOLWIDE REFORMS SHALL BE GUIDED BY THE**
 23 **DISTRICT'S COMPREHENSIVE NEEDS ASSESSMENT AND SHALL BE INCLUDED IN THE DISTRICT**
 24 **IMPROVEMENT PLAN. SCHOOLWIDE REFORMS SHALL FEATURE PARENT AND COMMUNITY SUPPORTS,**
 25 **ACTIVITIES, AND SERVICES, WHICH MAY INCLUDE THE PATHWAYS TO POTENTIAL PROGRAM CREATED**
 26 **BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES OR THE COMMUNITIES IN SCHOOLS PROGRAM.**

27 (12) A district or public school academy that receives funds under this section

1 may use up to ~~3%-~~5 PERCENT of those funds to provide research-based professional
 2 development **AND TO IMPLEMENT A COACHING MODEL THAT SUPPORTS THE MULTI-TIERED SYSTEM OF**
 3 **SUPPORTS FRAMEWORK. PROFESSIONAL DEVELOPMENT MAY BE PROVIDED** to district and school
 4 leadership and teachers **AND SHALL BE** ~~that is~~ aligned to professional learning
 5 standards; ~~is~~ integrated into district, school building, and classroom practices; and
 6 ~~is~~ solely related to the following:

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

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

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

15 (14) If necessary, and before any proration required under section 296, the
 16 department shall prorate payments under this section by reducing the amount of the
 17 allocation as otherwise calculated under this section by an equal percentage per
 18 district.

19 (15) If a district is dissolved pursuant to section 12 of the revised school
 20 code, MCL 380.12, the intermediate district to which the dissolved school district was
 21 constituent shall determine the estimated number of pupils that are economically
 22 disadvantaged and that are enrolled in each of the other districts within the
 23 intermediate district and provide that estimate to the department for the purposes of
 24 distributing funds under this section within 60 days after the school district is
 25 declared dissolved.

26 (16) Beginning in 2018-2019, ~~if a district or public school academy does not~~
 27 ~~demonstrate to the satisfaction of the department that at least 50% of at risk pupils~~

~~are proficient in English language arts by the end of grade 3 as measured by the state assessment for the immediately preceding school year and demonstrate to the satisfaction of the department improvement over each of the 3 immediately preceding school years in the percentage of at risk pupils that are career and college ready as determined by proficiency 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, the district or public school academy shall ensure all of the following:~~

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

~~(b) The district or public school academy shall determine the proportion of total at risk pupils that represent 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, and the district or public school academy shall expend that same proportion multiplied by 1/2 of its total at risk funds under this section on tutoring and other activities to improve scores on the college entrance examination portion of the Michigan merit examination.~~

ALL OF THE FOLLOWING APPLY FOR DISTRICTS AND PUBLIC SCHOOL ACADEMIES RECEIVING FUNDS UNDER THIS SECTION:

(A) IF A DISTRICT OR PUBLIC SCHOOL ACADEMY IS DETERMINED BY THE DEPARTMENT TO BE BELOW THE STATEWIDE AVERAGE IN THE PERCENTAGE OF ECONOMICALLY DISADVANTAGED PUPILS WHO ARE PROFICIENT IN ENGLISH LANGUAGE ARTS BY THE END OF GRADE 3, AS MEASURED ON THE

1 2017-2018 ENGLISH LANGUAGE ARTS STATE ASSESSMENT, THE DISTRICT OR PUBLIC SCHOOL
2 ACADEMY SHALL COMPLY WITH THE REQUIREMENTS DESCRIBED UNDER SUBDIVISION (D).

3 (B) IF A DISTRICT OR PUBLIC SCHOOL ACADEMY IS DETERMINED BY THE DEPARTMENT TO BE
4 BELOW THE STATEWIDE AVERAGE IN THE PERCENTAGE OF ECONOMICALLY DISADVANTAGED PUPILS WHO
5 ARE PROFICIENT IN MATHEMATICS AT THE END OF GRADE 8, AS MEASURED ON THE 2017-2018
6 MATHEMATICS STATE ASSESSMENT, THE DISTRICT OR PUBLIC SCHOOL ACADEMY SHALL COMPLY WITH
7 THE REQUIREMENTS DESCRIBED UNDER SUBDIVISION (D).

8 (C) IF A DISTRICT OR PUBLIC SCHOOL ACADEMY IS DETERMINED BY THE DEPARTMENT TO BE
9 BELOW THE STATEWIDE AVERAGE IN THE PERCENTAGE OF ECONOMICALLY DISADVANTAGED PUPILS
10 THAT ARE CAREER- AND COLLEGE-READY, AS DETERMINED BY PROFICIENCY ON THE ENGLISH
11 LANGUAGE ARTS, MATHEMATICS, AND SCIENCE CONTENT AREA ASSESSMENTS ON THE GRADE 11
12 SUMMATIVE ASSESSMENT UNDER SECTION 1279G(2) (A) OF THE REVISED SCHOOL CODE, MCL
13 380.1279G, THE DISTRICT OR PUBLIC SCHOOL ACADEMY SHALL COMPLY WITH THE REQUIREMENTS
14 DESCRIBED UNDER SUBDIVISION (D).

15 (D) FOR DISTRICTS AND PUBLIC SCHOOL ACADEMIES BELOW THE STATEWIDE AVERAGES
16 DESCRIBED IN SUBDIVISION (A), SUBDIVISION (B), OR SUBDIVISION (C), THE DISTRICT OR
17 PUBLIC SCHOOL ACADEMY SHALL ACHIEVE AT LEAST ONE OF THE FOLLOWING BY OCTOBER 1, 2021
18 ON EACH OF THE GRADE-LEVEL AND SUBJECT-AREA ASSESSMENTS DESCRIBED IN THIS SUBSECTION:

19 (i) THE DISTRICT OR PUBLIC SCHOOL ACADEMY HAS ATTAINED THE STATEWIDE AVERAGE IN
20 THE PERCENTAGE OF ECONOMICALLY DISADVANTAGED PUPILS WHO ARE PROFICIENT IN THE 2020-
21 2021 GRADE-LEVEL AND SUBJECT-AREA ASSESSMENTS DESCRIBED IN THIS SUBSECTION, AS
22 APPLICABLE. FOR THE PURPOSES OF COMPLYING WITH THIS SUBDIVISION, THE STATEWIDE AVERAGE
23 IN THE PERCENTAGE OF ECONOMICALLY DISADVANTAGED PUPILS WHO ARE PROFICIENT SHALL BE
24 DETERMINED BY THE DEPARTMENT USING DATA FROM THE 2017-18 STATE ASSESSMENTS FOR GRADE-
25 LEVEL AND SUBJECT-AREA ASSESSMENTS DESCRIBED IN THIS SUBSECTION.

26 (ii) THE DISTRICT OR PUBLIC SCHOOL ACADEMY HAS ATTAINED AN IMPROVEMENT OF AT
27 LEAST 10 PERCENTAGE POINTS IN THE PERCENT OF ECONOMICALLY DISADVANTAGED PUPILS WHO ARE

1 PROFICIENT IN THE GRADE-LEVEL AND SUBJECT-AREA ASSESSMENTS DESCRIBED IN THIS
2 SUBSECTION ON THE 2020-2021 STATE ASSESSMENT COMPARED TO THE DISTRICT'S RESULTS ON THE
3 2017-2018 STATE ASSESSMENT IN THE APPLICABLE GRADES AND SUBJECT-AREAS.

4 ~~(17) As used in subsection (16), "total at risk pupils" means the sum of the~~
5 ~~number of pupils in grade 3 that are not proficient in English language arts by the~~
6 ~~end of third grade as measured on the state assessment and the number of pupils in~~
7 ~~grade 11 that are not career and college ready as measured by the student's score on~~
8 ~~the English language arts, mathematics, and science content area assessments on the~~
9 ~~grade 11 summative assessment under section 1279g(2)(a) of the revised school code,~~
10 ~~MCL 380.1279g.~~ FOR A DISTRICT OR PUBLIC SCHOOL ACADEMY NOT MEETING THE REQUIREMENTS
11 DESCRIBED IN SUBDIVISION (16) (D), THE SUPERINTENDENT SHALL ASSIGN A TEAM OF PERSONS
12 WITH EXPERTISE IN COMPREHENSIVE SCHOOL AND DISTRICT REFORM TO PARTNER WITH THE
13 DISTRICT OR PUBLIC SCHOOL ACADEMY, THE INTERMEDIATE DISTRICT, COMMUNITY ORGANIZATIONS,
14 LOCAL EMPLOYERS, EDUCATION ORGANIZATIONS, AND POSTSECONDARY INSTITUTIONS AS DETERMINED
15 BY THE SUPERINTENDENT TO CONDUCT AN EVALUATION THAT INCLUDES AT LEAST ALL OF THE
16 FOLLOWING:

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

21 (B) AN ACADEMIC PERFORMANCE AUDIT THAT REVIEWS AT LEAST ALL OF THE FOLLOWING AND
22 INCLUDES RECOMMENDATIONS FOR CHANGES IF NECESSARY:

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

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

27 (iii) A REVIEW OF THE DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S USE OF FINANCIAL

1 RESOURCES WITH RECOMMENDATIONS TO MORE EFFECTIVELY USE THOSE RESOURCES TO IMPROVE
 2 ACADEMIC ACHIEVEMENT FOR AT-RISK PUPILS. THESE RECOMMENDATIONS MUST INCLUDE A PLAN FOR
 3 USING FUNDS RECEIVED UNDER THIS SECTION.

4 (D) THE DISTRICT OR PUBLIC SCHOOL ACADEMY AND THE SUPERINTENDENT SHALL BECOME AN
 5 EARLY WARNING DISTRICT AND MUST ADOPT A DISTRICT IMPROVEMENT PLAN THAT INCORPORATES AT
 6 LEAST ALL OF THE RECOMMENDATIONS RESULTING FROM THE EVALUATION UNDER SUBDIVISION (A),
 7 SPECIFIES THE ROLES AND RESPONSIBILITIES OF THE PARTNERS, ESTABLISHES 18-MONTH
 8 BENCHMARKS, AND IS SIGNED BY THE PARTNERS AND APPROVED BY THE SUPERINTENDENT.

9 (E) THE DISTRICT OR PUBLIC SCHOOL ACADEMY MUST SPEND FUNDS RECEIVED UNDER THIS
 10 SECTION ONLY IN ACCORDANCE WITH THE PLAN INCLUDED UNDER SUBDIVISION (B) (III) AND SHALL
 11 IMPLEMENT TIER 1 EVIDENCE BASED, HIGH QUALITY ACADEMIC AND SOCIAL-EMOTIONAL
 12 INSTRUCTION AS A PART OF THEIR MULTI-TIERED SYSTEM OF SUPPORT.

13 (18) A district or public school academy that receives funds under this section
 14 may use funds received under this section to provide an anti-bullying or crisis
 15 intervention program.

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

20 ~~(20) For the purpose of determining the number of economically disadvantaged~~
 21 ~~pupils enrolled in a community district for 2017-2018, disadvantaged pupils who were~~
 22 ~~enrolled in the education achievement system for 2016-2017 shall be considered to have~~
 23 ~~been enrolled in the community district for 2016-2017.~~

24 (20) ~~(21)~~ As used in this section:

25 (a) "At-risk pupil" means a pupil **IN GRADES K TO 12** for whom the district has
 26 documentation that the pupil meets any of the following criteria:

27 (i) The pupil is economically disadvantaged.

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

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

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

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

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

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

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

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

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

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

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

25 (d) "Statewide weighted average foundation allowance" means the number that is
26 calculated by adding together the result of each district's or public school academy's
27 foundation allowance or per pupil payment calculated under section 20 multiplied by

1 the number of pupils in membership in that district or public school academy, and then
2 dividing that total by the statewide number of pupils in membership. For the purposes
3 of this calculation, a district's foundation allowance shall not exceed the basic
4 foundation allowance under section 20 for the current state fiscal year.

5 Sec. 31d. (1) From the appropriations in section 11, there is allocated an amount
6 not to exceed ~~\$22,495,100.00~~ **\$23,144,000.00** for ~~2017-2018-2018-2019~~ for the purpose of
7 making payments to districts and other eligible entities under this section.

8 (2) The amounts allocated from state sources under this section shall be used to
9 pay the amount necessary to reimburse districts for 6.0127% of the necessary costs of
10 the state mandated portion of the school lunch programs provided by those districts.
11 The amount due to each district under this section shall be computed by the department
12 using the methods of calculation adopted by the Michigan supreme court in the
13 consolidated cases known as Durant v State of Michigan, 456 Mich 175 (1997).

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 ~~2017-2018-2018-2019~~ all available federal funding, estimated at \$520,000,000.00 for
24 the national school lunch program and all available federal funding, estimated at
25 \$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.

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

4 Sec. 31f. (1) From the appropriations in section 11, there is allocated an amount
5 not to exceed \$4,500,000.00 ~~each fiscal year for 2016-2017 and for 2017-2018~~ **FOR**
6 **FISCAL YEAR 2018-2019** for the purpose of making payments to districts to reimburse for
7 the cost of providing breakfast.

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

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

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

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

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

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

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

1 start readiness programs an amount not to exceed \$243,600,000.00 for ~~2017-2018-2018-~~
2 **2019**. 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 A child who is not 4 years of age as of September 1, but who will be 4 years of age
11 not later than December 1, is eligible to participate if the child's parent or legal
12 guardian seeks a waiver from the September 1 eligibility date by submitting a request
13 for enrollment in a program to the responsible intermediate district, if the program
14 has capacity on or after September 1 of the school year, and if the child meets
15 eligibility and prioritization guidelines.

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

24 (3) In addition to the allocation under subsection (1), from the general fund
25 money appropriated under section 11, there is allocated an amount not to exceed
26 \$300,000.00 for ~~2017-2018-2018-2019~~ for a competitive grant to continue a longitudinal
27 evaluation of children who have participated in great start readiness programs.

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

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

8 (b) An age-appropriate educational curriculum that is in compliance with the
9 early childhood standards of quality for prekindergarten children adopted by the state
10 board, including, at least, the Connect4Learning curriculum.

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

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

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

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

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

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

1 designed to improve all children's school readiness.

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (9) An intermediate district or consortium of intermediate districts may retain
19 for administrative services provided by the intermediate district or consortium of
20 intermediate districts an amount not to exceed 4% of the grant amount. Expenses
21 incurred by subrecipients engaged by the intermediate district or consortium of
22 intermediate districts for directly running portions of the program shall be
23 considered program costs or a contracted program fee for service.

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

27 (11) Each grant recipient shall enroll children identified under subsection

(5)(b) according to how far the child's household income is below 250% of the federal poverty level by ranking each applicant child's household income from lowest to highest and dividing the applicant children into quintiles based on how far the child's household income is below 250% of the federal poverty level, and then enrolling children in the quintile with the lowest household income before enrolling children in the quintile with the next lowest household income until slots are completely filled. If the grant recipient determines that all eligible children are being served and that there are no children on the waiting list who live with families with a household income that is equal to or less than 250% of the federal poverty level, the grant recipient may then enroll children who live with families with a household income that is equal to or less than 300% of the federal poverty level. The enrollment process shall consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education plans recommending placement in an inclusive preschool setting shall be considered to live with families with household income equal to or less than 250% of the federal poverty level regardless of actual family income and shall be prioritized for enrollment within the lowest quintile.

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

(13) An intermediate district or consortium of intermediate districts receiving a grant under this section shall conduct a local process to contract with interested and

1 eligible public and private for-profit and nonprofit community-based providers that
2 meet all requirements of subsection (4) for at least 30% of its total allocation. For
3 the purposes of this 30% allocation, an intermediate district or consortium of
4 intermediate districts may count children served by a Head Start grantee or delegate
5 in a blended Head Start and great start readiness school-day program. Children served
6 in a program funded only through Head Start shall not be counted toward this 30%
7 allocation. The intermediate district or consortium shall report to the department, in
8 a manner prescribed by the department, a detailed list of community-based providers by
9 provider type, including private for-profit, private nonprofit, community college or
10 university, Head Start grantee or delegate, and district or intermediate district, and
11 the number and proportion of its total allocation allocated to each provider as
12 subrecipient. If the intermediate district or consortium is not able to contract for
13 at least 30% of its total allocation, the grant recipient shall notify the department
14 and, if the department verifies that the intermediate district or consortium attempted
15 to contract for at least 30% of its total allocation and was not able to do so, then
16 the intermediate district or consortium may retain and use all of its allocation as
17 provided under this section. To be able to use this exemption, the intermediate
18 district or consortium shall demonstrate to the department that the intermediate
19 district or consortium increased the percentage of its total allocation for which it
20 contracts with a community-based provider and the intermediate district or consortium
21 shall submit evidence satisfactory to the department, and the department must be able
22 to verify this evidence, demonstrating that the intermediate district or consortium
23 took measures to contract for at least 30% of its total allocation as required under
24 this subsection, including, but not limited to, at least all of the following
25 measures:

26 (a) The intermediate district or consortium notified each nonparticipating
27 licensed child care center located in the service area of the intermediate district or

1 consortium regarding the center's eligibility to participate, in a manner prescribed
2 by the department.

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

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

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

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

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

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

27 (c) Ensure that all intermediate district, district, community college or

1 university, Head Start grantee or delegate, private for-profit, and private nonprofit
 2 providers are subject to a single great start to quality rating system. The rating
 3 system shall ensure that regulators process all prospective providers at the same pace
 4 on a first-come, first-served basis and shall not allow 1 type of provider to receive
 5 a great start to quality rating ahead of any other type of provider.

6 (d) Not later than December 1 of each year, compile the results of the
 7 information reported by each intermediate district or consortium under subsection (13)
 8 and report to the legislature a list by intermediate district or consortium with the
 9 number and percentage of each intermediate district's or consortium's total allocation
 10 allocated to community-based providers by provider type, including private for-profit,
 11 private nonprofit, community college or university, Head Start grantee or delegate,
 12 and district or intermediate district.

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

23 (17) As used in this section:

24 (a) "GSRP/Head Start blended program" means a part-day program funded under this
 25 section and a Head Start program, which are combined for a school-day program.

26 (b) "Part-day program" means a program that operates at least 4 days per week, 30
 27 weeks per year, for at least 3 hours of teacher-child contact time per day but for

1 fewer hours of teacher-child contact time per day than a school-day program.

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

6 (18) An intermediate district or consortium of intermediate districts receiving
7 funds under this section shall establish and charge tuition according to a sliding
8 scale of tuition rates based upon household income for children participating in an
9 eligible great start readiness program who live with families with a household income
10 that is more than 250% of the federal poverty level to be used by all of its
11 providers, as approved by the department.

12 (19) From the amount appropriated in subsection (1), there is allocated an amount
13 not to exceed \$10,000,000.00 for reimbursement of transportation costs for children
14 attending great start readiness programs funded under this section. To receive
15 reimbursement under this subsection, not later than November 1, ~~2017~~, **2018**, a program
16 funded under this section that provides transportation shall submit to the
17 intermediate district that is the fiscal agent for the program a projected
18 transportation budget. The amount of the reimbursement for transportation under this
19 subsection shall be no more than the projected transportation budget or \$300.00
20 multiplied by the number of children funded for the program under this section. If the
21 amount allocated under this subsection is insufficient to fully reimburse the
22 transportation costs for all programs that provide transportation and submit the
23 required information, the reimbursement shall be prorated in an equal amount per child
24 funded. Payments shall be made to the intermediate district that is the fiscal agent
25 for each program, and the intermediate district shall then reimburse the program
26 provider for transportation costs as prescribed under this subsection.

27 (20) The department shall implement a process to review and approve age-

1 appropriate comprehensive classroom level quality assessments for GSRP grantees that
2 support the early childhood standards of quality for prekindergarten children adopted
3 by the state board. The department shall complete the approval process and make
4 available to intermediate districts at least 2 approved classroom level quality
5 assessments no later than April 1, ~~2018~~ 2019.

6 (21) An intermediate district that is a GSRP grantee may approve the use of a
7 supplemental curriculum that aligns with and enhances the age-appropriate educational
8 curriculum in the classroom. If the department objects to the use of a supplemental
9 curriculum approved by an intermediate district, the superintendent of public
10 instruction shall establish a review committee independent of the department. The
11 review committee shall meet within 60 days of the department registering its objection
12 in writing and provide a final determination on the validity of the objection within
13 60 days of the review committee's first meeting.

14 (22) A great start readiness program or a GSRP/Head Start blended program funded
15 under this section shall be permitted to utilize AmeriCorps Pre-K Reading Corps
16 members in classrooms implementing research-based early literacy intervention
17 strategies.

18 Sec. 32p. (1) From the appropriation in section 11, there is allocated an amount
19 not to exceed \$13,400,000.00 to intermediate districts for ~~2017-2018-2018-2019~~ for the
20 purpose of providing early childhood funding to intermediate school districts to
21 support the activities under subsection (2) and subsection (4), and to provide early
22 childhood programs for children from birth through age 8. The funding provided to each
23 intermediate district under this section shall be determined by the distribution
24 formula established by the department's office of great start to provide equitable
25 funding statewide. In order to receive funding under this section, each intermediate
26 district shall provide an application to the office of great start not later than
27 September 15 of the immediately preceding fiscal year indicating the activities

1 planned to be provided.

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

8 (a) Children born healthy.

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

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

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

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

19 (a) Physical health.

20 (b) Social-emotional health.

21 (c) Family supports and basic needs.

22 (d) Parent education.

23 (e) Early education, including the child's development of skills linked to
24 success in foundational literacy, and care.

25 (4) From the funds allocated in subsection (1), at least \$2,500,000.00 shall be
26 used for the purpose of providing home visits to at-risk children and their families.
27 The home visits shall be conducted as part of a locally coordinated, family-centered,

1 evidence-based, data-driven home visit strategic plan that is approved by the
2 department. The goals of the home visits funded under this subsection shall be to
3 improve school readiness using evidence-based methods, including a focus on
4 developmentally appropriate outcomes for early literacy, to ~~reduce the number of~~
5 ~~pupils retained in grade level, and to reduce the number of pupils requiring special~~
6 ~~education services.~~ **IMPROVE POSITIVE PARENTING PRACTICES AND TO IMPROVE FAMILY**
7 **ECONOMIC SELF-SUFFICIENCY WHILE REDUCING THE IMPACT OF HIGH RISK FACTORS THROUGH**
8 **COMMUNITY RESOURCES AND REFERRALS.** The department shall coordinate the goals of the
9 home visit strategic plans approved under this subsection with other state agency home
10 visit programs in a way that strengthens Michigan's home visiting infrastructure and
11 maximizes federal funds available for the purposes of at-risk family home visits. The
12 coordination among departments and agencies is intended to avoid duplication of state
13 services and spending, and should emphasize efficient service delivery of home
14 visiting programs.

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

26 (6) An intermediate district or consortium of intermediate districts that
27 receives funding under this section may carry over any unexpended funds received under

1 this section into the next fiscal year and may expend those unused funds through June
2 30 of the next fiscal year. A recipient of a grant shall return any unexpended grant
3 funds to the department in the manner prescribed by the department not later than
4 September 30 of the next fiscal year after the fiscal year in which the funds are
5 received.

6 Sec. 35a. (1) From the appropriations in section 11, there is allocated for ~~2017-~~
7 ~~2018-2019~~ for the purposes of this section an amount not to exceed \$26,900,000.00
8 from the state school aid fund. ~~and an amount not to exceed \$2,500,000.00 from the~~
9 ~~general fund.~~ **THE SUPERINTENDENT SHALL DESIGNATE STAFF OR CONTRACTED EMPLOYEES FUNDED**
10 **UNDER THIS SECTION AS CRITICAL SHORTAGE. PROGRAMS FUNDED UNDER THIS SECTION ARE**
11 **INTENDED TO ENSURE THAT THIS STATE WILL BE IN THE TOP 10 MOST IMPROVED STATES IN GRADE**
12 **4 READING PROFICIENCY BY THE 2019 NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS (NAEP)**
13 **AND WILL BE IN THE TOP 10 STATES OVERALL IN GRADE 4 READING PROFICIENCY BY 2025.**

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

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

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

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

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

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

9 (d) Comprehension - making meaning of text.

10 (4) From the allocations under subsection (1), there is allocated an amount not
11 to exceed \$6,000,000.00 for ~~2017-2018-2018-2019~~ for the purpose of providing early
12 literacy coaches at intermediate districts to assist teachers in developing and
13 implementing instructional strategies for pupils in grades K to 3 so that pupils are
14 reading at grade level by the end of grade 3. All of the following apply to funding
15 under this subsection:

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

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

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

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

27 (b) From the allocation under this subsection, the department shall award grants

1 to intermediate districts for the support of early literacy coaches. An intermediate
2 district must provide matching funds for at least 50% of the grant amount awarded to
3 support the cost of the literacy coach. The department shall provide this funding in
4 the following manner:

5 (i) Each intermediate district shall be awarded grant funding to support the cost
6 of 1 early literacy coach in an equal amount per early literacy coach, not to exceed
7 \$75,000.00.

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

18 (5) From the allocations under subsection (1), there is allocated an amount not
19 to exceed \$20,900,000.00 for ~~2017-2018-2018-2019~~ to districts that provide additional
20 instructional time to those pupils in grades K to 3 who have been identified by using
21 department-approved screening and diagnostic tools as needing additional supports and
22 interventions in order to be reading at grade level by the end of grade 3. Additional
23 instructional time may be provided before, during, and after regular school hours or
24 as part of a year-round balanced school calendar. All of the following apply to
25 funding under this subsection:

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

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

6 (A) Implements effective instruction for all learners.

7 (B) Intervenes early.

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

12 (D) Monitors pupil progress to inform instruction.

13 (E) Uses data to make instructional decisions.

14 (F) Uses assessments including universal screening, diagnostics, and progress
15 monitoring.

16 (G) Engages families and the community.

17 (H) Implements evidence-based, scientifically validated, instruction and
18 intervention.

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

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

21 (ii) Used department-approved research-based diagnostic tools to identify
22 individual pupils in need of additional instructional time.

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

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

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

3 (b) Funding allocated under this subsection shall be distributed to eligible
4 districts by multiplying the number of full-time-equivalent pupils in grade 1 in the
5 district by \$210.00.

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

9 ~~(6) From the general fund money allocated in subsection (1), the department shall~~
10 ~~allocate the amount of \$2,500,000.00 for 2017-2018 to the Michigan Education Corps.~~
11 ~~All of the following apply to funding under this subsection:~~

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

20 ~~(i) The current impact of the Michigan Reading Corps on this state in terms of~~
21 ~~numbers of children and programs receiving support. This portion of the report shall~~
22 ~~specify the number of children tutored, including dosage and completion, and the~~
23 ~~demographics of those children.~~

24 ~~(ii) Whether the assessments and interventions are implemented with fidelity.~~
25 ~~This portion of the report shall include details on the total number of assessments~~
26 ~~and interventions completed and the range, median, mean, and standard deviation for~~
27 ~~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.~~

~~(c) The department may not reserve any portion of the allocation provided under this subsection for an evaluation of the Michigan Education Corps, the Michigan Education Corps' funding, or the Michigan Education Corps' programming. The department shall award the entire \$2,500,000.00 allocated under this subsection to the Michigan Education Corps and shall not condition the awarding of this funding on the implementation of an independent evaluation.~~

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 all of the following:

(a) For ~~2017-2018-2018-2019~~ calculations, the estimated total number of children in the community who meet the criteria of section 32d, as provided to the applicant by the department utilizing the most recent population data available from the American community survey conducted by the United States Census Bureau. Beginning in 2018-2019,

1 the department shall ensure that it provides updated American community survey
2 population data at least once every 3 years.

3 (b) The estimated number of children in the community who meet the criteria of
4 section 32d and are being served exclusively by Head Start programs operating in the
5 community.

6 (c) The number of children whom the applicant has the capacity to serve who meet
7 the criteria of section 32d including a verification of physical facility and staff
8 resources capacity.

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

14 (3) The initial allocation to each eligible applicant under section 32d shall be
15 the lesser of the following:

16 (a) The sum of the number of children served in a school-day program in the
17 preceding school year multiplied by \$7,250.00 and the number of children served in a
18 GSRP/Head Start blended program or a part-day program in the preceding school year
19 multiplied by \$3,625.00.

20 (b) The sum of the number of children the applicant has the capacity to serve in
21 ~~2017-2018-2018-2019~~ in a school-day program multiplied by \$7,250.00 and the number of
22 children served in a GSRP/Head Start blended program or a part-day program the
23 applicant has the capacity to serve in ~~2017-2018-2018-2019~~ multiplied by \$3,625.00.

24 (4) If funds remain after the allocations under subsection (3), the department
25 shall distribute the remaining funds to each intermediate district or consortium of
26 intermediate districts that serves less than the state percentage benchmark determined
27 under subsection (5). These remaining funds shall be distributed to each eligible

1 applicant based upon each applicant's proportionate share of the remaining unserved
2 children necessary to meet the statewide percentage benchmark in intermediate
3 districts or consortia of intermediate districts serving less than the statewide
4 percentage benchmark. When all applicants have been given the opportunity to reach the
5 statewide percentage benchmark, the statewide percentage benchmark may be reset, as
6 determined by the department, until greater equity of opportunity to serve eligible
7 children across all intermediate school districts has been achieved.

8 (5) For the purposes of subsection (4), for the ~~2017-2018~~ **2018-2019** program year,
9 the department shall calculate a percentage of children served by each intermediate
10 district or consortium of intermediate districts by dividing the number of children
11 served in the immediately preceding year by that intermediate district or consortium
12 by the total number of children within the intermediate district or consortium of
13 intermediate districts who meet the criteria of section 32d as determined by the
14 department utilizing the most recent population data available from the American
15 community survey conducted by the United States Census Bureau. The department shall
16 compare the resulting percentage of eligible children served to a statewide percentage
17 benchmark to determine if the intermediate district or consortium is eligible for
18 additional funds under subsection (4). For ~~2017-2018~~, **2018-2019**, the statewide
19 percentage benchmark is 60%.

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

25 (7) The department shall review the program components under section 32d and
26 under this section at least biennially. The department also shall convene a committee
27 of internal and external stakeholders at least once every 5 years to ensure that the

1 funding structure under this section reflects current system needs under section 32d.

2 (8) As used in this section, "school-day program", "GSRP/Head Start blended
3 program", and "part-day program" mean those terms as defined in section 32d.

4 Sec. 39a. (1) From the federal funds appropriated in section 11, there is
5 allocated ~~each~~ **FOR** fiscal year ~~for 2016-2017 and for 2017-2018-2018-2019~~ to districts,
6 intermediate districts, and other eligible entities all available federal funding,
7 estimated at ~~\$744,039,900.00 for 2016-2017 and \$731,600,000.00 for 2017-2018~~
8 **\$730,600,000.00**, for the federal programs under the no child left behind act of 2001,
9 Public Law 107-110, or the every student succeeds act, Public Law 114-95. These funds
10 are allocated as follows:

11 (a) An amount estimated at \$1,200,000.00 ~~each fiscal year~~ **FOR 2018-2019** to
12 provide students with drug- and violence-prevention programs and to implement
13 strategies to improve school safety, funded from DED-OESE, drug-free schools and
14 communities funds.

15 (b) An amount estimated at ~~\$111,111,900.00 for 2016-2017 and \$100,000,000.00 for~~
16 ~~2017-2018-2018-2019~~ for the purpose of preparing, training, and recruiting high-
17 quality teachers and class size reduction, funded from DED-OESE, improving teacher
18 quality funds.

19 (c) An amount estimated at ~~\$12,200,000.00 for 2016-2017 and \$11,000,000.00 for~~
20 ~~2017-2018-2018-2019~~ for programs to teach English to limited English proficient (LEP)
21 children, funded from DED-OESE, language acquisition state grant funds.

22 ~~(d) An amount estimated at \$250,000.00 for 2016-2017 only for the Michigan~~
23 ~~charter school subgrant program, funded from DED-OESE, charter school funds.~~

24 **(D)** ~~(e)~~ An amount estimated at ~~\$3,000,000.00 for 2016-2017 and \$2,800,000.00 for~~
25 ~~2017-2018-2018-2019~~ for rural and low income schools, funded from DED-OESE, rural and
26 low income school funds.

27 **(E)** ~~(f)~~ An amount estimated at \$535,000,000.00 ~~each fiscal year~~ **FOR 2018-2019** to

1 provide supplemental programs to enable educationally disadvantaged children to meet
 2 challenging academic standards, funded from DED-OESE, title I, disadvantaged children
 3 funds.

4 (F) ~~(g)~~—An amount estimated at ~~\$8,878,000.00 for 2016-2017 and~~ \$9,200,000.00 for
 5 ~~2017-2018-2018-2019~~ for the purpose of identifying and serving migrant children,
 6 funded from DED-OESE, title I, migrant education funds.

7 (G) ~~(h)~~—An amount estimated at \$39,000,000.00 ~~each fiscal year~~ **FOR 2018-2019** for
 8 the purpose of providing high-quality extended learning opportunities, after school
 9 and during the summer, for children in low-performing schools, funded from DED-OESE,
 10 twenty-first century community learning center funds.

11 (H) ~~(i)~~—An amount estimated at ~~\$18,000,000.00 each fiscal year~~ **\$12,000,000.00 FOR**
 12 **2018-2019** to help support local school improvement efforts, funded from DED-OESE,
 13 title I, local school improvement grants.

14 (I) ~~(j)~~—An amount estimated at \$15,400,000.00 ~~each fiscal year~~ **FOR 2018-2019** to
 15 improve the academic achievement of students, funded from DED-OESE, title IV, student
 16 support and academic enrichment grants.

17 (J) **AN AMOUNT ESTIMATED AT \$5,000,000.00 FOR 2018-2019 FOR THE REMAINING BALANCE**
 18 **OF THE AMOUNT APPROPRIATED IN 2014 PA 116, MCL 388.1632R, FOR FEDERAL FUNDING AWARDED**
 19 **TO THIS STATE UNDER SECTIONS 14005, 14006, AND 14013 OF TITLE XIV OF THE AMERICAN**
 20 **RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, FOR THE RACE TO THE TOP -**
 21 **EARLY LEARNING CHALLENGE GRANT.**

22 (2) From the federal funds appropriated in section 11, there is allocated for
 23 ~~2016-2017 and for 2017-2018-2018-2019~~ to districts, intermediate districts, and other
 24 eligible entities all available federal funding, estimated at ~~\$30,800,000.00 for 2016-~~
 25 ~~2017 and~~ \$30,000,000.00 for ~~2017-2018-2018-2019~~ for the following programs that are
 26 funded by federal grants:

27 (a) An amount estimated at ~~\$200,000.00 for 2016-2017 and~~ \$100,000.00 for ~~2017-~~

1 ~~2018-2018-2019~~ for acquired immunodeficiency syndrome education grants, funded from
2 HHS - Centers for Disease Control and Prevention, AIDS funding.

3 (b) An amount estimated at ~~\$2,600,000.00 for 2016-2017 and~~ \$1,900,000.00 for
4 ~~2017-2018-2018-2019~~ to provide services to homeless children and youth, funded from
5 DED-OVAE, homeless children and youth funds.

6 (c) An amount estimated at \$4,000,000.00 ~~each fiscal year~~ **FOR 2018-2019** to
7 provide mental health, substance abuse, or violence prevention services to students,
8 funded from HHS-SAMHSA.

9 (d) An amount estimated at \$24,000,000.00 ~~each fiscal year~~ **FOR 2018-2019** for
10 providing career and technical education services to pupils, funded from DED-OVAE,
11 basic grants to states.

12 (3) All federal funds allocated under this section shall be distributed in
13 accordance with federal law and with flexibility provisions outlined in Public Law
14 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.
15 Notwithstanding section 17b, payments of federal funds to districts, intermediate
16 districts, and other eligible entities under this section shall be paid on a schedule
17 determined by the department.

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

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

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

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

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

Sec. 41. (1) For a district or public school academy to be eligible to receive funding under this section, the district or public school academy must administer to English language learners the English language proficiency assessment known as the "WIDA ACCESS for English language learners" or the "WIDA Alternate ACCESS". From the appropriation in section 11, there is allocated an amount not to exceed \$6,000,000.00 for ~~2017-2018-2018-2019~~ for payments to eligible districts and eligible public school academies for services for English language learners who have been administered the WIDA ACCESS for English language learners.

(2) Funding allocated under this section shall be distributed to eligible districts and eligible public school academies based on the number of full-time equivalent English language learners as follows:

(a) \$620.00 per full-time equivalent English language learner who has been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 1.0 and 1.9, or less, as applicable to each assessment.

(b) \$410.00 per full-time equivalent English language learner who has been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 2.0 and 2.9, or less, as applicable to each assessment.

(3) If funds allocated under this section are insufficient to fully fund the

1 payments as prescribed under subsection (2), payments shall be prorated on an equal
2 percentage basis, with the same percentage proration applied to both funding
3 categories.

4 (4) Each district or public school academy receiving funds under this section
5 shall submit to the department by July 15 of each fiscal year a report, not to exceed
6 10 pages, on the usage by the district or public school academy of funds under this
7 section, in a form and manner determined by the department, which shall include a
8 brief description of each program conducted or services performed by the district or
9 public school academy using funds under this section and the amount of funds under
10 this section allocated to each of those programs or services. If a district or public
11 school academy does not comply with this section, the department shall withhold an
12 amount equal to the August payment due under this section until the district or public
13 school academy complies with this subsection. If the district or public school academy
14 does not comply with this section by the end of the state fiscal year, the withheld
15 funds shall be forfeited to the school aid fund.

16 (5) In order to receive funds under this section, a district or public school
17 academy shall allow access for the department or the department's designee to audit
18 all records related to the program for which it receives those funds. The district or
19 public school academy shall reimburse this state for all disallowances found in the
20 audit.

21 (6) Beginning July 1, 2020, and every 3 years thereafter, the department shall
22 review the per-pupil distribution under subsection (2), to ensure that funding levels
23 are appropriate and make recommendations for adjustments to the members of the senate
24 and house subcommittees on K-12 school aid appropriations.

25 Sec. 51a. (1) From the appropriation in section 11, there is allocated an amount
26 not to exceed ~~\$941,946,100.00 for 2016-2017 and there is allocated an amount not to~~
27 ~~exceed \$956,246,100.00~~ **\$979,346,100.00** for ~~2017-2018-2018-2019~~ from state sources and

1 all available federal funding under sections 611 to 619 of part B of the individuals
2 with disabilities education act, 20 USC 1411 to 1419, estimated at \$370,000,000.00
3 ~~each FOR fiscal year for 2016-2017 and for 2017-2018-2018-2019~~, plus any carryover
4 federal funds from previous year appropriations. In addition, from the general fund
5 appropriation in section 11, there is allocated to the department an amount not to
6 exceed \$500,000.00 for ~~2017-2018-2018-2019~~ for the purpose of subsection (16). The
7 allocations under this subsection are for the purpose of reimbursing districts and
8 intermediate districts for special education programs, services, and special education
9 personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to
10 380.1766; net tuition payments made by intermediate districts to the Michigan Schools
11 for the Deaf and Blind; and special education programs and services for pupils who are
12 eligible for special education programs and services according to statute or rule. For
13 meeting the costs of special education programs and services not reimbursed under this
14 article, a district or intermediate district may use money in general funds or special
15 education funds, not otherwise restricted, or contributions from districts to
16 intermediate districts, tuition payments, gifts and contributions from individuals or
17 other entities, or federal funds that may be available for this purpose, as determined
18 by the intermediate district plan prepared pursuant to article 3 of the revised school
19 code, MCL 380.1701 to 380.1766. Notwithstanding section 17b, payments of federal funds
20 to districts, intermediate districts, and other eligible entities under this section
21 shall be paid on a schedule determined by the department.

22 (2) From the funds allocated under subsection (1), there is allocated the amount
23 necessary, and estimated at ~~\$260,700,000.00 for 2016-2017 and estimated at~~
24 ~~\$264,200,000.00-\$272,100,000.00 for 2017-2018,-2018-2019~~, for payments toward
25 reimbursing districts and intermediate districts for 28.6138% of total approved costs
26 of special education, excluding costs reimbursed under section 53a, and 70.4165% of
27 total approved costs of special education transportation. Allocations under this

subsection shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (11), times the foundation allowance under section 20 of the pupil's district of residence 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 fiscal year, or, for a special education pupil in membership in a district that is a public school academy, times an amount equal to the amount per membership pupil calculated under section 20(6). For an intermediate district, the amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (11), and shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per-pupil allocation under section 20m.

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

(3) From the funds allocated under subsection (1), there is allocated ~~each fiscal year for 2016-2017 and for 2017-2018~~ **FOR FISCAL YEAR 2018-2019** an amount not to exceed ~~\$1,000,000.00~~ **\$1,100,000.00** to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an

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

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

24 (5) State funds shall be allocated on a total approved cost basis. Federal funds
25 shall be allocated under applicable federal requirements, except that an amount not to
26 exceed \$3,500,000.00 may be allocated by the department ~~each~~ **FOR** fiscal year ~~for 2016-~~
27 ~~2017 and for 2017-2018-2018-2019~~ to districts, intermediate districts, or other

1 eligible entities on a competitive grant basis for programs, equipment, and services
2 that the department determines to be designed to benefit or improve special education
3 on a statewide scale.

4 (6) From the amount allocated in subsection (1), there is allocated an amount not
5 to exceed \$2,200,000.00 ~~each~~ **FOR** fiscal year ~~for 2016-2017 and for 2017-2018-2018-2019~~
6 to reimburse 100% of the net increase in necessary costs incurred by a district or
7 intermediate district in implementing the revisions in the administrative rules for
8 special education that became effective on July 1, 1987. As used in this subsection,
9 "net increase in necessary costs" means the necessary additional costs incurred solely
10 because of new or revised requirements in the administrative rules minus cost savings
11 permitted in implementing the revised rules. Net increase in necessary costs shall be
12 determined in a manner specified by the department.

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

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

1 services provided to youth placed in child caring institutions or juvenile detention
2 programs approved by the department to provide an on-grounds education program.

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

14 (c) If the department determines before bookclosing for a fiscal year that the
15 amounts allocated for that fiscal year under subsections (2), (3), (6), and (11) and
16 sections 53a, 54, and 56 will exceed expenditures for that fiscal year under
17 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a district
18 or intermediate district whose reimbursement for that fiscal year would otherwise be
19 affected by subdivision (b), subdivision (b) does not apply to the calculation of the
20 reimbursement for that district or intermediate district and reimbursement for that
21 district or intermediate district shall be calculated in the same manner as it was for
22 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6),
23 and (11) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation
24 of reimbursement to those districts and intermediate districts under this subdivision,
25 then the calculations and resulting reimbursement under this subdivision shall be
26 prorated on an equal percentage basis. Beginning in 2015-2016, the amount of
27 reimbursement under this subdivision for a fiscal year shall not exceed \$2,000,000.00

1 for any district or intermediate district.

2 (d) Reimbursement for ancillary and other related services, as defined by R
3 340.1701c of the Michigan Administrative Code, shall not be provided when those
4 services are covered by and available through private group health insurance carriers
5 or federal reimbursed program sources unless the department and district or
6 intermediate district agree otherwise and that agreement is approved by the state
7 budget director. Expenses, other than the incidental expense of filing, shall not be
8 borne by the parent. In addition, the filing of claims shall not delay the education
9 of a pupil. A district or intermediate district shall be responsible for payment of a
10 deductible amount and for an advance payment required until the time a claim is paid.

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

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

27 (9) Special education personnel transferred from 1 district to another to

1 implement the revised school code shall be entitled to the rights, benefits, and
2 tenure to which the person would otherwise be entitled had that person been employed
3 by the receiving district originally.

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

9 (11) From the funds allocated in subsection (1), there is allocated the amount
10 necessary, estimated at ~~\$3,500,000.00 for 2016-2017, and estimated at \$3,600,000.00~~
11 ~~\$3,400,000.00 for 2017-2018, 2018-2019~~, to pay the foundation allowances for pupils
12 described in this subsection. The allocation to a district under this subsection shall
13 be calculated by multiplying the number of pupils described in this subsection who are
14 counted in membership in the district times the sum of the foundation allowance under
15 section 20 of the pupil's district of residence plus the amount of the district's per-
16 pupil allocation under section 20m, not to exceed the basic foundation allowance under
17 section 20 for the current fiscal year, or, for a pupil described in this subsection
18 who is counted in membership in a district that is a public school academy, times an
19 amount equal to the amount per membership pupil under section 20(6) or, for a pupil
20 described in this subsection who is counted in membership in the education achievement
21 system, times an amount equal to the amount per membership pupil under section 20(7).
22 The allocation to an intermediate district under this subsection shall be calculated
23 in the same manner as for a district, using the foundation allowance under section 20
24 of the pupil's district of residence, not to exceed the basic foundation allowance
25 under section 20 for the current fiscal year, and that district's per-pupil allocation
26 under section 20m. This subsection applies to all of the following pupils:

27 (a) Pupils described in section 53a.

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

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

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

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

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

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

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

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

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

21 (14) If a public school academy that is not a cyber school, as defined in section
22 551 of the revised school code, MCL 380.551, enrolls under this section a pupil who
23 resides outside of the intermediate district in which the public school academy is
24 located and who is eligible for special education programs and services according to
25 statute or rule, or who is a child with disabilities, as defined under the individuals
26 with disabilities education act, Public Law 108-446, the intermediate district in
27 which the public school academy is located and the public school academy shall enter

1 into a written agreement with the intermediate district in which the pupil resides for
2 the purpose of providing the pupil with a free appropriate public education, and the
3 written agreement shall include at least an agreement on the responsibility for the
4 payment of the added costs of special education programs and services for the pupil.
5 If the public school academy that enrolls the pupil does not enter into an agreement
6 under this subsection, the public school academy shall not charge the pupil's resident
7 intermediate district or the intermediate district in which the public school academy
8 is located the added costs of special education programs and services for the pupil,
9 and the public school academy is not eligible for any payouts based on the funding
10 formula outlined in the resident or nonresident intermediate district's plan. If a
11 pupil is not enrolled in a public school academy under this subsection, the provision
12 of special education programs and services and the payment of the added costs of
13 special education programs and services for a pupil described in this subsection are
14 the responsibility of the district and intermediate district in which the pupil
15 resides.

16 (15) For the purpose of receiving its federal allocation under part B of the
17 individuals with disabilities education act, Public Law 108-446, a public school
18 academy that is a cyber school, as defined in section 551 of the revised school code,
19 MCL 380.551, and is in compliance with section 553a of the revised school code, MCL
20 380.553a, shall directly receive the federal allocation under part B of the
21 individuals with disabilities education act, Public Law 108-446, from the intermediate
22 district in which the cyber school is located, as the subrecipient. If the
23 intermediate district does not distribute the funds described in this subsection to
24 the cyber school by the part B application due date of July 1, the department may
25 distribute the funds described in this subsection directly to the cyber school
26 according to the formula prescribed in 34 CFR 300.705 and 34 CFR 300.816.

27 (16) For a public school academy that is a cyber school, as defined in section

551 of the revised school code, MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a, that enrolls a pupil under this section, the intermediate district in which the cyber school is located shall ensure that the cyber school complies with sections 1701a, 1703, 1704, 1751, 1752, 1756, and 1757 of the revised school code, MCL 380.1701a, 380.1703, 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757; applicable rules; and the individuals with disabilities education act, Public Law 108-446. From the general fund appropriation under subsection (1), the department shall provide appropriate administrative funding to the intermediate district in which that cyber school is located for the purpose of ensuring that compliance.

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

Sec. 51c. As required by the court in the consolidated cases known as *Durant v State of Michigan*, 456 Mich 175 (1997), from the allocation under section 51a(1), there is allocated ~~each fiscal year for~~ **FISCAL YEAR 2016-2017 and for 2017-2018-2018-2019** the amount necessary, estimated at ~~\$624,600,000.00 for 2016-2017 and \$635,300,000.00-\$650,600,000.00 for 2017-2018, 2018-2019,~~ for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. 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 22a ~~and~~ 22b, **AND 23F** in order to fully fund those calculated allocations for the same fiscal year.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is allocated ~~each fiscal year for~~ **FISCAL YEAR 2016-2017 and for 2017-2018, 2018-2019,** all available federal funding, estimated at ~~\$61,000,000.00 each fiscal year,~~ for special

1 education programs and services that are funded by federal grants. All federal funds
2 allocated under this section shall be distributed in accordance with federal law.
3 Notwithstanding section 17b, payments of federal funds to districts, intermediate
4 districts, and other eligible entities under this section shall be paid on a schedule
5 determined by the department.

6 (2) From the federal funds allocated under subsection (1), the following amounts
7 are allocated ~~each fiscal year for 2016-2017 and for~~ **FISCAL YEAR 2017-2018-2018-2019:**

8 (a) An amount estimated at \$14,000,000.00 ~~each fiscal year~~ for handicapped
9 infants and toddlers, funded from DED-OSERS, handicapped infants and toddlers funds.

10 (b) An amount estimated at \$12,000,000.00 ~~each fiscal year~~ for preschool grants
11 (Public Law 94-142), funded from DED-OSERS, handicapped preschool incentive funds.

12 (c) An amount estimated at \$35,000,000.00 ~~each fiscal year~~ for special education
13 programs funded by DED-OSERS, handicapped program, individuals with disabilities act
14 funds.

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

17 Sec. 53a. (1) For districts, reimbursement for pupils described in subsection (2)
18 shall be 100% of the total approved costs of operating special education programs and
19 services approved by the department and included in the intermediate district plan
20 adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766,
21 minus the district's foundation allowance calculated under section 20 and minus the
22 district's per-pupil allocation under section 20m. For intermediate districts,
23 reimbursement for pupils described in subsection (2) shall be calculated in the same
24 manner as for a district, using the foundation allowance under section 20 of the
25 pupil's district of residence, not to exceed the basic foundation allowance under
26 section 20 for the current fiscal year, and that district's per-pupil allocation under
27 section 20m.

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

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

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

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

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

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

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

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

25 (5) Not more than \$10,500,000.00 of the allocation for ~~2017-2018-2018-2019~~ in
26 section 51a(1) shall be allocated under this section.

27 Sec. 54. Each intermediate district shall receive an amount per-pupil for each

1 pupil in attendance at the Michigan schools for the deaf and blind. The amount shall
2 be proportionate to the total instructional cost at each school. Not more than
3 \$1,688,000.00 of the allocation for ~~2017-2018-2018-2019~~ in section 51a(1) shall be
4 allocated under this section.

5 Sec. 54b. (1) From the general fund appropriation in section 11, there is
6 allocated an amount not to exceed \$1,600,000.00 for ~~2017-2018-2018-2019~~ to continue
7 the implementation of the recommendations of the special education reform task force
8 published in January 2016.

9 (2) Except as provided in subsection (3), the department shall use funds
10 allocated under this section for the purpose of piloting statewide implementation of
11 the Michigan Integrated Behavior and Learning Support Initiative (MiBLSI), a
12 nationally recognized program that includes positive behavioral intervention and
13 supports and provides a statewide structure to support local initiatives for an
14 integrated behavior and reading program. With the assistance of the intermediate
15 districts involved in MiBLSI, the department shall identify a number of intermediate
16 districts to participate in the pilot that is sufficient to ensure that MiBLSI can be
17 implemented statewide with fidelity and sustainability. In addition, the department
18 shall identify an intermediate district to act as a fiscal agent for these funds.

19 ~~(3) In addition to the purpose under subsection (2), the department shall use~~
20 ~~funds allocated under this section for the purpose of providing training to~~
21 ~~intermediate districts and districts related to the safe implementation of emergency~~
22 ~~restraints and seclusion. The department shall develop and implement a training~~
23 ~~program that is based on the state board's adopted standards and on any other~~
24 ~~legislation enacted by the legislature regarding the emergency use of seclusion and~~
25 ~~restraint.~~

26 **SEC. 54C. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS**
27 **ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 for 2018-2019 TO CONTINUE THE**

1 IMPLEMENTATION OF THE RECOMMENDATIONS OF THE SPECIAL EDUCATION REFORM TASK FORCE
2 PUBLISHED IN JANUARY 2016, TO INCREASE ACCESS TO SERVICES AND RESOURCES FOR STUDENTS
3 IN SPECIAL EDUCATION AND THEIR PARENTS OR GUARDIANS, AND TO STRENGTHEN MEDIATION
4 SERVICES AVAILABLE TO STUDENTS IN SPECIAL EDUCATION AND THEIR PARENTS OR GUARDIANS.

5 (2) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT
6 TO EXCEED \$205,000.00 FOR THE PURPOSE OF ENHANCING CAPACITY OF MICHIGAN'S PARENT
7 TRAINING INFORMATION CENTER, MICHIGAN ALLIANCE FOR FAMILIES, TO INCREASE DIRECT
8 ADVOCACY EFFORTS, WORK SURROUNDING TRANSITION ISSUES, AND AWARENESS OF THE
9 ORGANIZATION.

10 (3) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT
11 TO EXCEED \$295,000.00 FOR THE PURPOSE OF IMPROVING MEDIATION SERVICES OFFERED THROUGH
12 THE MICHIGAN SPECIAL EDUCATION MEDIATION PROGRAM, BY INCREASING AWARENESS OF
13 MEDIATION, REFRAMING THE PURPOSE OF MEDIATION, STRENGTHENING MEDIATOR KNOWLEDGE AROUND
14 SPECIAL EDUCATION, AND MAKING MEDIATION MORE ACCESSIBLE.

15 SEC. 54D. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS ALLOCATED AN AMOUNT
16 NOT TO EXCEED \$5,000,000.00 FOR 2018-2019 FOR COMPETITIVE GRANTS TO INTERMEDIATE
17 DISTRICTS, OR CONSORTIUMS OF INTERMEDIATE DISTRICTS, FOR THE PURPOSE OF PROVIDING
18 STATE EARLY ON SERVICES PILOT PROGRAMS FOR CHILDREN BIRTH TO 3 YEARS OF AGE WITH
19 DEVELOPMENTAL DELAY(S) AND/OR DISABILITIES AND THEIR FAMILIES AS DESCRIBED IN THE
20 EARLY ON MICHIGAN STATE PLAN, AS APPROVED BY THE DEPARTMENT.

21 (2) TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION, EACH INTERMEDIATE
22 DISTRICT, OR CONSORTIUM OF INTERMEDIATE DISTRICTS, SHALL APPLY IN A FORM AND MANNER
23 DETERMINED BY THE DEPARTMENT.

24 (3) THE FUNDING ALLOCATED UNDER THIS SECTION SHALL BE USED TO INCREASE EARLY ON
25 SERVICES AND RESOURCES AVAILABLE TO CHILDREN THAT DEMONSTRATE DEVELOPMENTAL DELAYS TO
26 HELP PREPARE THEM FOR SUCCESS AS THEY ENTER SCHOOL. STATE EARLY ON SERVICES INCLUDE
27 EVALUATING AND PROVIDING EARLY INTERVENTION SERVICES FOR ELIGIBLE INFANTS AND TODDLERS

1 AND THEIR FAMILIES TO ADDRESS DEVELOPMENTAL DELAYS, INCLUDING THOSE AFFECTING
2 PHYSICAL, COGNITIVE, COMMUNICATION, ADAPTIVE, SOCIAL OR EMOTIONAL DEVELOPMENT. FUNDS
3 SHALL NOT BE USED TO SUPPLANT EXISTING SERVICES THAT ARE CURRENTLY BEING PROVIDED.

4 (4) THE DEPARTMENT SHALL DEVELOP A COMPETITIVE APPLICATION PROCESS AND METHOD OF
5 GRANT DISTRIBUTION BY OCTOBER 1, 2018. AWARD DISTRIBUTION WILL OCCUR IN MULTIPLE
6 PROSPERITY REGIONS TO ENSURE PROGRAMS ARE DIVERSE GEOGRAPHICALLY AND ADDRESS
7 DEMONSTRATED NEED FOR ADDITIONAL SERVICES. THOSE APPLICANTS THAT DEMONSTRATE THE
8 CAPACITY TO ALIGN THESE FUNDS WITH FEDERAL MEDICAID REIMBURSEMENTS SHALL BE GIVEN
9 PREFERENCE. CONSORTIUMS OF INTERMEDIATE DISTRICTS COMPRISED OF ONE OR MORE
10 INTERMEDIATE DISTRICT WITH THE CAPACITY TO ALIGN THESE FUNDS WITH FEDERAL MEDICAID
11 REIMBURSEMENTS AND ONE OR MORE WITHOUT THIS CAPACITY WILL ALSO BE GIVEN PREFERENCE, AS
12 TO ENCOURAGE MENTORSHIP AMONG INTERMEDIATE DISTRICTS IN FACILITATING THIS FUNDING
13 CAPACITY.

14 (5) THE APPLICANT INTERMEDIATE DISTRICTS SHALL REPORT DATA AND OTHER INFORMATION
15 TO THE DEPARTMENT IN A FORM, MANNER, AND FREQUENCY APPROVED BY THE DEPARTMENT TO ALLOW
16 FOR MONITORING AND EVALUATION OF THE PILOT PROJECTS AND TO ENSURE THAT THE CHILDREN
17 DESCRIBED IN SUBSECTION (1) RECEIVED APPROPRIATE LEVELS AND TYPES OF SERVICES
18 DELIVERED BY QUALIFIED PERSONNEL BASED ON THE INDIVIDUAL NEEDS OF THE CHILDREN AND
19 THEIR FAMILIES.

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

21 (a) "Membership" means for a particular fiscal year the total membership for the
22 immediately preceding fiscal year of the intermediate district and the districts
23 constituent to the intermediate district.

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

27 (c) "Taxable value" means the total taxable value of the districts constituent to

1 an intermediate district, except that if a district has elected not to come under part
 2 30 of the revised school code, MCL 380.1711 to 380.1743, membership and taxable value
 3 of the district shall not be included in the membership and taxable value of the
 4 intermediate district.

5 (2) From the allocation under section 51a(1), there is allocated an amount not to
 6 exceed \$37,758,100.00 ~~each~~ **FOR** fiscal year ~~for 2016-2017 and for 2017-2018-2018-2019~~
 7 to reimburse intermediate districts levying millages for special education pursuant to
 8 part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and
 9 expenditure of the reimbursement shall be limited as if the funds were generated by
 10 these millages and governed by the intermediate district plan adopted pursuant to
 11 article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of
 12 receiving funds under this section, an intermediate district distributing any portion
 13 of special education millage funds to its constituent districts shall submit for
 14 departmental approval and implement a distribution plan.

15 ~~(3) Reimbursement for those millages levied in 2015-2016 shall be made in 2016-~~
 16 ~~2017 at an amount per 2015-2016 membership pupil computed by subtracting from~~
 17 ~~\$180,900.00 the 2015-2016 taxable value behind each membership pupil and multiplying~~
 18 ~~the resulting difference by the 2015-2016 millage levied.~~

19 (3) ~~(4)~~ Reimbursement for those millages levied in ~~2016-2017-2017-2018~~ shall be
 20 made in ~~2017-2018-2018-2019~~ at an amount per ~~2016-2017-2017-2018~~ membership pupil
 21 computed by subtracting from ~~\$183,200.00~~ **\$189,900.00** the ~~2016-2017-2017-2018~~ taxable
 22 value behind each membership pupil and multiplying the resulting difference by the
 23 ~~2016-2017-2017-2018~~ millage levied, and then subtracting from that amount the ~~2016-~~
 24 ~~2017-2017-2018~~ local community stabilization share revenue for special education
 25 purposes behind each membership pupil for reimbursement of personal property exemption
 26 loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341
 27 to 123.1362.

1 (4) ~~(5)~~—The amount paid to a single intermediate district under this section
2 shall not exceed 62.9% of the total amount allocated under subsection (2).

3 (5) ~~(6)~~—The amount paid to a single intermediate district under this section shall not
4 be less than 75% of the amount allocated to the intermediate district under this
5 section for the immediately preceding fiscal year.

6 Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount
7 not to exceed \$36,611,300.00 for ~~2017-2018-2018-2019~~ to reimburse on an added cost
8 basis districts, except for a district that served as the fiscal agent for a
9 vocational education consortium in the 1993-94 school year and that has a foundation
10 allowance as calculated under section 20 greater than the minimum foundation allowance
11 under that section, and secondary area vocational-technical education centers for
12 secondary-level career and technical education programs according to rules approved by
13 the superintendent. Applications for participation in the programs shall be submitted
14 in the form prescribed by the department. The department shall determine the added
15 cost for each career and technical education program area. The allocation of added
16 cost funds shall be prioritized based on the capital and program expenditures needed
17 to operate the career and technical education programs provided; the number of pupils
18 enrolled; the advancement of pupils through the instructional program; the existence
19 of an articulation agreement with at least 1 postsecondary institution that provides
20 pupils with opportunities to earn postsecondary credit during the pupil's
21 participation in the career and technical education program and transfers those
22 credits to the postsecondary institution upon completion of the career and technical
23 education program; and the program rank in student placement, job openings, and wages,
24 and shall not exceed 75% of the added cost of any program. Notwithstanding any rule or
25 department determination to the contrary, when determining a district's allocation or
26 the formula for making allocations under this section, the department shall include
27 the participation of pupils in grade 9 in all of those determinations and in all

1 portions of the formula. With the approval of the department, the board of a district
2 maintaining a secondary career and technical education program may offer the program
3 for the period from the close of the school year until September 1. The program shall
4 use existing facilities and shall be operated as prescribed by rules promulgated by
5 the superintendent.

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

14 (3) A career and technical education program funded under this section may
15 provide an opportunity for participants who are eligible to be funded under section
16 107 to enroll in the career and technical education program funded under this section
17 if the participation does not occur during regular school hours.

18 ~~(4) In addition to the money allocated under subsections (1), (5), and (6), from~~
19 ~~the general fund money appropriated in section 11, there is allocated for 2017-2018 an~~
20 ~~amount not to exceed \$79,000.00 to an eligible Michigan approved 501(c)(3)~~
21 ~~organization for the purposes of teaching or training restaurant management and~~
22 ~~culinary arts for career and professional development. The department shall oversee~~
23 ~~funds distributed to an eligible grantee under this section. As used in this~~
24 ~~subsection, "eligible Michigan approved 501(c)(3) organization" means an organization~~
25 ~~that is exempt from taxation under section 501(c)(3) of the internal revenue code of~~
26 ~~1986, 26 USC 501, that provides the ProStart curriculum and training to state approved~~
27 ~~career and technical education programs with classification of instructional programs~~

1 ~~(CIP) codes in the 12.05xx category, and that administers national certification for~~
2 ~~the purpose of restaurant management and culinary arts for career and professional~~
3 ~~development.~~

4 ~~(5) In addition to the funds allocated under subsections (1), (4), and (6), from~~
5 ~~the funds appropriated in section 11, there is allocated for 2017-2018 an amount not~~
6 ~~to exceed \$1,000,000.00 for competitive grants to intermediate districts to hire~~
7 ~~career and technical education counselors. All of the following apply to this funding.~~

8 ~~(a) An intermediate district seeking a grant under this subsection shall apply to~~
9 ~~the department in a form and manner specified by the department.~~

10 ~~(b) The department shall award grants under this subsection on a competitive~~
11 ~~basis to no more than 3 intermediate districts but shall give priority to the~~
12 ~~intermediate district that has the greatest number of pupils enrolled in its~~
13 ~~constituent districts and shall ensure that grants are equitably distributed to the~~
14 ~~various geographic areas of this state and to urban and rural areas.~~

15 ~~(c) To be eligible for funding under this subsection, an intermediate district~~
16 ~~shall do all of the following:~~

17 ~~(i) Catalog all available K-12 and other workforce development programs and~~
18 ~~services, including job search, job training, pre-employment certifications, career~~
19 ~~awareness programs, career and technical education programs, and other related~~
20 ~~programs and services offered by districts or intermediate districts, postsecondary~~
21 ~~institutions, and other private or public service organizations.~~

22 ~~(ii) Develop an outreach program that educates students about career and~~
23 ~~technical education options and connects students to the services cataloged under~~
24 ~~subparagraph (i).~~

25 ~~(iii) Track student placement and report on student placement to the house and~~
26 ~~senate appropriations subcommittees on school aid no later than June 30, 2018 in the~~
27 ~~form and manner prescribed by the department.~~

~~(6) In addition to the funds allocated under subsections (1), (4), and (5), there is allocated an amount not to exceed \$160,000.00 for 2017-2018 to eligible districts under this subsection for the purpose of career and technical education counselors. To be eligible to receive funding under this subsection, an eligible district must be a constituent district of an intermediate district that is located in prosperity region 6 and borders prosperity regions 5, 7, and 9, and must have at least 1,600 pupils in membership in 2017-2018. A grant to an eligible district under this subsection shall be \$80,000.00.~~

Sec. 61b. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$8,000,000.00 ~~each~~ **FOR** fiscal year ~~for 2016-2017 and 2017-2018-2018-2019~~ for CTE early/middle college and CTE dual enrollment programs authorized under this section and for planning grants for the development or expansion of CTE early/middle college programs. 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:

(a) Distribute funds to eligible CTE early/middle college and CTE dual enrollment programs in a prosperity region or subregion as described in this section.

(b) Collaborate with the ~~talent district career council~~ **CAREER AND EDUCATIONAL ADVISORY COUNCIL** that is located in the prosperity region or subregion to develop a

1 regional strategic plan under subsection (4) that aligns CTE programs and services
2 into an efficient and effective delivery system for high school students.

3 (c) Implement a regional process to rank career clusters in the prosperity region
4 or subregion as described under subsection (4). Regional processes shall be approved
5 by the department before the ranking of career clusters.

6 (d) Report CTE early/middle college and CTE dual enrollment program and student
7 data and information as prescribed by the department **AND THE CENTER**.

8 (4) A regional strategic plan must be approved by the ~~talent district career~~
9 ~~council~~ **CAREER AND EDUCATIONAL ADVISORY COUNCIL** before submission to the department. A
10 regional strategic plan shall include, but not be limited to, the following:

11 (a) An identification of regional employer need based on a ranking of all career
12 clusters in the prosperity region or subregion ranked by 10-year job openings
13 projections and median wage for each standard occupational code in each career cluster
14 as obtained from the United States Bureau of Labor Statistics. Standard occupational
15 codes within high-ranking clusters also may be further ranked by median wage. The
16 rankings shall be reviewed by the ~~talent district career council~~ **CAREER AND**
17 **EDUCATIONAL ADVISORY COUNCIL** located in the prosperity region or subregion and
18 modified if necessary to accurately reflect employer demand for talent in the
19 prosperity region or subregion. A ~~talent district career council~~ **CAREER AND**
20 **EDUCATIONAL ADVISORY COUNCIL** shall document that it has conducted this review and
21 certify that it is accurate. These career cluster rankings shall be determined and
22 updated once every 4 years.

23 (b) An identification of educational entities in the prosperity region or
24 subregion that will provide eligible CTE early/middle college and CTE dual enrollment
25 programs including districts, intermediate districts, postsecondary institutions, and
26 noncredit occupational training programs leading to an industry-recognized credential.

27 (c) A strategy to inform parents and students of CTE early/middle college and CTE

1 dual enrollment programs in the prosperity region or subregion.

2 (d) Any other requirements as defined by the department.

3 (5) An eligible CTE program is a program that meets all of the following:

4 (a) Has been identified in the highest 5 career cluster rankings in any of the 10
5 regional strategic plans jointly approved by the Michigan talent investment agency in
6 the department of talent and economic development and the department.

7 (b) Has a coherent sequence of courses that will allow a student to earn a high
8 school diploma and achieve at least 1 of the following in a specific career cluster:

9 (i) An associate degree.

10 (ii) An industry-recognized technical certification approved by the Michigan
11 talent investment agency in the department of talent and economic development.

12 (iii) Up to 60 transferable college credits.

13 (iv) Participation in a registered apprenticeship.

14 (c) Is aligned with the Michigan merit curriculum.

15 (d) Has an articulation agreement with at least 1 postsecondary institution that
16 provides students with opportunities to receive postsecondary credits during the
17 student's participation in the CTE early/middle college or CTE dual enrollment program
18 and transfers those credits to the postsecondary institution upon completion of the
19 CTE early/middle college or CTE dual enrollment program.

20 (e) Provides instruction that is supervised, directed, or coordinated by an
21 appropriately certificated CTE teacher or, for concurrent enrollment courses, a
22 postsecondary faculty member.

23 (f) Provides for highly integrated student support services that include at least
24 the following:

25 (i) Teachers as academic advisors.

26 (ii) Supervised course selection.

27 (iii) Monitoring of student progress and completion.

1 (iv) Career planning services provided by a local one-stop service center as
2 described in the Michigan works one-stop service center system act, 2006 PA 491, MCL
3 408.111 to 408.135, or by a high school counselor or advisor.

4 (g) Has courses that are taught on a college campus, are college courses offered
5 at the high school and taught by college faculty, or are courses taught in combination
6 with online instruction.

7 (6) Funds to eligible CTE early/middle college and CTE dual enrollment programs
8 shall be distributed as follows:

9 (a) The department shall determine statewide average CTE costs per pupil for each
10 CIP code program by calculating statewide average costs for each CIP code program for
11 the 3 most recent fiscal years.

12 (b) Distribution to each eligible CTE early/middle college or CTE dual enrollment
13 program shall be the product of 50% of CTE costs per pupil times the current year
14 pupil enrollment of each eligible CTE early/middle college or CTE dual enrollment
15 program.

16 (7) In order to receive funds under this section, a CTE early/middle college or
17 CTE dual enrollment program shall furnish to the intermediate district that is the
18 fiscal agent identified in subsection (1), in a form and manner determined by the
19 department, all information needed to administer this program and meet federal
20 reporting requirements; shall allow the department or the department's designee to
21 review all records related to the program for which it receives funds; and shall
22 reimburse the state for all disallowances found in the review, as determined by the
23 department.

24 (8) There is allocated from the funds under subsection (1) an amount not to
25 exceed \$500,000.00 for ~~2017-2018-2018-2019~~ for grants to intermediate districts or
26 consortia of intermediate districts for the purpose of planning for new or expanded
27 early middle college programs. Applications for grants shall be submitted in a form

1 and manner determined by the department. The amount of a grant under this subsection
2 shall not exceed \$50,000.00. To be eligible for a grant under this subsection, an
3 intermediate district or consortia of intermediate districts must provide matching
4 funds equal to the grant received under this subsection. Notwithstanding section 17b,
5 payments under this subsection may be made as determined by the department.

6 (9) Funds distributed under this section may be used to fund program expenditures
7 that would otherwise be paid from foundation allowances. A program receiving funding
8 under section 61a may receive funding under this section for allowable costs that
9 exceed the reimbursement the program received under section 61a. The combined payments
10 received by a program under section 61a and this section shall not exceed the total
11 allowable costs of the program. A program provider shall not use more than 5% of the
12 funds allocated under this section to the program for administrative costs.

13 (10) If the allocation under subsection (1) is insufficient to fully fund
14 payments as otherwise calculated under this section, the department shall prorate
15 payments under this section on an equal percentage basis.

16 (11) If pupils enrolled in a career cluster in an eligible CTE early/middle
17 college or CTE dual enrollment program qualify to be reimbursed under this section,
18 those pupils continue to qualify for reimbursement until graduation, even if the
19 career cluster is no longer identified as being in the highest 5 career cluster
20 rankings.

21 (12) As used in this section:

22 (a) "Allowable costs" means those costs directly attributable to the program as
23 jointly determined by the Michigan talent investment agency and the department.

24 (B) "CAREER AND EDUCATIONAL ADVISORY COUNCIL", OR ITS SUCCESSOR MEANS AN ADVISORY
25 COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY REGION
26 CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR, AND PARENT REPRESENTATIVES.

27 (C) ~~(b)~~ "CIP" means classification of instructional programs.

1 (D) ~~(e)~~ "CTE" means career and technical education programs.

2 (E) ~~(d)~~ "CTE dual enrollment program" means a 4-year high school program of
3 postsecondary courses offered by eligible postsecondary educational institutions that
4 leads to an industry-recognized certification or degree.

5 (F) ~~(e)~~ "Early/middle college program" means a 5-year high school program.

6 (G) ~~(f)~~ "Eligible postsecondary educational institution" means that term as
7 defined in section 3 of the career and technical preparation act, 2000 PA 258, MCL
8 388.1903.

9 ~~(g) "Talent district career council" means an advisory council to the local workforce~~
10 ~~development boards located in a prosperity region consisting of educational, employer,~~
11 ~~labor, and parent representatives.~~

12 SEC. 61D. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT
13 NOT TO EXCEED \$5,000,000.00 FOR 2018-2019 FOR ADDITIONAL PAYMENTS TO DISTRICTS FOR
14 PUPILS ENROLLED IN CAREER AND TECHNICAL EDUCATION PROGRAMS. THE PURPOSE OF FUNDS UNDER
15 THIS SECTION IS TO INCREASE THE NUMBER OF MICHIGAN RESIDENTS WITH HIGH-QUALITY DEGREES
16 OR CREDENTIALS, AND TO INCREASE THE NUMBER OF STUDENTS WHO ARE COLLEGE AND CAREER
17 READY UPON HIGH SCHOOL GRADUATION.

18 (2) PAYMENTS TO DISTRICTS UNDER THIS SECTION SHALL BE CALCULATED IN THE FOLLOWING
19 MANNER:

20 (A) A PAYMENT OF \$25.00 MULTIPLIED BY THE NUMBER OF PUPILS IN GRADES 9 TO 12 WHO
21 ARE COUNTED IN MEMBERSHIP IN THE DISTRICT AND ARE ENROLLED IN AT LEAST 1 CAREER AND
22 TECHNICAL EDUCATION PROGRAM.

23 (B) AN ADDITIONAL PAYMENT OF \$25.00 MULTIPLIED BY THE NUMBER OF PUPILS IN GRADES
24 9 TO 12 WHO ARE COUNTED IN MEMBERSHIP IN THE DISTRICT AND ARE ENROLLED IN AT LEAST 1
25 CAREER AND TECHNICAL EDUCATION PROGRAM THAT PROVIDES INSTRUCTION IN CRITICAL SKILLS
26 AND HIGH-DEMAND CAREER FIELDS.

27 (3) IF THE ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO FULLY FUND PAYMENTS

1 UNDER SUBSECTION (2), THE DEPARTMENT SHALL PRORATE PAYMENTS UNDER THIS SECTION ON AN
2 EQUAL PER-PUPIL BASIS.

3 (4) AS USED IN THIS SECTION:

4 (A) "CAREER AND TECHNICAL EDUCATION PROGRAM" MEANS A STATE-APPROVED CAREER AND
5 TECHNICAL EDUCATION PROGRAM, AS DETERMINED BY THE DEPARTMENT.

6 (B) "CAREER AND TECHNICAL EDUCATION PROGRAM THAT PROVIDES INSTRUCTION IN CRITICAL
7 SKILLS AND HIGH-DEMAND CAREER FIELD" MEANS A CAREER AND TECHNICAL EDUCATION PROGRAM
8 CLASSIFIED UNDER ANY OF THE FOLLOWING 2-DIGIT CLASSIFICATION OF INSTRUCTIONAL PROGRAMS
9 (CIP) CODES:

10 (i) 01, WHICH REFERS TO "AGRICULTURE, AGRICULTURE OPERATIONS, AND RELATED
11 SCIENCES".

12 (ii) 03, WHICH REFERS TO "NATURAL RESOURCES AND CONSERVATION".

13 (iii) 10 THROUGH 11, WHICH REFERS TO "COMMUNICATIONS TECHNOLOGIES/TECHNICIANS AND
14 SUPPORT SERVICES" AND "COMPUTER AND INFORMATION SCIENCES AND SUPPORT SERVICES".

15 (iv) 14 THROUGH 15, WHICH REFERS TO "ENGINEERING" AND "ENGINEERING TECHNOLOGIES
16 AND ENGINEERING-RELATED FIELDS".

17 (v) 26, WHICH REFERS TO "BIOLOGICAL AND BIOMEDICAL SCIENCES".

18 (vi) 46 THROUGH 48, WHICH REFERS TO "CONSTRUCTION TRADES", "MECHANIC AND REPAIR
19 TECHNOLOGIES/TECHNICIANS", AND "PRECISION PRODUCTION".

20 (vii) 51, WHICH REFERS TO "HEALTH PROFESSIONS AND RELATED PROGRAMS".

21 Sec. 62. (1) For the purposes of this section:

22 (a) "Membership" means for a particular fiscal year the total membership for the
23 immediately preceding fiscal year of the intermediate district and the districts
24 constituent to the intermediate district or the total membership for the immediately
25 preceding fiscal year of the area vocational-technical program.

26 (b) "Millage levied" means the millage levied for area vocational-technical
27 education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to

380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, the membership and taxable value of that district shall not be included in the membership and taxable value of the intermediate district. However, the membership and taxable value of a district that has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, shall be included in the membership and taxable value of the intermediate district if the district meets both of the following:

(i) The district operates the area vocational-technical education program pursuant to a contract with the intermediate district.

(ii) The district contributes an annual amount to the operation of the program that is commensurate with the revenue that would have been raised for operation of the program if millage were levied in the district for the program under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690.

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$9,190,000.00 ~~each~~ **FOR** fiscal year ~~for 2016-2017 and for 2017-2018-2018-2019~~ to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

~~(3) Reimbursement for the millages levied in 2015-2016 shall be made in 2016-2017 at an amount per 2015-2016 membership pupil computed by subtracting from \$198,100.00~~

~~the 2015-2016 taxable value behind each membership pupil and multiplying the resulting difference by the 2015-2016 millage levied.~~

(3) ~~(4)~~ Reimbursement for those millages levied in ~~2016-2017-2017-2018~~ shall be made in ~~2017-2018-2018-2019~~ at an amount per ~~2016-2017-2017-2018~~ membership pupil computed by subtracting from ~~\$199,000.00~~ **\$205,600.00** the ~~2016-2017-2017-2018~~ taxable value behind each membership pupil and multiplying the resulting difference by the ~~2016-2017-2017-2018~~ millage levied, and then subtracting from that amount the ~~2016-2017-2017-2018~~ local community stabilization share revenue for area vocational technical education behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

(4) ~~(5)~~ The amount paid to a single intermediate district under this section shall not exceed 38.4% of the total amount allocated under subsection (2).

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

Sec. 64b. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$1,750,000.00 for ~~2017-2018-2018-2019~~ for supplemental payments to districts that support the attendance of district pupils in grades 9 to 12 under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that support the attendance of district pupils in a concurrent enrollment program if the district meets the requirements under subsection (3). Programs funded under this section are intended to increase the number of pupils who are college- and career-ready upon high school graduation.

(2) To be eligible for payments under this section for supporting the attendance of district pupils under the postsecondary enrollment options act, 1996 PA 160, MCL

1 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258,
2 MCL 388.1901 to 388.1913, a district shall do all of the following:

3 (a) Provide information to all high school pupils on postsecondary enrollment
4 options, including enrollment eligibility, the institutions and types of courses that
5 are eligible for participation, the decision-making process for granting academic
6 credit, and an explanation of eligible charges that will be paid by the district.

7 (b) Enter into a written agreement with a postsecondary institution before the
8 enrollment of district pupils.

9 (c) Agree to pay all eligible charges pursuant to section 21b.

10 (d) Award high school credit for the postsecondary course if the pupil
11 successfully completes the course.

12 (3) To be eligible for payments under this section for pupils enrolled in a
13 concurrent enrollment program, a district shall do all of the following:

14 (a) Provide information to all high school pupils on postsecondary enrollment
15 options, including enrollment eligibility, the institutions and types of courses that
16 are eligible for participation, the decision-making process for granting academic
17 credit, and an explanation of eligible charges that will be paid by the district.

18 (b) Enter into a written agreement with a postsecondary institution establishing
19 the concurrent enrollment program before the enrollment of district pupils in a
20 postsecondary course through the postsecondary institution.

21 (c) Ensure that the course is taught by either a high school teacher or
22 postsecondary faculty pursuant to standards established by the postsecondary
23 institution with which the district has entered into a written agreement to operate
24 the concurrent enrollment program.

25 (d) Ensure that the written agreement provides that the postsecondary institution
26 agrees not to charge the pupil for any cost of the program.

27 (e) Ensure that the course is taught in the local district or intermediate

1 district.

2 (f) Ensure that the pupil is awarded both high school and college credit at a
3 community college or state public university in this state upon successful completion
4 of the course as outlined in the agreement with the postsecondary institution.

5 (4) Funds shall be awarded to eligible districts under this section in the
6 following manner:

7 (a) A payment of \$10.00 per credit, for up to 3 credits, for a credit-bearing
8 course in which a pupil enrolls during the current school year, as described under
9 either subsection (2) or (3).

10 (b) An additional payment of \$30.00 per-pupil per course identified in
11 subdivision (a), if the pupil successfully completes, and is awarded both high school
12 and postsecondary credit for, the course during the current school year.

13 (5) A district requesting payment under this section shall submit an application
14 to the department in the form and manner prescribed by the department. Notwithstanding
15 section 17b, payments under this section shall be made on a schedule determined by the
16 department.

17 Sec. 67. (1) From the general fund amount appropriated in section 11, there is
18 allocated an amount not to exceed \$3,000,000.00 for ~~2017-2018-2018-2019~~ for college
19 access programs. The programs funded under this section are intended to inform
20 students of college and career options and to provide resources intended to increase
21 the number of pupils who are adequately prepared with the information needed to make
22 informed decisions on college and career. The funds appropriated under this section
23 are intended to be used to increase the number of Michigan residents with high-quality
24 degrees or credentials. Funds appropriated under this section shall not be used to
25 supplant funding for counselors already funded by districts.

26 (2) The talent investment agency of the department of talent and economic
27 development shall administer funds allocated under this section in collaboration with

1 the Michigan college access network. These funds may be used for any of the following
2 purposes:

3 (a) Michigan college access network operations, programming, and services to
4 local college access networks.

5 (b) Local college access networks, which are community-based college
6 access/success partnerships committed to increasing the college participation and
7 completion rates within geographically defined communities through a coordinated
8 strategy.

9 (c) The Michigan college advising program, a program intended to place trained,
10 recently graduated college advisors in high schools that serve significant numbers of
11 low-income and first-generation college-going pupils. State funds used for this
12 purpose may not exceed 33% of the total funds available under this subsection.

13 (d) Subgrants of up to \$5,000.00 to districts with comprehensive high schools
14 that establish a college access team and implement specific strategies to create a
15 college-going culture in a high school in a form and manner approved by the Michigan
16 college access network and the Michigan talent investment agency.

17 (e) The Michigan college access portal, an online one-stop portal to help pupils
18 and families plan and apply for college.

19 (f) Public awareness and outreach campaigns to encourage low-income and first-
20 generation college-going pupils to take necessary steps toward college and to assist
21 pupils and families in completing a timely and accurate free application for federal
22 student aid.

23 (g) Subgrants to postsecondary institutions to recruit, hire, and train college
24 student mentors and college advisors to assist high school pupils in navigating the
25 postsecondary planning and enrollment process.

26 (3) For the purposes of this section, "college" means any postsecondary
27 educational opportunity that leads to a career, including, but not limited to, a

1 postsecondary degree, industry-recognized technical certification, or registered
2 apprenticeship.

3 Sec. 74. (1) From the amount appropriated in section 11, there is allocated an
4 amount not to exceed ~~\$3,730,300.00~~ **\$3,754,900.00** for ~~2017-2018-2018-2019~~ for the
5 purposes of this section.

6 (2) From the allocation in subsection (1), there is allocated for each fiscal
7 year the amount necessary for payments to state supported colleges or universities and
8 intermediate districts providing school bus driver safety instruction pursuant to
9 section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments
10 shall be in an amount determined by the department not to exceed the actual cost of
11 instruction and driver compensation for each public or nonpublic school bus driver
12 attending a course of instruction. For the purpose of computing compensation, the
13 hourly rate allowed each school bus driver shall not exceed the hourly rate received
14 for driving a school bus. Reimbursement compensating the driver during the course of
15 instruction shall be made by the department to the college or university or
16 intermediate district providing the course of instruction.

17 (3) From the allocation in subsection (1), there is allocated for ~~2017-2018-2018-~~
18 ~~2019~~ the amount necessary to pay the reasonable costs of nonspecial education
19 auxiliary services transportation provided pursuant to section 1323 of the revised
20 school code, MCL 380.1323. Districts funded under this subsection shall not receive
21 funding under any other section of this article for nonspecial education auxiliary
22 services transportation.

23 (4) From the funds allocated in subsection (1), there is allocated an amount not
24 to exceed ~~\$1,705,300.00~~ **\$1,729,900.00** for ~~2017-2018-2018-2019~~ for reimbursement to
25 districts and intermediate districts for costs associated with the inspection of
26 school buses and pupil transportation vehicles by the department of state police as
27 required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a,

1 and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The
2 department of state police shall prepare a statement of costs attributable to each
3 district for which bus inspections are provided and submit it to the department and to
4 an intermediate district serving as fiduciary in a time and manner determined jointly
5 by the department and the department of state police. Upon review and approval of the
6 statement of cost, the department shall forward to the designated intermediate
7 district serving as fiduciary the amount of the reimbursement on behalf of each
8 district and intermediate district for costs detailed on the statement within 45 days
9 after receipt of the statement. The designated intermediate district shall make
10 payment in the amount specified on the statement to the department of state police
11 within 45 days after receipt of the statement. The total reimbursement of costs under
12 this subsection shall not exceed the amount allocated under this subsection.
13 Notwithstanding section 17b, payments to eligible entities under this subsection shall
14 be paid on a schedule prescribed by the department.

15 Sec. 81. (1) From the appropriation in section 11, there is allocated for ~~2017-~~
16 ~~2018-2019~~ to the intermediate districts the sum necessary, but not to exceed
17 \$67,108,000.00 to provide state aid to intermediate districts under this section.

18 (2) The amount allocated under this section to each intermediate district is an
19 amount equal to 100% of the amount allocated to the intermediate district under this
20 section for ~~2016-2017-2017-2018~~. Funding provided under this section shall be used to
21 comply with requirements of this article and the revised school code that are
22 applicable to intermediate districts, and for which funding is not provided elsewhere
23 in this article, and to provide technical assistance to districts as authorized by the
24 intermediate school board.

25 (3) Intermediate districts receiving funds under this section, shall collaborate
26 with the department to develop expanded professional development opportunities for
27 teachers to update and expand their knowledge and skills needed to support the

1 Michigan merit curriculum.

2 (4) From the allocation in subsection (1), there is allocated to an intermediate
3 district, formed by the consolidation or annexation of 2 or more intermediate
4 districts or the attachment of a total intermediate district to another intermediate
5 school district or the annexation of all of the constituent K-12 districts of a
6 previously existing intermediate school district which has disorganized, an additional
7 allotment of \$3,500.00 each fiscal year for each intermediate district included in the
8 new intermediate district for 3 years following consolidation, annexation, or
9 attachment.

10 (5) In order to receive funding under this section, an intermediate district
11 shall do all of the following:

12 (a) Demonstrate to the satisfaction of the department that the intermediate
13 district employs at least 1 person who is trained in pupil accounting and auditing
14 procedures, rules, and regulations.

15 (b) Demonstrate to the satisfaction of the department that the intermediate
16 district employs at least 1 person who is trained in rules, regulations, and district
17 reporting procedures for the individual-level student data that serves as the basis
18 for the calculation of the district and high school graduation and dropout rates.

19 (c) Comply with sections 1278a and 1278b of the revised school code, MCL
20 380.1278a and 380.1278b.

21 (d) Furnish data and other information required by state and federal law to the
22 center and the department in the form and manner specified by the center or the
23 department, as applicable.

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

25 (f) Comply with section 761 of the revised school code, MCL 380.761.

26 Sec. 94. (1) From the general fund appropriation in section 11, there is
27 allocated to the department for ~~2017-2018-2018-2019~~ an amount not to exceed

1 \$750,000.00 for efforts to increase the number of pupils who participate and succeed
2 in advanced placement and international baccalaureate programs.

3 (2) From the funds allocated under this section, the department shall award funds
4 to cover all or part of the costs of advanced placement test fees or international
5 baccalaureate test fees and international baccalaureate registration fees for low-
6 income pupils who take an advanced placement or an international baccalaureate test.
7 Payments shall not exceed \$20.00 per test completed or \$150.00 per international
8 baccalaureate registration fees per pupil registered.

9 (3) The department shall only award funds under this section if the department
10 determines that all of the following criteria are met:

11 (a) Each pupil for whom payment is made meets eligibility requirements of the
12 federal advanced placement test fee program under section 1701 of the no child left
13 behind act of 2001, Public Law 107-110, or under a corresponding provision of the
14 every student succeeds act, Public Law 114-95.

15 (b) The tests are administered by the college board, the international
16 baccalaureate organization, or another test provider approved by the department.

17 (c) The pupil for whom payment is made pays at least \$5.00 toward the cost of
18 each test for which payment is made.

19 (4) The department shall establish procedures for awarding funds under this
20 section.

21 (5) Notwithstanding section 17b, payments under this section shall be made on a
22 schedule determined by the department.

23 Sec. 94a. (1) There is created within the state budget office in the department
24 of technology, management, and budget the center for educational performance and
25 information. The center shall do all of the following:

26 (a) Coordinate the collection of all data required by state and federal law from
27 districts, intermediate districts, and postsecondary institutions.

1 (b) Create, maintain, and enhance this state's P-20 longitudinal data system and
2 ensure that it meets the requirements of subsection (4).

3 (c) Collect data in the most efficient manner possible in order to reduce the
4 administrative burden on reporting entities, including, but not limited to, electronic
5 transcript services.

6 (d) Create, maintain, and enhance this state's web-based educational portal to
7 provide information to school leaders, teachers, researchers, and the public in
8 compliance with all federal and state privacy laws. Data shall include, but are not
9 limited to, all of the following:

10 (i) Data sets that link teachers to student information, allowing districts to
11 assess individual teacher impact on student performance and consider student growth
12 factors in teacher and principal evaluation systems.

13 (ii) Data access or, if practical, data sets, provided for regional data hubs
14 that, in combination with local data, can improve teaching and learning in the
15 classroom.

16 (iii) Research-ready data sets for researchers to perform research that advances
17 this state's educational performance.

18 (e) Provide data in a useful manner to allow state and local policymakers to make
19 informed policy decisions.

20 (f) Provide public reports to the citizens of this state to allow them to assess
21 allocation of resources and the return on their investment in the education system of
22 this state.

23 (g) Other functions as assigned by the state budget director.

24 (2) Each state department, officer, or agency that collects information from
25 districts, intermediate districts, or postsecondary institutions as required under
26 state or federal law shall make arrangements with the center to ensure that the state
27 department, officer, or agency is in compliance with subsection (1). This subsection

1 does not apply to information collected by the department of treasury under the
2 uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised
3 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
4 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or
5 section 1351a of the revised school code, MCL 380.1351a.

6 (3) The center may enter into any interlocal agreements necessary to fulfill its
7 functions.

8 (4) The center shall ensure that the P-20 longitudinal data system required under
9 subsection (1)(b) meets all of the following:

10 (a) Includes data at the individual student level from preschool through
11 postsecondary education and into the workforce.

12 (b) Supports interoperability by using standard data structures, data formats,
13 and data definitions to ensure linkage and connectivity in a manner that facilitates
14 the exchange of data among agencies and institutions within the state and between
15 states.

16 (c) Enables the matching of individual teacher and student records so that an
17 individual student may be matched with those teachers providing instruction to that
18 student.

19 (d) Enables the matching of individual teachers with information about their
20 certification and the institutions that prepared and recommended those teachers for
21 state certification.

22 (e) Enables data to be easily generated for continuous improvement and decision-
23 making, including timely reporting to parents, teachers, and school leaders on student
24 achievement.

25 (f) Ensures the reasonable quality, validity, and reliability of data contained
26 in the system.

27 (g) Provides this state with the ability to meet federal and state reporting

1 requirements.

2 (h) For data elements related to preschool through grade 12 and postsecondary,
3 meets all of the following:

4 (i) Contains a unique statewide student identifier that does not permit a student
5 to be individually identified by users of the system, except as allowed by federal and
6 state law.

7 (ii) Contains student-level enrollment, demographic, and program participation
8 information.

9 (iii) Contains student-level information about the points at which students exit,
10 transfer in, transfer out, drop out, or complete education programs.

11 (iv) Has the capacity to communicate with higher education data systems.

12 (i) For data elements related to preschool through grade 12 only, meets all of
13 the following:

14 (i) Contains yearly test records of individual students for assessments approved
15 by DED-OESE for accountability purposes under section 1111(b) of the elementary and
16 secondary education act of 1965, 20 USC 6311, including information on individual
17 students not tested, by grade and subject.

18 (ii) Contains student-level transcript information, including information on
19 courses completed and grades earned.

20 (iii) Contains student-level college readiness test scores.

21 (j) For data elements related to postsecondary education only:

22 (i) Contains data that provide information regarding the extent to which
23 individual students transition successfully from secondary school to postsecondary
24 education, including, but not limited to, all of the following:

25 (A) Enrollment in remedial coursework.

26 (B) Completion of 1 year's worth of college credit applicable to a degree within
27 2 years of enrollment.

1 (ii) Contains data that provide other information determined necessary to address
2 alignment and adequate preparation for success in postsecondary education.

3 (5) From the general fund appropriation in section 11, there is allocated an
4 amount not to exceed ~~\$10,173,200.00 for 2016-2017 and an amount not to exceed~~
5 ~~\$16,216,000.00-\$16,356,700.00 for 2017-2018-2018-2019~~ to the department of technology,
6 management, and budget to support the operations of the center. In addition, from the
7 federal funds appropriated in section 11 there is allocated for ~~each~~ fiscal year ~~for~~
8 ~~2016-2017 and for 2017-2018-2018-2019~~ the amount necessary, estimated at \$193,500.00,
9 to support the operations of the center and to establish a P-20 longitudinal data
10 system necessary for state and federal reporting purposes. The center shall cooperate
11 with the department to ensure that this state is in compliance with federal law and is
12 maximizing opportunities for increased federal funding to improve education in this
13 state.

14 (6) From the funds allocated in subsection (5), the center may use an amount
15 determined by the center for competitive grants for ~~2017-2018-2018-2019~~ to support
16 collaborative efforts on the P-20 longitudinal data system. All of the following apply
17 to grants awarded under this subsection:

18 (a) The center shall award competitive grants to eligible intermediate districts
19 or a consortium of intermediate districts based on criteria established by the center.

20 (b) Activities funded under the grant shall support the P-20 longitudinal data
21 system portal and may include portal hosting, hardware and software acquisition,
22 maintenance, enhancements, user support and related materials, and professional
23 learning tools and activities aimed at improving the utility of the P-20 longitudinal
24 data system.

25 (c) An applicant that received a grant under this subsection for the immediately
26 preceding fiscal year shall receive priority for funding under this section. However,
27 after 3 fiscal years of continuous funding, an applicant is required to compete openly

1 with new applicants.

2 (7) Funds allocated under this section that are not expended in the fiscal year
3 in which they were allocated may be carried forward to a subsequent fiscal year and
4 are appropriated for the purposes for which the funds were originally allocated.

5 (8) The center may bill departments as necessary in order to fulfill reporting
6 requirements of state and federal law. The center may also enter into agreements to
7 supply custom data, analysis, and reporting to other principal executive departments,
8 state agencies, local units of government, and other individuals and organizations.
9 The center may receive and expend funds in addition to those authorized in subsection
10 (5) to cover the costs associated with salaries, benefits, supplies, materials, and
11 equipment necessary to provide such data, analysis, and reporting services.

12 (9) As used in this section:

13 (a) "DED-OESE" means the United States Department of Education Office of
14 Elementary and Secondary Education.

15 (b) "State education agency" means the department.

16 Sec. 98. (1) From the general fund money appropriated in section 11, there is
17 allocated an amount not to exceed \$7,387,500.00 for ~~2017-2018-2018-2019~~ for the
18 purposes described in this section. The Michigan Virtual University shall provide a
19 report to the legislature not later than November 1, ~~2017~~ **OF EACH YEAR**, that includes
20 its mission, its plans, and proposed benchmarks it must meet, which shall include a
21 plan to achieve a ~~50% increase in documented improvement in each requirement of the~~
22 ~~Michigan Virtual Learning Research Institute and Michigan Virtual School, and all~~
23 ~~other~~ **THE** organizational priorities identified in this section, in order to receive
24 full funding for ~~2018-2019-2019-2020~~. Not later than March 1, ~~2018~~ **OF EACH YEAR**, the
25 Michigan Virtual University shall provide an update to the house and senate
26 appropriations subcommittees on school aid to show the progress being made to meet the
27 benchmarks identified.

1 (2) The Michigan Virtual University shall operate the Michigan Virtual Learning
2 Research Institute. The Michigan Virtual Learning Research Institute shall do all of
3 the following:

4 (a) Support and accelerate innovation in education through the following
5 activities:

6 (i) Test, evaluate, and recommend as appropriate new technology-based
7 instructional tools and resources.

8 (ii) Research, design, and recommend virtual education delivery models for use by
9 pupils and teachers that include age-appropriate multimedia instructional content.

10 (iii) Research, develop, and recommend annually to the department criteria by
11 which cyber schools and virtual course providers should be monitored and evaluated to
12 ensure a quality education for their pupils.

13 (iv) Based on pupil completion and performance data reported to the department or
14 the center for educational performance and information from cyber schools and other
15 virtual course providers operating in this state, analyze the effectiveness of virtual
16 learning delivery models in preparing pupils to be college- and career-ready and
17 publish a report that highlights enrollment totals, completion rates, and the overall
18 impact on pupils. The report shall be submitted to the house and senate appropriations
19 subcommittees on state school aid, the state budget director, the house and senate
20 fiscal agencies, the department, districts, and intermediate districts not later than
21 March 31, ~~2018~~ **OF EACH YEAR.**

22 (v) Provide an extensive professional development program to at least 30,000
23 educational personnel, including teachers, school administrators, and school board
24 members, that focuses on the effective integration of virtual learning into curricula
25 and instruction. The Michigan Virtual Learning Research Institute is encouraged to
26 work with the MiSTEM advisory council created under section 99s to coordinate
27 professional development of teachers in applicable fields. In addition, the Michigan

1 Virtual Learning Research Institute and external stakeholders are encouraged to
2 coordinate with the department for professional development in this state. Not later
3 than December 1, ~~2018~~ **OF EACH YEAR**, the Michigan Virtual Learning Research Institute
4 shall submit a report to the house and senate appropriations subcommittees on state
5 school aid, the state budget director, the house and senate fiscal agencies, and the
6 department on the number ~~and percentage~~ of teachers, school administrators, and school
7 board members who have received professional development services from the Michigan
8 Virtual University. The report shall also identify barriers and other opportunities to
9 encourage the adoption of virtual learning in the public education system.

10 (vi) Identify and share best practices for planning, implementing, and evaluating
11 virtual and blended education delivery models with intermediate districts, districts,
12 and public school academies to accelerate the adoption of innovative education
13 delivery models statewide.

14 (b) Provide leadership for this state's system of virtual learning education by
15 doing the following activities:

16 (i) Develop and report policy recommendations to the governor and the legislature
17 that accelerate the expansion of effective virtual learning in this state's schools.

18 (ii) Provide a clearinghouse for research reports, academic studies, evaluations,
19 and other information related to virtual learning.

20 (iii) Promote and distribute the most current instructional design standards and
21 guidelines for virtual teaching.

22 (iv) In collaboration with the department and interested colleges and
23 universities in this state, support implementation and improvements related to
24 effective virtual learning instruction.

25 (v) Pursue public/private partnerships that include districts to study and
26 implement competency-based technology-rich virtual learning models.

27 (vi) Create a statewide network of school-based mentors serving as liaisons

1 between pupils, virtual instructors, parents, and school staff, as provided by the
2 department or the center, and provide mentors with research-based training and
3 technical assistance designed to help more pupils be successful virtual learners.

4 (vii) Convene focus groups and conduct annual surveys of teachers,
5 administrators, pupils, parents, and others to identify barriers and opportunities
6 related to virtual learning.

7 (viii) Produce an annual consumer awareness report for schools and parents about
8 effective virtual education providers and education delivery models, performance data,
9 cost structures, and research trends.

10 (ix) ~~Research and establish~~ **PROVIDE** an internet-based platform that educators can
11 use to create student-centric learning tools and resources **FOR SHARING IN THE STATE'S**
12 **OPEN EDUCATIONAL RESOURCE REPOSITORY** and facilitate a user network that assists
13 educators in using the **CONTENT CREATION** platform **AND STATE REPOSITORY FOR OPEN**
14 **EDUCATIONAL RESOURCES**. As part of this initiative, the Michigan Virtual University
15 shall work collaboratively with districts and intermediate districts to establish a
16 plan to make available virtual resources that align to Michigan's K-12 curriculum
17 standards for use by students, educators, and parents.

18 (x) Create and maintain a public statewide catalog of virtual learning courses
19 being offered by all public schools and community colleges in this state. The Michigan
20 Virtual Learning Research Institute shall identify and develop a list of nationally
21 recognized best practices for virtual learning and use this list to support reviews of
22 virtual course vendors, courses, and instructional practices. The Michigan Virtual
23 Learning Research Institute shall also provide a mechanism for intermediate districts
24 to use the identified best practices to review content offered by constituent
25 districts. The Michigan Virtual Learning Research Institute shall review the virtual
26 course offerings of the Michigan Virtual University, and make the results from these
27 reviews available to the public as part of the statewide catalog. The Michigan Virtual

1 Learning Research Institute shall ensure that the statewide catalog is made available
2 to the public on the Michigan Virtual University website and shall allow the ability
3 to link it to each district's website as provided for in section 21f. The statewide
4 catalog shall also contain all of the following:

5 (A) The number of enrollments in each virtual course in the immediately preceding
6 school year.

7 (B) The number of enrollments that earned 60% or more of the total course points
8 for each virtual course in the immediately preceding school year.

9 (C) The ~~completion~~ **PASS** rate for each virtual course.

10 (xi) ~~Develop prototype and pilot~~ **SUPPORT** registration, payment services, and
11 transcript functionality ~~to~~ **FOR** the statewide catalog and train key stakeholders on
12 how to use new features.

13 (xii) Collaborate with key stakeholders to examine district level accountability
14 and teacher effectiveness issues related to virtual learning under section 21f and
15 make findings and recommendations publicly available.

16 (xiii) Provide a report on the activities of the Michigan Virtual Learning
17 Research Institute.

18 (3) To further enhance its expertise and leadership in virtual learning, the
19 Michigan Virtual University shall continue to operate the Michigan Virtual School as a
20 statewide laboratory and quality model of instruction by implementing virtual and
21 blended learning solutions for Michigan schools in accordance with the following
22 parameters:

23 (a) The Michigan Virtual School must maintain its accreditation status from
24 recognized national and international accrediting entities.

25 (b) The Michigan Virtual University shall use no more than \$1,000,000.00 of the
26 amount allocated under this section to subsidize the cost paid by districts for
27 virtual courses.

1 (c) In providing educators responsible for the teaching of virtual courses as
2 provided for in this section, the Michigan Virtual School shall follow the
3 requirements to request and assess, and the department of state police shall provide a
4 criminal history check and criminal records check under sections 1230 and 1230a of the
5 revised school code, MCL 380.1230 and 380.1230a., in the same manner as if the
6 Michigan Virtual School were a school district under those sections.

7 (4) From the funds allocated under subsection (1), the Michigan Virtual
8 University shall allocate up to \$500,000.00 to support the expansion of new online and
9 blended educator professional development programs.

10 (5) If the course offerings are included in the statewide catalog of virtual
11 courses under subsection (2)(b)(x), the Michigan Virtual School operated by the
12 Michigan Virtual University may offer virtual course offerings, including, but not
13 limited to, all of the following:

14 (a) Information technology courses.

15 (b) College level equivalent courses, as defined in section 1471 of the revised
16 school code, MCL 380.1471.

17 (c) Courses and dual enrollment opportunities.

18 (d) Programs and services for at-risk pupils.

19 (e) High school equivalency test preparation courses for adjudicated youth.

20 (f) Special interest courses.

21 (g) Professional development programs for teachers, school administrators, other
22 school employees, and school board members.

23 (6) If a home-schooled or nonpublic school student is a resident of a district
24 that subscribes to services provided by the Michigan Virtual School, the student may
25 use the services provided by the Michigan Virtual School to the district without
26 charge to the student beyond what is charged to a district pupil using the same
27 services.

1 (7) Not later than December 1 of each fiscal year, the Michigan Virtual
2 University shall provide a report to the house and senate appropriations subcommittees
3 on state school aid, the state budget director, the house and senate fiscal agencies,
4 and the department that includes at least all of the following information related to
5 the Michigan Virtual School for the preceding state fiscal year:

6 (a) A list of the districts served by the Michigan Virtual School.

7 (b) A list of virtual course titles available to districts.

8 (c) The total number of virtual course enrollments and information on
9 registrations and completions by course.

10 (d) The overall course completion rate percentage.

11 (8) In addition to the information listed in subsection (7), the report under
12 subsection (7) shall also include a plan to serve at least 600 schools with courses
13 from the Michigan Virtual School or with content available through the internet-based
14 platform identified in subsection (2)(b)(ix).

15 (9) The governor may appoint an advisory group for the Michigan Virtual Learning
16 Research Institute established under subsection (2). The members of the advisory group
17 shall serve at the pleasure of the governor and shall serve without compensation. The
18 purpose of the advisory group is to make recommendations to the governor, the
19 legislature, and the president and board of the Michigan Virtual University that will
20 accelerate innovation in this state's education system in a manner that will prepare
21 elementary and secondary students to be career and college ready and that will promote
22 the goal of increasing the percentage of citizens of this state with high-quality
23 degrees and credentials to at least 60% by 2025.

24 (10) Not later than November 1, ~~2017~~ **OF EACH YEAR**, the Michigan Virtual
25 University shall submit to the house and senate appropriations subcommittees on state
26 school aid, the state budget director, and the house and senate fiscal agencies a
27 detailed budget for the ~~2017-2018-2018-2019~~ fiscal year that includes a breakdown on

its projected costs to deliver virtual educational services to districts and a summary of the anticipated fees to be paid by districts for those services. Not later than March 1 each year, the Michigan Virtual University 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 breakdown on its actual costs to deliver virtual educational services to districts and a summary of the actual fees paid by districts for those services based on audited financial statements for the immediately preceding fiscal year.

(11) As used in this section:

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

(b) "Cyber school" means a full-time instructional program of virtual courses for pupils that may or may not require attendance at a physical school location.

(c) "Virtual course" means a course of study that is capable of generating a credit or a grade and that is provided in an interactive learning environment in which the majority of the curriculum is delivered using the internet and in which pupils are separated from their instructor or teacher of record by time or location, or both.

Sec. 99h. (1) From the state school aid fund appropriation in section 11, there is allocated an amount not to exceed \$2,500,000.00 for ~~2017-2018-2018-2019~~ for competitive grants to districts, ~~and from the general fund appropriation in section 11, there is allocated an amount not to exceed \$300,000.00 for 2017-2018 for competitive grants to nonpublic schools,~~ **INTERMEDIATE SCHOOL DISTRICTS, AND PUBLIC SCHOOL ACADEMIES** that provide pupils in grades K to 12 with expanded opportunities to

1 improve mathematics, science, and technology skills by participating in events hosted
 2 by a science and technology development program known as FIRST (for inspiration and
 3 recognition of science and technology) Robotics, including JR FIRST Lego League, FIRST
 4 Lego League, FIRST tech challenge, and FIRST Robotics competition. Programs funded
 5 under this section are intended to increase the number of pupils demonstrating
 6 proficiency in science and mathematics on the state assessments and to increase the
 7 number of pupils who are college- and career-ready upon high school graduation.

8 Notwithstanding section 17b, grant payments to districts ~~and nonpublic schools,~~
 9 **INTERMEDIATE SCHOOL DISTRICTS, AND PUBLIC SCHOOL ACADEMIES** under this section shall be
 10 paid on a schedule determined by the department. The department shall set maximum
 11 grant awards for each different level of competition in a manner that both maximizes
 12 the number of teams that will be able to receive funds and expands the geographical
 13 distribution of teams.

14 (2) A district ~~or nonpublic school,~~ **INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC**
 15 **SCHOOL ACADEMY** applying for a grant under this section shall submit an application in
 16 a form and manner determined by the department. To be eligible for a grant, a district
 17 ~~or nonpublic school,~~ **INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY** shall
 18 demonstrate in its application that ~~the district or nonpublic school~~ **IT** has
 19 established a partnership for the purposes of the FIRST Robotics program with at least
 20 1 sponsor, business entity, higher education institution, or technical school, shall
 21 submit a spending plan, and shall pay at least 25% of the cost of the FIRST Robotics
 22 program.

23 (3) The department shall distribute the grant funding under this section for the
 24 following purposes:

25 (a) Grants to districts ~~or nonpublic schools,~~ **INTERMEDIATE SCHOOL DISTRICTS, OR**
 26 **PUBLIC SCHOOL ACADEMIES** to pay for stipends not to exceed \$1,500.00 for 1 coach per
 27 team.

(b) Grants to districts ~~or nonpublic schools~~, **INTERMEDIATE SCHOOL DISTRICTS, OR PUBLIC SCHOOL ACADEMIES** for event registrations, materials, travel costs, and other expenses associated with the preparation for and attendance at FIRST Robotics events and competitions. Each grant recipient shall provide a local match from other private or local funds for the funds received under this subdivision equal to at least 50% of the costs of participating in an event.

(c) Grants to districts ~~or nonpublic schools~~, **INTERMEDIATE SCHOOL DISTRICTS, OR PUBLIC SCHOOL ACADEMIES** for awards to teams that advance to the state and world championship competitions. The department shall determine an equal amount per team for those teams that advance to the state championship and a second equal award amount to those teams that advance to the world championship.

~~(4) A nonpublic school that receives a grant under this section may use the funds for either FIRST Robotics or Science Olympiad programs.~~

~~(5) To be eligible to receive funds under this section, a nonpublic school must be a nonpublic school registered with the department and must meet all applicable state reporting requirements for nonpublic schools.~~

Sec. 99r. (1) From the general fund appropriation under section 11, there is allocated for ~~2016-2017 an amount not to exceed \$75,000.00, and there is allocated for 2017-2018-2018-2019 an amount not to exceed \$250,000.00~~ **\$400,000.00 TO THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**, to support the ~~creation~~ **FUNCTIONS** of the **EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT FOR THE MISTEM** network.

~~(2) From the general fund allocation under this section, there is allocated for 2016-2017 an amount not to exceed \$75,000.00 to the department of technology, management, and budget to support the functions of a transitional executive director and executive assistant for the MiSTEM network. The department of technology, management, and budget shall work with the Michigan Mathematics and Science Centers Network and the MiSTEM council to hire the transitional executive director and~~

~~executive assistant. The transitional executive director and executive assistant shall work with the president and executive director of the Michigan Mathematics and Science Centers Network and the chairperson and vice chairperson of the MiSTEM council. The transitional executive director and executive assistant shall do all of the following.~~

~~(a) Develop a plan for the creation of MiSTEM network regions that does all of the following.~~

~~(i) Creates a structured relationship between the MiSTEM council, MiSTEM network executive director and executive assistant, and MiSTEM network region staff that ensures services to all regions and local communities in each region.~~

~~(ii) Empowers the MiSTEM network regions in a manner that creates a robust statewide STEM culture, empowers STEM teachers, integrates business and education into the MiSTEM network, and ensures high quality and equitable distribution of STEM experiences for pupils.~~

~~(iii) Identifies region boundaries throughout the state and identifies fiscal agents within those regions.~~

~~(iv) Identifies MiSTEM state and regional goals and objectives and processes by which goals and objectives shall be measured.~~

~~(v) Includes processes by which the MiSTEM network regions apply for MiSTEM grants, provide feedback on grant funded programming, share best practices, and create regional master plans.~~

~~(vi) Creates a marketing campaign, including, at least, an online presence which includes dashboards of outcomes for the MiSTEM network.~~

~~(b) Form a committee for the purpose of identifying each MiSTEM network region and selecting a fiscal agent and determining staffing for that region. Fiscal agents shall be an intermediate district within the region, a university within the region, or another organization that served as fiscal agent within the Michigan Mathematics and Science Centers Network. Agencies interested in serving as the region's fiscal~~

~~agent shall be included on this committee. The committee shall also include representatives of the general education leadership network and the governor's talent investment board, in addition to the math and science centers and MiSTEM council. The committee shall identify necessary staffing levels and locations of staff and determine processes by which the entire region will receive and share services. All fiscal agents for the Michigan Mathematics and Science Centers Network are required to maintain current levels of effort for the MiSTEM network as for the Michigan Mathematics and Science Centers Network.~~

~~(c) Establish a system to distribute and monitor MiSTEM grants during the creation of the MiSTEM network. The monitoring of the grants shall include conducting reviews of recipients and the experiences and feedback of pupils.~~

~~(d) Report to the governor and the legislature on the development of the MiSTEM network.~~

~~(e) Submit the plan developed under subdivision (a) to the governor and the legislature on or before December 1, 2017.~~

~~(f) Hire all MiSTEM network staff between January 1, 2018 and April 1, 2018. However, if a MiSTEM network will employ Michigan Mathematics and Science Centers Network staff, those staff may be hired after April 1, 2018.~~

~~(2)-(3) From the general fund allocation under this section, there is allocated for 2017-2018 an amount not to exceed \$250,000.00 to support a permanent executive director and an executive assistant for the MiSTEM network. After the creation of the MiSTEM network region, the transitional executive director funded under subsection (2) may be appointed as the permanent executive director, or a new permanent executive director may be hired. The permanent executive director and executive assistant FOR THE MISTEM NETWORK shall do all of the following:~~

~~(a) Serve as a liaison among and between the department, the department of technology, management, and budget, the MiSTEM advisory council, THE MICHIGAN~~

1 **MATHEMATICS AND SCIENCE CENTERS NETWORK, THE GOVERNOR'S TALENT INVESTMENT BOARD, THE**
 2 **GENERAL EDUCATION LEADERSHIP NETWORK, and the ~~regional~~ MiSTEM ~~centers~~ REGIONS** in a
 3 manner that creates a robust statewide STEM culture, that empowers STEM teachers, that
 4 integrates business and education into the STEM network, and that ensures high-quality
 5 STEM experiences for pupils.

6 (b) Coordinate the implementation of a marketing campaign, including, but not
 7 limited to, a website that includes dashboards of outcomes, to build STEM awareness
 8 and communicate STEM needs and opportunities to pupils, parents, educators, and the
 9 business community.

10 (c) ~~Award~~ **WORK WITH THE DEPARTMENT AND THE MISTEM ADVISORY COUNCIL TO COORDINATE,**
 11 **AWARD,** and monitor MiSTEM state and federal grants to the MiSTEM network regions and
 12 conduct reviews of grant recipients, including, but not limited to, pupil experience
 13 and feedback.

14 (d) Report to the governor, the legislature, **THE DEPARTMENT,** and the MiSTEM
 15 advisory council annually on the activities and performance of the MiSTEM network
 16 regions.

17 (e) Coordinate recurring discussions and work with regional staff to ensure that
 18 a network or loop of feedback and best practices are shared, including funding,
 19 programming, professional learning opportunities, discussion of MiSTEM strategic
 20 vision, and regional objectives.

21 ~~(f) Coordinate major grant application efforts with the MiSTEM advisory council~~
 22 ~~to assist regional staff with grant applications on a local level. The MiSTEM advisory~~
 23 ~~council shall leverage private and nonprofit relationships to coordinate and align~~
 24 ~~private funds in addition to funds appropriated under this section.~~

25 **(F) ~~(g)~~ Train state and regional staff in the STEMworks rating system IN**
 26 **COLLABORATION WITH THE MISTEM ADVISORY COUNCIL AND THE DEPARTMENT.**

27 **(G) COLLABORATE WITH THE MISTEM NETWORK TO HIRE MISTEM NETWORK REGION STAFF.**

1 Sec. 99s. (1) From the funds appropriated under section 11, there is allocated
2 for ~~2017-2018-2018-2019~~ an amount not to exceed ~~\$6,234,300.00~~ **\$7,434,300.00** from the
3 state school aid fund appropriation and an amount not to exceed ~~\$1,600,000.00~~
4 **\$100,000.00** from the general fund appropriation for Michigan science, technology,
5 engineering, and mathematics (MiSTEM) programs. In addition, from the federal funds
6 appropriated in section 11, there is allocated for ~~2017-2018-2018-2019~~ an amount
7 estimated at ~~\$4,700,000.00~~ **\$3,500,000.00** from DED-OESE, title II, mathematics and
8 science partnership grants. Programs funded under this section are intended to
9 increase the number of pupils demonstrating proficiency in science and mathematics on
10 the state assessments and to increase the number of pupils who are college- and
11 career-ready upon high school graduation. Notwithstanding section 17b, payments under
12 this section shall be paid on a schedule determined by the department.

13 (2) From the general fund allocation in subsection (1), there is allocated an
14 amount not to exceed ~~\$50,000.00~~ **\$100,000.00** to the department for administrative,
15 training, and travel costs related to the MiSTEM advisory council. All of the
16 following apply to the MiSTEM advisory council funded under this subsection:

17 (a) The MiSTEM advisory council is created. The MiSTEM advisory council shall
18 provide to the governor, legislature, department of talent and economic development,
19 and department recommendations designed to improve and promote innovation in STEM
20 education and to prepare students for careers in science, technology, engineering, and
21 mathematics.

22 (b) The MiSTEM advisory council created under subdivision (a) shall consist of
23 the following members:

24 (i) The governor shall appoint 11 voting members who are representative of
25 business sectors that are important to Michigan's economy and rely on a STEM-educated
26 workforce, nonprofit organizations and associations that promote STEM education, K-12
27 and postsecondary education entities involved in STEM-related career education, or

1 other sectors as considered appropriate by the governor. Each of these members shall
2 serve at the pleasure of the governor and for a term determined by the governor.

3 (ii) The senate majority leader shall appoint 2 members of the senate to serve as
4 nonvoting, ex-officio members of the MiSTEM advisory council, including 1 majority
5 party member and 1 minority party member.

6 (iii) The speaker of the house of representatives shall appoint 2 members of the
7 house of representatives to serve as nonvoting, ex-officio members of the MiSTEM
8 advisory council, including 1 majority party member and 1 minority party member.

9 (c) Each member of the MiSTEM advisory council shall serve without compensation.

10 (d) The MiSTEM advisory council annually shall review and make recommendations to
11 the governor, the legislature, and the department concerning changes to the statewide
12 strategy adopted by the council for delivering STEM education-related opportunities to
13 pupils. The MiSTEM advisory council shall use funds received under this subsection to
14 ensure that its members or their designees are trained in the Change the Equation
15 STEMworks rating system program for the purpose of rating STEM programs.

16 (e) The MiSTEM advisory council shall make specific funding recommendations for
17 the funds allocated under subsection (3) by December 15 of each fiscal year. ~~The~~
18 ~~amount of each grant recommended shall not exceed \$100,000.00.~~ Each specific funding
19 recommendation shall be for a program approved by the MiSTEM advisory council. To be
20 eligible for MiSTEM advisory council approval, a program must satisfy all of the
21 following:

22 (i) Align with this state's academic standards.

23 (ii) Have STEMworks certification.

24 (iii) Provide project-based experiential learning, student programming, or
25 educator professional learning experiences.

26 (iv) Focus predominantly on classroom-based STEM experiences or professional
27 learning experiences.

1 (f) The MiSTEM advisory council shall approve programs that **REPRESENT ALL NETWORK**
2 **REGIONS AND** include a diverse array of options for students and educators and at least
3 1 program in each of the following areas:

4 (i) Robotics.

5 (ii) Computer science or coding.

6 (iii) Engineering or bioscience.

7 (g) The MiSTEM advisory council is encouraged to work with the MiSTEM Network
8 ~~regions~~ to develop locally and regionally developed programs and professional
9 development experiences for the programs on the list of approved programs.

10 (h) If the MiSTEM advisory council is unable to make specific funding
11 recommendations by December 15 of a fiscal year, the department ~~of technology,~~
12 ~~management, and budget~~ shall award and ~~the department shall~~ distribute the funds
13 allocated under subsection (3) on a competitive grant basis that at least follows the
14 statewide STEM strategy plan and rating system recommended by the MiSTEM advisory
15 council. Each grant ~~shall not exceed \$100,000.00 and~~ must provide STEM education-
16 related opportunities for pupils.

17 (i) The MiSTEM advisory council shall work with the executive director of the
18 MiSTEM network funded under section 99r to implement the statewide STEM strategy
19 adopted by the MiSTEM advisory council.

20 (3) From the state school aid fund money allocated under subsection (1), there is
21 allocated for ~~2017-2018-2018-2019~~ an amount not to exceed \$2,850,000.00 for the
22 purpose of funding programs under this section for ~~2017-2018-2018-2019~~, as recommended
23 by the MiSTEM advisory council.

24 ~~(4) From the state school aid fund allocation under subsection (1), there is~~
25 ~~allocated for 2017-2018 an amount not to exceed \$3,299,300.00 to support the~~
26 ~~activities and programs of mathematics and science centers. In addition, from the~~
27 ~~federal funds allocated under subsection (1), there is allocated for 2017-2018 an~~

1 ~~amount estimated at \$4,700,000.00 from DED OESE, title II, mathematics and science~~
2 ~~partnership grants, for the purposes of this subsection. All of the following apply to~~
3 ~~the programs and funding under this subsection.~~

4 ~~(a) Within a service area designated locally, approved by the department, and~~
5 ~~consistent with the comprehensive master plan for mathematics and science centers~~
6 ~~developed by the department and approved by the state board, an established~~
7 ~~mathematics and science center shall provide 2 or more of the following 6 basic~~
8 ~~services, as described in the master plan, to constituent districts and communities:~~
9 ~~leadership, pupil services, curriculum support, community involvement, professional~~
10 ~~development, and resource clearinghouse services.~~

11 ~~(b) The department shall not award a state grant under this subsection to more~~
12 ~~than 1 mathematics and science center located in a designated region as prescribed in~~
13 ~~the 2007 master plan unless each of the grants serves a distinct target population or~~
14 ~~provides a service that does not duplicate another program in the designated region.~~

15 ~~(c) As part of the technical assistance process, the department shall provide~~
16 ~~minimum standard guidelines that may be used by the mathematics and science center for~~
17 ~~providing fair access for qualified pupils and professional staff as prescribed in~~
18 ~~this subsection.~~

19 ~~(d) Allocations under this subsection to support the activities and programs of~~
20 ~~mathematics and science centers shall be continuing support grants to all 33~~
21 ~~established mathematics and science centers. For 2017-2018, each established~~
22 ~~mathematics and science center shall receive state funding in an amount equal to 100%~~
23 ~~of the amount it was allocated under former section 99 for 2014-2015. If a center~~
24 ~~declines state funding or a center closes, the remaining money available under this~~
25 ~~subsection shall be distributed to the remaining centers, as determined by the~~
26 ~~department.~~

27 ~~(e) From the funds allocated under this subsection, the department shall~~

~~distribute for 2017-2018 an amount not to exceed \$750,000.00 in a form and manner determined by the department to those centers able to provide curriculum and professional development support to assist districts in implementing the Michigan merit curriculum components for mathematics and science. Funding under this subdivision is in addition to funding allocated under subdivision (d).~~

~~(f) It is the intent of the legislature that the funding allocated under this subsection represents the final year of funding for mathematics and science centers and that mathematics and science centers shall not be funded in 2018-2019.~~

~~(5) From the funds allocated under subsection (1), there is allocated an amount not to exceed \$85,000.00 to the Michigan Mathematics and Science Centers Network to reimburse intermediate school districts for transition costs incurred as the centers transition to MiSTEM network regions.~~

~~(4) (6)~~ From the ~~general fund~~ **SCHOOL AID FUND** allocation under subsection (1), there is allocated an amount not to exceed ~~\$1,400,000.00~~ **\$3,834,300.00 FOR 2018-2019** to **SUPPORT THE ACTIVITIES AND PROGRAMS OF** the MiSTEM network regions. **IN ADDITION, FROM THE FEDERAL FUNDS ALLOCATED UNDER SUBSECTION (1), THERE IS ALLOCATED FOR 2018-2019 AN AMOUNT ESTIMATED AT \$3,500,000.00 FROM DED-OESE, TITLE II, MATHEMATICS AND SCIENCE PARTNERSHIP GRANTS, FOR THE PURPOSES OF THIS SUBSECTION.** ~~For 2017-2018 Each established MiSTEM network region shall receive funding under this subsection in an amount equal to 50% of the state funding amount allocated for 2017-2018 to the mathematics and science centers located within that region to allow the MiSTEM network region to begin operating by April 1, 2018. For former mathematics and science centers with territory in more than 1 MiSTEM network region, the amount allocated shall be divided proportionally.~~ **BEGINNING IN 2018-2019, THE FISCAL AGENT FOR EACH MISTEM NETWORK REGION SHALL RECEIVE \$200,000.00 FOR THE BASE OPERATIONS OF EACH REGION. THE REMAINING DOLLARS WILL BE DISTRIBUTED TO EACH FISCAL AGENT ON AN EQUAL AMOUNT PER PUPIL BASED ON THE NUMBER OF K TO 12 PUPILS ENROLLED IN DISTRICTS WITHIN EACH REGION**

1 IN THE PRIOR YEAR.

2 (5) ~~(7)~~ A MiSTEM network region shall do all of the following:

3 (a) Collaborate with the ~~talent district career council~~ **CAREER AND EDUCATIONAL**
 4 **ADVISORY COUNCIL** that is located in the ~~prosperity~~ **MiSTEM** region to develop a regional
 5 strategic plan for STEM education that creates a robust regional STEM culture, that
 6 empowers STEM teachers, that integrates business and education into the STEM network,
 7 and that ensures high-quality STEM experiences for pupils. At a minimum, a regional
 8 STEM strategic plan should do all of the following:

9 (i) Identify regional employer need for STEM.

10 (ii) Identify processes for regional employers and educators to create guided
 11 pathways for STEM careers that include internships or externships, apprenticeships,
 12 and other experiential engagements for pupils.

13 (iii) Identify educator professional development opportunities, including
 14 internships or externships and apprenticeships, that integrate this state's ~~science~~
 15 content standards into high-quality STEM experiences that engage pupils.

16 (b) Facilitate regional STEM events such as educator and employer networking and
 17 STEM career fairs to raise STEM awareness.

18 (c) Contribute to the MiSTEM website and engage in other MiSTEM network functions
 19 to further the mission of STEM in this state in coordination with the MiSTEM advisory
 20 council and its executive director.

21 (d) Facilitate application and implementation of state and federal funds under
 22 this subsection and any other grants or funds for the MiSTEM network region.

23 (e) Work with districts to provide STEM programming and professional development.

24 (f) Coordinate recurring discussions and work with the ~~talent district career~~
 25 ~~council~~ **CAREER AND EDUCATIONAL ADVISORY COUNCIL** to ensure that feedback and best
 26 practices are being shared, including funding, program, professional learning
 27 opportunities, and regional strategic plans.

1 (6) FROM THE SCHOOL AID FUNDS ALLOCATED UNDER SUBSECTION (1), THE DEPARTMENT
2 SHALL DISTRIBUTE FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$750,000.00 IN A FORM AND
3 MANNER DETERMINED BY THE DEPARTMENT TO THOSE NETWORK REGIONS ABLE TO PROVIDE
4 CURRICULUM AND PROFESSIONAL DEVELOPMENT SUPPORT TO ASSIST DISTRICTS IN IMPLEMENTING
5 THE MICHIGAN MERIT CURRICULUM COMPONENTS FOR MATHEMATICS AND SCIENCE.

6 (7) ~~(8)~~ In order to receive state or federal funds under subsection (4) or (6), a
7 grant recipient shall allow access for the department or the department's designee to
8 audit 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 (8) ~~(9)~~ In order to receive state funds under subsection (4) or (6), a grant
11 recipient shall provide at least a 10% local match from local public or private
12 resources for the funds received under this subsection.

13 (9) ~~(10)~~ Not later than July 1, 2019 and July 1 of each year thereafter, a MiSTEM
14 network region that receives funds under subsection ~~(6)~~ (4) shall report to the
15 executive director of the MiSTEM network in a form and manner prescribed by the
16 executive director on performance measures developed by the MiSTEM network regions and
17 approved by the executive director. The performance measures shall be designed to
18 ensure that the activities of the MiSTEM network are improving student academic
19 outcomes.

20 (10) ~~(11)~~ Not more than 5% of a MiSTEM network region grant under subsection (4)
21 OR (6) may be retained by a fiscal agent for serving as the fiscal agent of a MiSTEM
22 network region.

23 (11) ~~(12)~~ As used in this section:

24 (A) "CAREER AND EDUCATIONAL ADVISORY COUNCIL", OR ITS SUCCESSOR MEANS AN ADVISORY
25 COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY REGION
26 CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR, AND PARENT REPRESENTATIVES.

27 (B) ~~(a)~~ "DED" means the United States Department of Education.

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

(D) ~~(e)~~ "STEM" means science, technology, engineering, and mathematics delivered in an integrated fashion using cross-disciplinary learning experiences that can include language arts, performing and fine arts, and career and technical education.

~~(d) "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.~~

~~(13) From the general fund allocation under subsection (1), there is allocated an amount not to exceed \$150,000.00 for 2017-2018 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.~~

~~(14) Not later than January 1, 2019, the executive director of the MiSTEM centers network shall report to the house and senate appropriations subcommittees on school aid and the house and senate fiscal agencies on the number of male and female MiSTEM center program participants and the steps, if any, that the MiSTEM centers are taking to reduce any disparity between the number of male and female participants.~~

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 ~~2017-2018-2018-2019~~ an amount not to exceed ~~\$34,709,400.00~~ **\$31,009,400.00** 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 ~~2017-2018-2018-~~ **2019** an amount estimated at \$6,250,000.00, funded from DED-OESE, title VI, state

1 assessment funds, and from DED-OSERS, section 504 of part B of the individuals with
2 disabilities education act, Public Law 94-142, plus any carryover federal funds from
3 previous year appropriations, for the purposes of complying with the federal no child
4 left behind act of 2001, Public Law 107-110, or the every student succeeds act, Public
5 Law 114-95.

6 (2) The results of each test administered as part of the Michigan student test of
7 educational progress (M-STEP), including tests administered to high school students,
8 shall include an item analysis that lists all items that are counted for individual
9 pupil scores and the percentage of pupils choosing each possible response. The
10 department shall work with the center to identify the number of students enrolled at
11 the time assessments are given by each district. In calculating the percentage of
12 pupils assessed for a district's scorecard, the department shall use only the number
13 of pupils enrolled in the district at the time the district administers the
14 assessments and shall exclude pupils who enroll in the district after the district
15 administers the assessments.

16 (3) All federal funds allocated under this section shall be distributed in
17 accordance with federal law and with flexibility provisions outlined in Public Law
18 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

19 ~~(4) From the funds allocated in subsection (1), there is allocated an amount not~~
20 ~~to exceed \$1,000,000.00 for 2017-2018 to an intermediate district described in this~~
21 ~~subsection to implement a Michigan kindergarten entry observation tool in 2017-2018.~~
22 ~~The funding under this subsection is allocated to an intermediate district in~~
23 ~~prosperity region 9 with at least 3,000 kindergarten pupils enrolled in its~~
24 ~~constituent districts to continue participation in the Maryland Ohio pilot and cover~~
25 ~~the costs of implementing the pilot observation tool, including a contract with a~~
26 ~~university for implementation of the pilot observation tool. The intermediate district~~
27 ~~shall continue implementation of the 2016-2017 pilot study with existing participating~~

~~intermediate districts during the 2017-2018 school year. The Michigan kindergarten entry observation shall be conducted in all kindergarten classrooms in districts located in prosperity regions 4, 5, and 9 beginning in August 2018. A constituent district of an intermediate district located within prosperity region 4, 5, or 9 shall administer the Maryland Ohio tool within each kindergarten classroom to either the full census of kindergarten pupils or a representative sample of not less than 35% of the enrolled kindergarten pupils in each classroom. The intermediate district receiving the funding allocated under this subsection shall work with other intermediate districts to implement the Michigan kindergarten entry observation, engage with the office of great start and the department, and provide a report to the legislature on the demonstrated readiness of kindergarten pupils within the participating intermediate districts. That intermediate district may share this funding with the other affected intermediate districts and districts. Allowable costs under this subsection include those incurred in July, August, and September 2017 as well as those incurred in 2017-2018. As used in this subsection, "kindergarten" may include a classroom for young 5 year olds, commonly referred to as "young 5s" or "developmental kindergarten". The department shall approve the language and literacy domain within the Maryland Ohio tool, also referred to as the "Kindergarten Readiness Assessment", for use by districts as an initial assessment that may be delivered to all kindergarten students to assist with identifying any possible area of concern for a student in English language arts.~~

(4) ~~(5)~~—The department shall continue to make the kindergarten entry assessment developed by the department and field tested in 2015-2016 **AND PILOTED IN 2017-2018** available to districts in ~~2017-2018.~~ **2018-2019. THE DEPARTMENT SHALL ENSURE THAT THE KINDERGARTEN ENTRY ASSESSMENT PROVIDES INFORMATION REGARDING THE EXTENT TO WHICH INDIVIDUAL STUDENTS ARE PREPARED TO TRANSITION SUCCESSFULLY FROM PREKINDERGARTEN TO KINDERGARTEN. THE DEPARTMENT SHALL WORK WITH THE CENTER TO ENSURE THAT RESULTS FROM**

1 THE KINDERGARTEN ENTRY ASSESSMENT ARE INTEGRATED IN THE P-20 LONGITUDINAL DATA SYSTEM.

2 (5) ~~(6)~~—The department may recommend, but may not require, districts to allow
3 pupils to use an external keyboard with tablet devices for online M-STEP testing,
4 including, but not limited to, open-ended test items such as constructed response or
5 equation builder items.

6 (6) ~~(7)~~—Notwithstanding section 17b, payments on behalf of districts,
7 intermediate districts, and other eligible entities under this section shall be paid
8 on a schedule determined by the department.

9 (7) ~~(8)~~—From the allocation in subsection (1), there is allocated an amount not
10 to exceed ~~\$3,200,000.00~~ **\$500,000.00** for the ~~development or selection of~~ **MAINTENANCE OF**
11 an online reporting tool to provide student-level assessment data in a secure
12 environment to educators, parents, and pupils immediately after assessments are
13 scored. The department and the center shall ensure that any data collected by the
14 online reporting tool do not provide individually identifiable student data to the
15 federal government.

16 (8) ~~(9)~~—As used in this section:

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

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

19 (c) "DED-OSERS" means the DED Office of Special Education and Rehabilitative
20 Services.

21 **AMEND** Sec. 104c. (1) In order to receive state aid under this article, a district
22 shall administer the state assessments described in this section.

23 (2) For the purposes of this section, the department shall develop **AND ADMINISTER**
24 ~~for use in the spring of 2015-2016~~ the Michigan student test of educational progress
25 (M-STEP) assessments in English language arts and mathematics. These assessments shall
26 be aligned to state standards.

27 (3) For the purposes of this section, the department shall implement a summative

1 assessment system that is proven to be valid and reliable for administration to pupils
2 as provided under this subsection. The summative assessment system shall meet all of
3 the following requirements:

4 (a) The summative assessment system shall measure student proficiency on the
5 current state standards, shall measure student growth for consecutive grade levels in
6 which students are assessed in the same subject area in both grade levels, and shall
7 be capable of measuring individual student performance.

8 (b) The summative assessments for English language arts and mathematics shall be
9 administered to all public school pupils in grades 3 to 11, including those pupils as
10 required by the federal individuals with disabilities education act, Public Law 108-
11 446, and by title I of the federal every student succeeds act (ESSA), Public Law 114-
12 95.

13 (c) The summative assessments for science shall be administered to all public
14 school pupils in at least grades ~~4 and 7~~, **5 AND 8**, including those pupils as required
15 by the federal individuals with disabilities education act, Public Law 108-446, and by
16 title I of the federal every student succeeds act (ESSA), Public Law 114-95.

17 (d) The summative assessments for social studies shall be administered to all
18 public school pupils in at least grades 5 and 8, including those pupils as required by
19 the federal individuals with disabilities education act, Public Law 108-446, and by
20 title I of the federal every student succeeds act (ESSA), Public Law 114-95.

21 (e) The content of the summative assessments shall be aligned to state standards.

22 (f) The pool of questions for the summative assessments shall be subject to a
23 transparent review process for quality, bias, and sensitive issues involving educator
24 review and comment. The department shall post samples from tests or retired tests
25 featuring questions from this pool for review by the public.

26 (g) The summative assessment system shall ensure that students, parents, and
27 teachers are provided with reports that convey individual student proficiency and

1 growth on the assessment and that convey individual student domain-level performance
2 in each subject area, including representative questions, and individual student
3 performance in meeting state standards.

4 (h) The summative assessment system shall be capable of providing, and the
5 department shall ensure that students, parents, teachers, administrators, and
6 community members are provided with, reports that convey aggregate student proficiency
7 and growth data by teacher, grade, school, and district.

8 (i) The summative assessment system shall ensure the capability of reporting the
9 available data to support educator evaluations.

10 (j) The summative assessment system shall ensure that the reports provided to
11 districts containing individual student data are available within 60 days after
12 completion of the assessments.

13 (k) The summative assessment system shall ensure that access to individually
14 identifiable student data meets all of the following:

15 (i) Is in compliance with 20 USC 1232g, commonly referred to as the family
16 educational rights and privacy act of 1974.

17 (ii) Except as may be provided for in an agreement with a vendor to provide
18 assessment services, as necessary to support educator evaluations pursuant to
19 subdivision (i), or for research or program evaluation purposes, is available only to
20 the student; to the student's parent or legal guardian; and to a school administrator
21 or teacher, to the extent that he or she has a legitimate educational interest.

22 (l) The summative assessment system shall ensure that the assessments are pilot
23 tested before statewide implementation.

24 (m) The summative assessment system shall ensure that assessments are designed so
25 that the maximum total combined length of time that schools are required to set aside
26 for a pupil to answer all test questions on all assessments that are part of the
27 system for the pupil's grade level does not exceed that maximum total combined length

of time for the previous statewide assessment system or 9 hours, whichever is less.
 This subdivision does not limit the amount of time a district may allow a pupil to
 complete a test.

(n) The total cost of executing the summative assessment system statewide each
 year, including, but not limited to, the cost of contracts for administration,
 scoring, and reporting, shall not exceed an amount equal to 2 times the cost of
 executing the previous statewide assessment after adjustment for inflation.

(o) Beginning with the 2017-2018 school year, the summative assessment system
 shall not require more than 3 hours in duration, on average, for an individual pupil
 to complete the combined administration of the math and English language arts portions
 of the assessment for any 1 grade level.

~~(4) In an effort to develop a cohesive state assessment system, the department
 shall implement a request for information process for a common formative assessment
 system that is fully aligned to this state's content standards for English language
 arts and mathematics. The department may use information compiled from a request for
 proposal in 2016-2017 to satisfy this request.~~

~~(4) (5) Beginning in the 2015-2016 school year, the~~ **THE** department shall field
~~test~~ **ADMINISTER BENCHMARK** assessments in the fall and spring of each school year to
 measure English language arts and mathematics in each of grades K to 2. ~~for full
 implementation when the assessments have been successfully field tested. This full~~
FULL implementation shall occur not later than the 2018-2019 school year. These
 assessments are necessary to determine a pupil's proficiency level before grade 3.

~~(6) Not later than November 1, 2017, the department shall issue a request for
 information for not less than 3 benchmark assessments that each meet all of the
 following:~~

~~(a) Assesses all of grades 3 through 7 in math and English language arts.~~

~~(b) Is aligned with this state's content standards such that items were written~~

~~for this state's content standards.~~

~~(c) Is computer adaptive above and below grade level.~~

~~(d) Produces a pupil's results in not more than 48 hours from the time the benchmark assessment is administered.~~

~~(e) Is self-scoring.~~

~~(f) Aligns to this state's content standards.~~

~~(g) Measures the academic growth of pupils and provides an estimate for adequate yearly growth.~~

~~(h) Demonstrates validity and reliability as appropriate for a computer adaptive assessment.~~

~~(i) Is provided by a vendor that is willing to negotiate a discounted state rate for pricing.~~

~~(7) Not later than March 1, 2018 and in consultation with experts in the field of education and educational assessment measurement, the department shall approve at least 3 benchmark assessments that were included in a response to the request for information under subsection (6) and meet the requirements described in subsection (6).~~

~~(8) The department shall use the responses to the request for information to create a benchmark assessment budget request for the 2018-2019 fiscal year.~~

(5) THE DEPARTMENT SHALL PROVIDE GUIDANCE TO DISTRICTS ON OPTIONALLY ADOPTING AND IMPLEMENTING DEPARTMENT-APPROVED BENCHMARK ASSESSMENTS FOR GRADES 3 THROUGH 7 IN ENGLISH LANGUAGE ARTS AND MATHEMATICS AND SHALL RECOMMEND THAT DISTRICTS COMMIT TO USING THE SAME BENCHMARK ASSESSMENT FOR NO LESS THAN THREE YEARS WITHOUT SWITCHING TO ANOTHER BENCHMARK ASSESSMENT.

~~(6) (9)~~ This section does not prohibit districts from adopting interim assessments.

~~(7) (10)~~ As used in this section, "English language arts" means that term as

1 defined in section 104b.

2 Sec. 107. (1) From the appropriation in section 11, there is allocated an amount
3 not to exceed \$27,000,000.00 for ~~2017-2018-2018-2019~~ for adult education programs
4 authorized under this section. Except as otherwise provided under subsections (14)~~7~~
5 ~~(15), and (19),~~ **AND (15)** funds allocated under this section are restricted for adult
6 education programs as authorized under this section only. A recipient of funds under
7 this section shall not use those funds for any other purpose.

8 (2) To be eligible for funding under this section, an eligible adult education
9 provider shall employ certificated teachers and qualified administrative staff and
10 shall offer continuing education opportunities for teachers to allow them to maintain
11 certification.

12 (3) To be eligible to be a participant funded under this section, an individual
13 shall be enrolled in an adult basic education program, an adult secondary education
14 program, an adult English as a second language program, a high school equivalency test
15 preparation program, or a high school completion program, that meets the requirements
16 of this section, and for which instruction is provided, and **THE INDIVIDUAL** shall **HAVE**
17 **ATTAINED 18 YEARS OF AGE AND THE INDIVIDUAL'S GRADUATING CLASS HAS GRADUATED.** ~~meet~~
18 ~~either of the following:~~

19 ~~(a) Has attained 20 years of age.~~

20 ~~(b) Has attained 18 years of age and the individual's graduating class has~~
21 ~~graduated.~~

22 (4) By April 1 of each fiscal year, the intermediate districts within a
23 prosperity region or subregion shall determine which intermediate district will serve
24 as the prosperity region's or subregion's fiscal agent for the next fiscal year and
25 shall notify the department in a form and manner determined by the department. The
26 department shall approve or disapprove of the prosperity region's or subregion's
27 selected fiscal agent. 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 adult education programs in each of the prosperity regions or subregions identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administration costs for serving as the fiscal agent. Beginning in 2014-2015, 67% of the allocation provided to each intermediate district serving as a fiscal agent shall be based on the proportion of total funding formerly received by the adult education providers in that prosperity region or subregion in 2013-2014, and 33% shall be allocated based on the factors in subdivisions (a), (b), and (c). For 2018-2019, 33% of the allocation provided to each intermediate district serving as a fiscal agent shall be based upon the proportion of total funding formerly received by the adult education providers in that prosperity region in 2013-2014 and 67% of the allocation shall be based upon the factors in subdivisions (a), (b), and (c). Beginning in 2019-2020, 100% of the allocation provided to each intermediate district serving as a fiscal agent shall be based on the factors in subdivisions (a), (b), and (c). The funding factors for this section are as follows:

(a) Sixty percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals between the ages of 18 and 24 that are not high school graduates that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American community survey (ACS) from the United States Census Bureau.

(b) Thirty-five percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals age 25 or older who are not high school graduates that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American community survey (ACS) from the United States Census Bureau.

(c) Five percent of this portion of the funding shall be distributed based upon

1 the proportion of the state population of individuals age 18 or older who lack basic
2 English language proficiency that resides in each of the prosperity regions or
3 subregions, as reported by the most recent 5-year estimates from the American
4 community survey (ACS) from the United States Census Bureau.

5 (5) To be an eligible fiscal agent, an intermediate district must agree to do the
6 following in a form and manner determined by the department:

7 (a) Distribute funds to adult education programs in a prosperity region or
8 subregion as described in this section.

9 (b) Collaborate with the ~~talent district career council~~, **CAREER AND EDUCATIONAL**
10 **ADVISORY COUNCIL**, which is an advisory council of the workforce development boards
11 located in the prosperity region or subregion, or its successor, to develop a regional
12 strategy that aligns adult education programs and services into an efficient and
13 effective delivery system for adult education learners, with special consideration for
14 providing contextualized learning and career pathways and addressing barriers to
15 education and employment.

16 (c) Collaborate with the ~~talent district career council~~, **CAREER AND EDUCATIONAL**
17 **ADVISORY COUNCIL**, which is an advisory council of the workforce development boards
18 located in the prosperity region or subregion, or its successor, to create a local
19 process and criteria that will identify eligible adult education providers to receive
20 funds allocated under this section based on location, demand for services, past
21 performance, quality indicators as identified by the department, and cost to provide
22 instructional services. The fiscal agent shall determine all local processes,
23 criteria, and provider determinations. However, the local processes, criteria, and
24 provider services must be approved by the department before funds may be distributed
25 to the fiscal agent.

26 (d) Provide oversight to its adult education providers throughout the program
27 year to ensure compliance with the requirements of this section.

1 (e) Report adult education program and participant data and information as
2 prescribed by the department.

3 (6) An adult basic education program, an adult secondary education program, or an
4 adult English as a second language program operated on a year-round or school year
5 basis may be funded under this section, subject to all of the following:

6 (a) The program enrolls adults who are determined by a department-approved
7 assessment, in a form and manner prescribed by the department, to be below twelfth
8 grade level in reading or mathematics, or both, or to lack basic English proficiency.

9 (b) The program tests individuals for eligibility under subdivision (a) before
10 enrollment and upon completion of the program in compliance with the state-approved
11 assessment policy.

12 (c) A participant in an adult basic education program is eligible for
13 reimbursement until 1 of the following occurs:

14 (i) The participant's reading and mathematics proficiency are assessed at or
15 above the ninth grade level.

16 (ii) The participant fails to show progress on 2 successive assessments after
17 having completed at least 450 hours of instruction.

18 (d) A participant in an adult secondary education program is eligible for
19 reimbursement until 1 of the following occurs:

20 (i) The participant's reading and mathematics proficiency are assessed above the
21 twelfth grade level.

22 (ii) The participant fails to show progress on 2 successive assessments after
23 having at least 450 hours of instruction.

24 (e) A funding recipient enrolling a participant in an English as a second
25 language program is eligible for funding according to subsection (9) until the
26 participant meets 1 of the following:

27 (i) The participant is assessed as having attained basic English proficiency as

1 determined by a department-approved assessment.

2 (ii) The participant fails to show progress on 2 successive department-approved
3 assessments after having completed at least 450 hours of instruction. The department
4 shall provide information to a funding recipient regarding appropriate assessment
5 instruments for this program.

6 (7) A high school equivalency test preparation program operated on a year-round
7 or school year basis may be funded under this section, subject to all of the
8 following:

9 (a) The program enrolls adults who do not have a high school diploma or a high
10 school equivalency certificate.

11 (b) The program shall administer a pre-test approved by the department before
12 enrolling an individual to determine the individual's literacy levels, shall
13 administer a high school equivalency practice test to determine the individual's
14 potential for success on the high school equivalency test, and shall administer a
15 post-test upon completion of the program in compliance with the state-approved
16 assessment policy.

17 (c) A funding recipient shall receive funding according to subsection (9) for a
18 participant, and a participant may be enrolled in the program until 1 of the following
19 occurs:

20 (i) The participant achieves a high school equivalency certificate.

21 (ii) The participant fails to show progress on 2 successive department-approved
22 assessments used to determine readiness to take a high school equivalency test after
23 having completed at least 450 hours of instruction.

24 (8) A high school completion program operated on a year-round or school year
25 basis may be funded under this section, subject to all of the following:

26 (a) The program enrolls adults who do not have a high school diploma.

27 (b) The program tests participants described in subdivision (a) before enrollment

1 and upon completion of the program in compliance with the state-approved assessment
2 policy.

3 (c) A funding recipient shall receive funding according to subsection (9) for a
4 participant in a course offered under this subsection until 1 of the following occurs:

5 (i) The participant passes the course and earns a high school diploma.

6 (ii) The participant fails to earn credit in 2 successive semesters or terms in
7 which the participant is enrolled after having completed at least 900 hours of
8 instruction.

9 (9) A funding recipient shall receive payments under this section in accordance
10 with all of the following:

11 (a) Statewide allocation criteria, including 3-year average enrollments, census
12 data, and local needs.

13 (b) Participant completion of the adult basic education objectives by achieving
14 an educational gain as determined by the national reporting system levels; for
15 achieving basic English proficiency, as determined by the department; for achieving a
16 high school equivalency certificate or passage of 1 or more individual high school
17 equivalency tests; for attainment of a high school diploma or passage of a course
18 required for a participant to attain a high school diploma; for enrollment in a
19 postsecondary institution, or for entry into or retention of employment, as
20 applicable.

21 (c) Participant completion of core indicators as identified in the innovation and
22 opportunity act.

23 (d) Allowable expenditures.

24 (10) A person who is not eligible to be a participant funded under this section
25 may receive adult education services upon the payment of tuition. In addition, a
26 person who is not eligible to be served in a program under this section due to the
27 program limitations specified in subsection (6), (7), or (8) may continue to receive

1 adult education services in that program upon the payment of tuition. The tuition
2 level shall be determined by the local or intermediate district conducting the
3 program.

4 (11) An individual who is an inmate in a state correctional facility shall not be
5 counted as a participant under this section.

6 (12) A funding recipient shall not commingle money received under this section or
7 from another source for adult education purposes with any other funds and shall
8 establish a separate ledger account for funds received under this section. This
9 subsection does not prohibit a district from using general funds of the district to
10 support an adult education or community education program.

11 (13) A funding recipient receiving funds under this section may establish a
12 sliding scale of tuition rates based upon a participant's family income. A funding
13 recipient may charge a participant tuition to receive adult education services under
14 this section from that sliding scale of tuition rates on a uniform basis. The amount
15 of tuition charged per participant shall not exceed the actual operating cost per
16 participant minus any funds received under this section per participant. A funding
17 recipient may not charge a participant tuition under this section if the participant's
18 income is at or below 200% of the federal poverty guidelines published by the United
19 States Department of Health and Human Services.

20 (14) In order to receive funds under this section, a funding recipient shall
21 furnish to the department, in a form and manner determined by the department, all
22 information needed to administer this program and meet federal reporting requirements;
23 shall allow the department or the department's designee to review all records related
24 to the program for which it receives funds; and shall reimburse the state for all
25 disallowances found in the review, as determined by the department. In addition, a
26 funding recipient shall agree to pay to a career and technical education program under
27 section 61a the amount of funding received under this section in the proportion of

1 career and technical education coursework used to satisfy adult basic education
2 programming, as billed to the funding recipient by programs operating under section
3 61a.

4 ~~(15) From the amount appropriated in subsection (1), an amount not to exceed~~
5 ~~\$500,000.00 shall be allocated for 2017-2018 to not more than 1 pilot program that is~~
6 ~~located in a prosperity region with 2 or more subregions and that connects adult~~
7 ~~education participants directly with employers by linking adult education, career and~~
8 ~~technical skills, and workforce development. To be eligible for funding under this~~
9 ~~subsection, a pilot program shall provide a collaboration linking adult education~~
10 ~~programs within the county, the area career/technical center, and local employers, and~~
11 ~~shall meet the additional criteria in subsections (16) and (17). Funding under this~~
12 ~~subsection for 2017-2018 is for the third of 3 years of funding.~~

13 ~~(16) A pilot program funded under subsection (15) shall require adult education~~
14 ~~staff to work with Michigan works! agency to identify a cohort of participants who are~~
15 ~~most prepared to successfully enter the workforce. Participants identified under this~~
16 ~~subsection shall be dually enrolled in adult education programming and at least 1~~
17 ~~technical course at the area career/technical center.~~

18 ~~(17) A pilot program funded under subsection (15) shall have on staff an adult~~
19 ~~education navigator who will serve as a caseworker for each participant identified~~
20 ~~under subsection (16). The navigator shall work with adult education staff and~~
21 ~~potential employers to design an educational program best suited to the personal and~~
22 ~~employment needs of the participant, and shall work with human service agencies or~~
23 ~~other entities to address any barrier in the way of participant access.~~

24 ~~(18) Not later than December 1, 2018, the pilot program funded under subsection~~
25 ~~(15) shall provide to the senate and house appropriations subcommittees on school~~
26 ~~aid, to the senate and house fiscal agencies, and to the state budget director, a~~
27 ~~report detailing number of participants, graduation rates, and a measure of~~

1 ~~transitioning to employment.~~

2 (15) ~~(19)~~ From the amount appropriated in subsection (1), an amount not to exceed
3 \$2,000,000.00 shall be allocated for ~~2017-2018-2018-2019~~ for grants to not more than 5
4 pilot programs ~~that are additional to the pilot program funded under subsection (15)~~
5 to connect adult education participants with employers as provided under this
6 subsection. **TO BE ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION, A PILOT PROGRAM SHALL**
7 **PROVIDE A COLLABORATION LINKING ADULT EDUCATION PROGRAMS WITHIN THE COUNTY, THE AREA**
8 **CAREER/TECHNICAL CENTER, AND LOCAL EMPLOYERS.** The grant to each eligible pilot program
9 shall be up to \$400,000.00. To receive funding under this subsection, an eligible
10 pilot program shall satisfy all of the following:

11 (a) Meets 1 of the following:

12 (i) Is located in prosperity region 1c.

13 (ii) Is located in prosperity region 2 and borders prosperity region 4.

14 (iii) Is located in prosperity region 4a and borders prosperity region 5.

15 (iv) Is located in prosperity region 5 and borders Lake Huron.

16 (v) Is located in prosperity region 9 and borders a neighboring state.

17 (B) **SHALL REQUIRE ADULT EDUCATION STAFF TO WORK WITH MICHIGAN WORKS! AGENCY TO**
18 **IDENTIFY A COHORT OF PARTICIPANTS WHO ARE MOST PREPARED TO SUCCESSFULLY ENTER THE**
19 **WORKFORCE. PARTICIPANTS IDENTIFIED UNDER THIS SUBSECTION SHALL BE DUALY ENROLLED IN**
20 **ADULT EDUCATION PROGRAMMING AND AT LEAST 1 TECHNICAL COURSE AT THE AREA**
21 **CAREER/TECHNICAL CENTER.**

22 (C) **SHALL HAVE A PERSON STAFFED AS AN ADULT EDUCATION NAVIGATOR WHO WILL SERVE AS**
23 **A CASEWORKER FOR EACH PARTICIPANT IDENTIFIED UNDER SUBDIVISION (B). THE NAVIGATOR**
24 **SHALL WORK WITH ADULT EDUCATION STAFF AND POTENTIAL EMPLOYERS TO DESIGN AN EDUCATIONAL**
25 **PROGRAM BEST SUITED TO THE PERSONAL AND EMPLOYMENT NEEDS OF THE PARTICIPANT, AND SHALL**
26 **WORK WITH HUMAN SERVICE AGENCIES OR OTHER ENTITIES TO ADDRESS ANY BARRIER IN THE WAY**
27 **OF PARTICIPANT ACCESS.**

~~(b) Begins operations at the start of the 2017-2018 school year.~~

~~(c) Replicates the pilot program funded under subsection (15).~~

~~(d) Meets the requirements under subsections (15), (16), and (17) for a pilot program funded under subsection (15).~~

(16) ~~(20)~~ Not later than December 1, ~~2018~~ 2019, a pilot program funded under subsection ~~(19)~~ (15) shall provide a report to the senate and house appropriations subcommittees on school aid, to the senate and house fiscal agencies, and to the state budget director identifying the number of participants, graduation rates, and a measure of transition to employment.

(17) ~~(21)~~ The department shall approve at least 3 high school equivalency tests and determine whether a high school equivalency certificate meets the requisite standards for high school equivalency in this state.

(18) ~~(22)~~ As used in this section:

(a) "Career pathway" means a combination of rigorous and high-quality education, training, and other services that comply with all of the following:

(i) Aligns with the skill needs of industries in the economy of this state or in the regional economy involved.

(ii) Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the act of August 16, 1937 (commonly known as the "national apprenticeship act"), 29 USC 50 et seq.

(iii) Includes counseling to support an individual in achieving the individual's education and career goals.

(iv) Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster.

(v) Organizes education, training, and other services to meet the particular

needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable.

(vi) Enables an individual to attain a secondary school diploma or its recognized equivalent, and at least 1 recognized postsecondary credential.

(vii) Helps an individual enter or advance within a specific occupation or occupational cluster.

(b) "Department" means the department of talent and economic development.

(c) "Eligible adult education provider" means a district, intermediate district, a consortium of districts, a consortium of intermediate districts, or a consortium of districts and intermediate districts that is identified as part of the local process described in subsection (5)(c) and approved by the department.

Sec. 147. (1) The allocation for ~~2017-2018-2018-2019~~ for the public school employees' retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, shall be made using the individual projected benefit entry age normal cost method of valuation and risk assumptions adopted by the public school employees retirement board and the department of technology, management, and budget.

(2) The annual level percentage of payroll contribution rates for the ~~2017-2018~~ 2018-2019 fiscal year, as determined by the retirement system, are estimated as follows:

(a) For public school employees who first worked for a public school reporting unit before July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at ~~36.88%~~ 38.39%, with ~~25.56%~~ 26.18% paid directly by the employer.

(b) For public school employees who first worked for a public school reporting unit on or after July 1, 2010 and who are enrolled in the health premium subsidy, the annual level percentage of payroll contribution rate is estimated at ~~35.60%~~ 36.60%,

1 with ~~24.28%~~ 24.39% paid directly by the employer.

2 (c) For public school employees who first worked for a public school reporting
3 unit on or after July 1, 2010 and who participate in the personal healthcare fund, the
4 annual level percentage of payroll contribution rate is estimated at ~~35.35%~~ 36.24%,
5 with 24.03%—paid directly by the employer.

6 (d) For public school employees who first worked for a public school reporting
7 unit on or after September 4, 2012, who elect defined contribution, and who
8 participate in the personal healthcare fund, the annual level percentage of payroll
9 contribution rate is estimated at ~~32.28%~~ 33.17%, with 20.96% paid directly by the
10 employer.

11 (e) For public school employees who first worked for a public school reporting
12 unit before July 1, 2010, who elect defined contribution, and who are enrolled in the
13 health premium subsidy, the annual level percentage of payroll contribution rate is
14 estimated at ~~32.53%~~ 33.53%, with ~~21.21%~~ 21.32% paid directly by the employer.

15 (f) For public school employees who first worked for a public school reporting
16 unit before July 1, 2010, who elect defined contribution, and who participate in the
17 personal healthcare fund, the annual level percentage of payroll contribution rate is
18 estimated at ~~32.28%~~ 33.17%, with 20.96% paid directly by the employer.

19 (g) For public school employees who first worked for a public school reporting
20 unit before July 1, 2010 and who participate in the personal healthcare fund, the
21 annual level percentage of payroll contribution rate is estimated at ~~36.63%~~ 38.03%,
22 with ~~25.31%~~ 25.82% paid directly by the employer.

23 (H) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC SCHOOL REPORTING
24 UNIT AFTER JANUARY 31, 2018 AND WHO ELECT TO BECOME MEMBERS OF THE MPSERS PLAN, THE
25 ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 39.37%, WITH
26 27.16% PAID DIRECTLY BY THE EMPLOYER.

27 (3) In addition to the employer payments described in subsection (2), the

1 employer shall pay the applicable contributions to the Tier 2 plan, as determined by
2 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
3 38.1437.

4 (4) The contribution rates in subsection (2) reflect an amortization period of ~~21~~
5 ~~20~~-years for ~~2017-2018-2018-2019~~. The public school employees' retirement system board
6 shall notify each district and intermediate district by February 28 of each fiscal
7 year of the estimated contribution rate for the next fiscal year.

8 Sec. 147a. (1) From the appropriation in section 11, there is allocated for ~~2017-~~
9 ~~2018-2018-2019~~ an amount not to exceed \$100,000,000.00 for payments to participating
10 districts. A participating district that receives money under this subsection shall
11 use that money solely for the purpose of offsetting a portion of the retirement
12 contributions owed by the district for the fiscal year in which it is received. The
13 amount allocated to each participating district under this subsection shall be based
14 on each participating district's percentage of the total statewide payroll for all
15 participating districts for the immediately preceding fiscal year. As used in this
16 subsection, "participating district" means a district that is a reporting unit of the
17 Michigan public school employees' retirement system under the public school employees
18 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports
19 employees to the Michigan public school employees' retirement system for the
20 applicable fiscal year.

21 (2) In addition to the allocation under subsection (1), from the state school aid
22 fund money appropriated under section 11, there is allocated an amount not to exceed
23 ~~\$48,940,000.00-\$88,091,000.00~~ for ~~2017-2018-2018-2019~~ for payments to participating
24 districts and intermediate districts and from the general fund money appropriated
25 under section 11, there is allocated an amount not to exceed ~~\$29,000.00-\$48,000.00~~ for
26 ~~2017-2018-2018-2019~~ for payments to participating district libraries. The amount
27 allocated to each participating entity under this subsection shall be based on each

1 participating entity's percentage of the total statewide payroll for that type of
2 participating entity for the immediately preceding fiscal year. A participating entity
3 that receives money under this subsection shall use that money solely for the purpose
4 of offsetting a portion of the normal cost contribution rate. As used in this
5 subsection:

6 (a) "District library" means a district library established under the district
7 library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

8 (b) "Participating entity" means a district, intermediate district, or district
9 library that is a reporting unit of the Michigan public school employees' retirement
10 system under the public school employees retirement act of 1979, 1980 PA 300, MCL
11 38.1301 to 38.1437, and that reports employees to the Michigan public school
12 employees' retirement system for the applicable fiscal year.

13 Sec. 147b. (1) The MPSERS retirement obligation reform reserve fund is created as
14 a separate account within the state school aid fund.

15 (2) The state treasurer may receive money or other assets from any source for
16 deposit into the MPSERS retirement obligation reform reserve fund. The state treasurer
17 shall direct the investment of the MPSERS retirement obligation reform reserve fund.
18 The state treasurer shall credit to the MPSERS retirement obligation reform reserve
19 fund interest and earnings from the MPSERS retirement obligation reform reserve fund.

20 (3) Money available in the MPSERS retirement obligation reform reserve fund shall
21 not be expended without a specific appropriation.

22 (4) Money in the MPSERS retirement obligation reform reserve fund at the close of
23 the fiscal year shall remain in the MPSERS retirement obligation reform reserve fund
24 and shall not lapse to the state school aid fund or to the general fund. The
25 department of treasury shall be the administrator of the MPSERS retirement obligation
26 reform reserve fund for auditing purposes.

27 ~~(5) If the contributions described in section 43e of the public school employees~~

~~retirement act of 1979, 1980 PA 300, MCL 38.1343c, as that section was added by 2010 PA 75, are determined by a final order of a court of competent jurisdiction for which all rights of appeal have been exhausted to be constitutional and if the order for preliminary injunction in case no. 10 45 MM issued on July 13, 2010 is lifted, the money placed in a separate interest bearing account as a result of implementing the preliminary injunction shall be deposited into the MPSERS retirement obligation reform reserve fund created in this section to be used solely for health care unfunded accrued liabilities.~~

~~(6) For the fiscal year ending September 30, 2018, \$55,000,000.00 from the state school aid fund shall be deposited into the MPSERS retirement obligation reform reserve fund to be used for the purposes under section 147e.~~

Sec. 147c. (1) From the appropriation in section 11, there is allocated for ~~2017-~~
~~2018-2018-2019~~ an amount not to exceed ~~\$960,130,000.00~~ **\$1,032,000,000.00** from the
state school aid fund for payments to districts and intermediate districts that are
participating entities of the Michigan public school employees' retirement system. In
addition, from the general fund money appropriated in section 11, there is allocated
for ~~2017-2018-2018-2019~~ an amount not to exceed ~~\$654,000.00~~ **\$700,000.00** for payments
to district libraries that are participating entities of the Michigan public school
employees' retirement system. All of the following apply to funding under this
subsection:

(a) For ~~2017-2018-2018-2019~~, the amounts allocated under this subsection are
estimated to provide an average MPSERS rate cap per pupil amount of ~~\$640.00~~ **\$690.00**
and are estimated to provide a rate cap per pupil for districts ranging between \$4.00
and ~~\$3,020.00~~ **\$3,000.00**.

(b) Payments made under this subsection shall be equal to the difference between
the unfunded actuarial accrued liability contribution rate as calculated pursuant to
section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL

1 38.1341, as calculated without taking into account the maximum employer rate of 20.96%
2 included in section 41 of the public school employees retirement act of 1979, 1980 PA
3 300, MCL 38.1341, and the maximum employer rate of 20.96% included in section 41 of
4 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

5 (c) The amount allocated to each participating entity under this subsection shall
6 be based on each participating entity's proportion of the total covered payroll for
7 the immediately preceding fiscal year for the same type of participating entities. A
8 participating entity that receives funds under this subsection shall use the funds
9 solely for the purpose of retirement contributions as specified in subdivision (d).

10 (d) Each participating entity receiving funds under this subsection shall forward
11 an amount equal to the amount allocated under subdivision (c) to the retirement system
12 in a form, manner, and time frame determined by the retirement system.

13 (e) Funds allocated under this subsection should be considered when comparing a
14 district's growth in total state aid funding from 1 fiscal year to the next.

15 (f) Not later than December 20, ~~2017~~2018, the department shall publish and post
16 on its website an estimated MPSERS rate cap per pupil for each district.

17 (g) It is the intent ~~of the legislature~~ that any funds allocated under this
18 subsection are first applied to pension contributions, and if any funds remain after
19 that payment, those remaining funds shall be applied to other postemployment benefit
20 contributions.

21 (h) As used in this subsection:

22 (i) "District library" means a district library established under the district
23 library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

24 (ii) "MPSERS rate cap per pupil" means an amount equal to the quotient of the
25 district's payment under this subsection divided by the district's pupils in
26 membership.

27 (iii) "Participating entity" means a district, intermediate district, or district

1 library that is a reporting unit of the Michigan public school employees' retirement
2 system under the public school employees retirement act of 1979, 1980 PA 300, MCL
3 38.1301 to 38.1437, and that reports employees to the Michigan public school
4 employees' retirement system for the applicable fiscal year.

5 (iv) "Retirement board" means the board that administers the retirement system
6 under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
7 38.1437.

8 (v) "Retirement system" means the Michigan public school employees' retirement
9 system under the public school employees retirement act of 1979, 1980 PA 300, MCL
10 38.1301 to 38.1437.

11 ~~(2) In addition to the funds allocated under subsection (1), from the~~
12 ~~appropriation in section 11, there is allocated for 2017-2018 only an amount not to~~
13 ~~exceed \$200,000,000.00 for payments to participating entities. Notwithstanding section~~
14 ~~17b, payments to eligible participating entities under this subsection shall be paid~~
15 ~~in 1 installment no later than October 20, 2017. Payments under this subsection shall~~
16 ~~be made as follows:~~

17 ~~(a) The amount allocated to each participating entity under this subsection shall~~
18 ~~be based on each participating entity's proportion of the total covered payroll for~~
19 ~~the fiscal year ending September 30, 2016. A participating entity that receives funds~~
20 ~~under this subsection shall use the funds solely for purposes of this subsection.~~

21 ~~(b) Each participating entity receiving funds under this subsection shall forward~~
22 ~~an amount equal to the sum of the amount allocated under this subsection and the~~
23 ~~amount allocated under subsection (1) to the retirement system in a form, manner, and~~
24 ~~time frame prescribed by the retirement system.~~

25 ~~(c) Payments under this subsection shall be used by the retirement system~~
26 ~~specifically for the payment or prepayment of the final years or partial years of any~~
27 ~~additional costs to the retirement system due to the operation of section 81b of the~~

~~public school employees retirement act of 1979, 1980 PA 300, MCL 38.1381b, without regard to the amortization of those costs under section 81b(5) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1381b, and in a manner and form as determined by the office of retirement services.~~

~~(d) As used in this subsection:~~

~~(i) "Participating entity" means a district, intermediate district, community college, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.~~

~~(ii) "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

Sec. 147e. (1) From the appropriation in section 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed ~~\$23,100,000.00~~ **\$31,900,000.00** from the MPSERS retirement obligation reform reserve fund **AND \$5,700,000.00 FROM THE STATE SCHOOL AID FUND** for payments to participating entities.

(2) The payment to each participating entity under this section shall be the sum of the amounts under this subsection as follows:

(a) An amount equal to the contributions made by a participating entity for the additional contribution made to a qualified participant's Tier 2 account in an amount equal to the contribution made by the qualified participant not to exceed 3% of the qualified participant's compensation as provided for under section 131(6) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1431., ~~if that act is amended by either Senate Bill No. 401 or House Bill No. 4647 of the 99th Legislature.~~

(b) Beginning October 1, 2017, an amount equal to the contributions made by a

1 participating entity for a qualified participant who is only a Tier 2 qualified
 2 participant under section 81d of the public school employees retirement act of 1979,
 3 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning February 1, 2018, not to
 4 exceed 1%, of the qualified participant's compensation., ~~if that act is amended by~~
 5 ~~either Senate Bill No. 401 or House Bill No. 4647 of the 99th Legislature.~~

6 (c) An amount equal to the increase in employer normal cost contributions under
 7 section 41b(2) of the public school employees retirement act of 1979, 1980 PA 300, MCL
 8 38.1341b, for a member that was hired after February 1, 2018 and chose to participate
 9 in Tier 1, compared to the employer normal cost contribution for a member under
 10 section 41b(1) of the public school employees retirement act of 1979, 1980 PA 300, MCL
 11 38.1341b., ~~if section 41b of the public school employees retirement act of 1979, 1980~~
 12 ~~PA 300, MCL 38.1341b, is amended by either Senate Bill No. 401 or House Bill No. 4647~~
 13 ~~of the 99th Legislature.~~

14 (3) As used in this section:

15 (a) "Member" means that term as defined under the public school employees
 16 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

17 (b) "Participating entity" means a district, intermediate district, or community
 18 college that is a reporting unit of the Michigan public school employees' retirement
 19 system under the public school employees retirement act of 1979, 1980 PA 300, MCL
 20 38.1301 to 38.1437, and that reports employees to the Michigan public school
 21 employees' retirement system for the applicable fiscal year.

22 (c) "Qualified participant" means that term as defined under section 124 of the
 23 public school employees retirement act of 1979, 1980 PA 300, MCL 38.1424.

24 Sec. 152a. (1) As required by the court in the consolidated cases known as Adair
 25 v State of Michigan, 486 Mich 468 (2010), from the state school aid fund money
 26 appropriated in section 11 there is allocated for ~~2017-2018-2018-2019~~ an amount not to
 27 exceed \$38,000,500.00 to be used solely for the purpose of paying necessary costs

1 related to the state-mandated collection, maintenance, and reporting of data to this
2 state.

3 (2) From the allocation in subsection (1), the department shall make payments to
4 districts and intermediate districts in an equal amount per-pupil based on the total
5 number of pupils in membership in each district and intermediate district. The
6 department shall not make any adjustment to these payments after the final installment
7 payment under section 17b is made.

8 Sec. 160. If a district or intermediate district requests the superintendent to
9 grant a waiver for the district or intermediate district from the requirements of
10 section 1284b of the revised school code, MCL 380.1284b, that district or intermediate
11 district shall use a portion of its funding under this article to conduct a ~~joint~~
12 public hearing ~~with the department~~ to be held before the waiver is granted at a
13 location within the district or intermediate district.

14 Sec. 163. (1) Except as provided in the revised school code, the board of a
15 district or intermediate district shall not permit any of the following:

16 (a) ~~A noncertificated educator~~ **AN INDIVIDUAL WHO DOES NOT HOLD A VALID**
17 **CERTIFICATE OR WHO IS NOT WORKING UNDER A VALID SUBSTITUTE PERMIT, AUTHORIZATION, OR**
18 **APPROVAL ISSUED UNDER RULES PROMULGATED BY THE DEPARTMENT** to teach in an elementary or
19 secondary school. ~~or in an adult basic education or high school completion program.~~

20 (b) ~~A noncertificated educator~~ **AN INDIVIDUAL WHO DOES NOT SATISFY THE**
21 **REQUIREMENTS OF SECTION 1233 OF THE REVISED SCHOOL CODE AND RULES PROMULGATED BY THE**
22 **DEPARTMENT** to provide ~~counseling~~ **SCHOOL COUNSELOR** services to pupils in an elementary
23 or secondary school. ~~or in an adult basic education or high school completion program.~~

24 (c) ~~A noncertificated educator to administer instructional programs~~ **AN INDIVIDUAL**
25 **WHO DOES NOT SATISFY THE REQUIREMENTS OF SECTION 1246 OF THE REVISED SCHOOL CODE OR**
26 **WHO IS NOT WORKING UNDER A VALID SUBSTITUTE PERMIT ISSUED UNDER RULES PROMULGATED BY**
27 **THE DEPARTMENT TO BE EMPLOYED AS A SUPERINTENDENT, PRINCIPAL, OR ASSISTANT PRINCIPAL,**

1 OR AS A PERSON WHOSE PRIMARY RESPONSIBILITY IS TO ADMINISTER INSTRUCTIONAL PROGRAMS in
 2 an elementary or secondary school, or in ~~an adult basic education or high school~~
 3 ~~completion program, unless that educator is fulfilling applicable continuing education~~
 4 ~~requirements.~~ **A DISTRICT OR INTERMEDIATE DISTRICT.**

5 (2) Except as provided in the revised school code, a district or intermediate
 6 district employing ~~educators not legally certificated or licensed~~ **INDIVIDUALS IN**
 7 **VIOLATION OF THIS SECTION** shall have deducted the sum equal to the amount paid the
 8 ~~educators~~ **INDIVIDUALS** for the period of ~~noncertificated, unlicensed, or illegal~~
 9 employment. Each intermediate superintendent shall notify the department of the name
 10 of the ~~noncertificated or unlicensed educator,~~ **INDIVIDUAL EMPLOYED IN VIOLATION OF**
 11 **THIS SECTION,** and the district employing that individual and the amount of salary the
 12 ~~noncertificated or unlicensed educator~~ **INDIVIDUAL** was paid within a constituent
 13 district.

14 (3) If a school official is notified by the department that he or she is
 15 employing a ~~nonapproved, noncertificated, or unlicensed educator~~ **AN INDIVIDUAL** in
 16 violation of this section and knowingly continues to employ that ~~educator,~~ **INDIVIDUAL,**
 17 the school official is guilty of a misdemeanor, punishable by a fine of \$1,500.00 for
 18 each incidence. This penalty is in addition to all other financial penalties otherwise
 19 specified in this article.

20 Sec. 166b. (1) This act does not prohibit a parent or legal guardian of a minor
 21 who is enrolled in any of grades ~~kindergarten-1~~ to 12 in a nonpublic school or who is
 22 being home-schooled from also enrolling the minor in a district, public school
 23 academy, or intermediate district in any curricular offering that is provided by the
 24 district, public school academy, or intermediate district at a public school site and
 25 is available to pupils in the minor's grade level or age group, subject to compliance
 26 with the same requirements that apply to a full-time pupil's participation in the
 27 offering. However, state school aid shall be provided under this act for a minor

enrolled as described in this subsection only for ~~A curricular offerings~~ **OFFERING THAT IS RESTRICTED TO NONESSENTIAL ELECTIVE COURSES, AND IS ~~that are~~ available to full-time pupils in the minor's grade level or age group. FOR THE PURPOSES OF THIS SUBSECTION, A CURRICULAR OFFERING INCLUDES OPTIONAL EXPERIENCES ASSOCIATED WITH THE CURRICULAR OFFERING.**

(2) This act does not prohibit a parent or legal guardian of a minor who is enrolled in any of grades ~~kindergarten~~ 1 to 12 in a nonpublic school or who resides within ~~the~~ **A** district and is being home-schooled from also enrolling the minor in the district in ~~a~~ **ANY NONESSENTIAL ELECTIVE** curricular offering being provided by the district at ~~the~~ **A** nonpublic school site **THAT IS PROVIDED BY THE DISTRICT, PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE DISTRICT AT A PUBLIC SCHOOL SITE, AND THAT IS AVAILABLE TO PUPILS IN THE MINOR'S GRADE LEVEL OR AGE GROUP, SUBJECT TO COMPLIANCE WITH THE SAME REQUIREMENTS THAT APPLY TO A FULL-TIME PUPIL'S PARTICIPATION IN THE OFFERING. FOR PURPOSES OF THIS SUBSECTION, A CURRICULAR OFFERING INCLUDES OPTIONAL EXPERIENCES ASSOCIATED WITH THE CURRICULAR OFFERING.** ~~However, state~~ **STATE** school aid shall be provided under this act for a minor enrolled as described in this subsection only if all of the following apply:

(a) Either of the following:

(i) The nonpublic school site is located, or the nonpublic students are educated, within the geographic boundaries of the district.

(ii) If the nonpublic school has submitted a written request to the district in which the nonpublic school is located for the district to provide certain instruction under this subsection for a school year and the district does not agree to provide some or all of that instruction by May 1 immediately preceding that school year or, if the request is submitted after March 1 immediately preceding that school year, within 60 days after the nonpublic school submits the request, the instruction is instead provided by an eligible other district. This subparagraph does not require a nonpublic

1 school to submit more than 1 request to the district in which the nonpublic school is
2 located for that district to provide instruction under this subsection, and does not
3 require a nonpublic school to submit an additional request to the district in which
4 the nonpublic school is located for that district to provide additional instruction
5 under this subsection beyond the instruction requested in the original request, before
6 having the instruction provided by an eligible other district. A public school academy
7 that is located in the district in which the nonpublic school is located or in an
8 eligible other district also may provide instruction under this subparagraph under the
9 same conditions as an eligible other district. As used in this subparagraph, "eligible
10 other district" means a district that is located in the same intermediate district as
11 the district in which the nonpublic school is located or is located in an intermediate
12 district that is contiguous to that intermediate district.

13 (b) The nonpublic school is registered with the department as a nonpublic school
14 and meets all state reporting requirements for nonpublic schools.

15 (c) The instruction is provided directly by a certified teacher ~~at~~**OF** the
16 district or public school academy or ~~at~~**OF** an intermediate district.

17 (d) The curricular offering is also available to full-time pupils in the minor's
18 grade level or age group in the district or public school academy at a public school
19 site.

20 (e) The curricular offering is restricted to nonessential elective courses for
21 pupils in grades ~~kindergarten-1~~ to 12.

22 **(F) IF A COURSE HAS AN ASSOCIATED OPTIONAL EXPERIENCE, THE OPTIONAL EXPERIENCE**
23 **MUST ALSO BE AVAILABLE TO FULL-TIME PUPILS IN THE MINOR'S GRADE LEVEL OR AGE GROUP.**

24 (3) A nonessential course in grades 1 to 8 is a course other than a mathematics,
25 science, social studies, and English language arts course required by the district for
26 grade progression. Nonessential courses in grades 9 to 12 are those other than algebra
27 1, algebra 2, English 9-12, geometry, biology, chemistry, physics, economics,

1 geography, American history, world history, the Constitution, government, and civics,
2 or courses that **CAN** fulfill the same credit requirement as these courses. Nonessential
3 elective courses include courses offered by the local district for high school credit
4 that are also capable of generating postsecondary credit, including, at least,
5 advanced placement and international baccalaureate courses. College level courses
6 taken by high school students for college credit are nonessential courses. Remedial
7 courses for any grade in the above-listed essential courses are considered essential.
8 ~~Kindergarten is considered nonessential.~~

9 (4) Subject to section 6(4)(ii) **AND SECTION 23F**, a minor enrolled as described in
10 this section is a part-time pupil for purposes of state school aid under this act.

11 (5) A district that receives a written request to provide instruction under
12 subsection (2) shall reply to the request in writing by May 1 immediately preceding
13 the applicable school year or, if the request is made after March 1 immediately
14 preceding that school year, within 60 days after the nonpublic school submits the
15 request. The written reply shall specify whether the district agrees to provide or
16 does not agree to provide the instruction for each portion of instruction included in
17 the request.

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, ~~2018, 2019~~, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$399,326,500.00~~ **\$405,015,500.00**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$399,326,500.00~~ **\$405,015,500.00**.

(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, ~~\$398,301,500.00~~ **\$405,015,500.00**.

(v) State general fund/general purpose money, ~~\$1,025,000.00~~ **\$0.00**.

(2) Subject to subsection (3), the amount appropriated for community college operations is \$319,050,900.00, allocated as follows:

(a) The appropriation for Alpena Community College is \$5,627,500.00. ~~\$5,596,200.00 for operations and \$31,300.00 for performance funding.~~

(b) The appropriation for Bay de Noc Community College is \$5,589,000.00. ~~\$5,560,900.00 for operations and \$28,100.00 for performance funding.~~

(c) The appropriation for Delta College is \$14,990,700.00. ~~\$14,907,700.00 for operations and \$83,000.00 for performance funding.~~

(d) The appropriation for Glen Oaks Community College is \$2,601,400.00. ~~\$2,586,900.00 for operations and \$14,500.00 for performance funding.~~

(e) The appropriation for Gogebic Community College is \$4,715,400.00.

1 ~~\$4,692,200.00 for operations and \$23,200.00 for performance funding.~~

2 (f) The appropriation for Grand Rapids Community College is \$18,556,800.00. ~~7~~
3 ~~\$18,450,500.00 for operations and \$106,300.00 for performance funding.~~

4 (g) The appropriation for Henry Ford College is \$22,299,200.00. ~~7~~ ~~\$22,176,000.00~~
5 ~~for operations and \$123,200.00 for performance funding.~~

6 (h) The appropriation for Jackson College is \$12,590,100.00. ~~7~~ ~~\$12,527,400.00 for~~
7 ~~operations and \$62,700.00 for performance funding.~~

8 (i) The appropriation for Kalamazoo Valley Community College is \$12,948,700.00. ~~7~~
9 ~~\$12,873,900.00 for operations and \$74,800.00 for performance funding.~~

10 (j) The appropriation for Kellogg Community College is \$10,143,600.00. ~~7~~
11 ~~\$10,087,500.00 for operations and \$56,100.00 for performance funding.~~

12 (k) The appropriation for Kirtland Community College is \$3,289,400.00. ~~7~~
13 ~~\$3,270,000.00 for operations and \$19,400.00 for performance funding.~~

14 (l) The appropriation for Lake Michigan College is \$5,523,600.00. ~~7~~ ~~\$5,492,800.00~~
15 ~~for operations and \$30,800.00 for performance funding.~~

16 (m) The appropriation for Lansing Community College is \$32,324,200.00. ~~7~~
17 ~~\$32,165,600.00 for operations and \$158,600.00 for performance funding.~~

18 (n) The appropriation for Macomb Community College is \$33,863,600.00. ~~7~~
19 ~~\$33,681,800.00 for operations and \$181,800.00 for performance funding.~~

20 (o) The appropriation for Mid Michigan Community College is \$4,968,900.00. ~~7~~
21 ~~\$4,937,400.00 for operations and \$31,500.00 for performance funding.~~

22 (p) The appropriation for Monroe County Community College is \$4,665,500.00. ~~7~~
23 ~~\$4,636,700.00 for operations and \$28,800.00 for performance funding.~~

24 (q) The appropriation for Montcalm Community College is \$3,446,300.00. ~~7~~
25 ~~\$3,426,700.00 for operations and \$19,600.00 for performance funding.~~

26 (r) The appropriation for C.S. Mott Community College is \$16,258,100.00. ~~7~~
27 ~~\$16,167,200.00 for operations and \$90,900.00 for performance funding.~~

(s) The appropriation for Muskegon Community College is \$9,203,000.00. ~~7~~
~~\$9,150,600.00 for operations and \$52,400.00 for performance funding.~~

(t) The appropriation for North Central Michigan College is \$3,353,200.00. ~~7~~
~~\$3,330,200.00 for operations and \$23,000.00 for performance funding.~~

(u) The appropriation for Northwestern Michigan College is \$9,508,900.00. ~~7~~
~~\$9,459,800.00 for operations and \$49,100.00 for performance funding.~~

(v) The appropriation for Oakland Community College is \$21,905,700.00. ~~7~~
~~\$21,770,900.00 for operations and \$134,800.00 for performance funding.~~

(w) The appropriation for Schoolcraft College is \$12,991,300.00. ~~7~~ ~~\$12,909,300.00~~
~~for operations and \$82,000.00 for performance funding.~~

(x) The appropriation for Southwestern Michigan College is \$6,860,700.00. ~~7~~
~~\$6,827,000.00 for operations and \$33,700.00 for performance funding.~~

(y) The appropriation for St. Clair County Community College is \$7,300,100.00. ~~7~~
~~\$7,259,300.00 for operations and \$40,800.00 for performance funding.~~

(z) The appropriation for Washtenaw Community College is \$13,631,400.00 ~~7~~
~~\$13,534,000.00 for operations and \$97,400.00 for performance funding.~~

(aa) The appropriation for Wayne County Community College is \$17,338,300.00. ~~7~~
~~\$17,234,200.00 for operations and \$104,100.00 for performance funding.~~

(bb) The appropriation for West Shore Community College is \$2,556,300.00. ~~7~~
~~\$2,540,000.00 for operations and \$16,300.00 for performance funding.~~

(3) The amount appropriated in subsection (2) for community college operations is
 \$319,050,900.00 and is appropriated from the state school aid fund.

(4) From the appropriations described in subsection (1), both of the following
 apply:

(a) Subject to section 207a, the amount appropriated for fiscal year ~~2017-2018~~
 2018-2019 to offset certain fiscal year ~~2017-2018-2018-2019~~ retirement contributions
 is \$1,733,600.00, appropriated from the state school aid fund.

(b) For fiscal year ~~2017-2018-2018-2019~~ only, there is allocated an amount not to exceed ~~\$3,612,000.00~~ **\$6,431,000.00** for payments to participating community colleges, appropriated from the state school aid fund. A community college that receives money under this subdivision shall use that money solely for the purpose of offsetting the normal cost contribution rate.

(5) From the appropriations described in subsection (1), subject to section 207b, the amount appropriated for payments to community colleges that are participating entities of the retirement system is ~~\$70,805,000.00,~~ **\$75,300,000.00**, appropriated from the state school aid fund.

(6) From the appropriations described in subsection (1), subject to section 207c, the amount appropriated for renaissance zone tax reimbursements is ~~\$3,100,000.00,~~ **\$2,500,000.00**, appropriated from the state school aid fund.

~~(7) 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, ~~2018-2019~~ 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, ~~2017-2018~~. Each community college shall accrue its July and August ~~2018-2019~~ payments to its institutional fiscal year ending June 30, ~~2018-2019~~.

(2) If the state budget director determines that a community college failed to submit any of the information described in subdivisions (a) to (f) in the form and manner specified by the center, the state treasurer shall, ~~subject to subdivision (g),~~ withhold the monthly installments from that community college until those data are submitted:

(a) ~~All verified~~ **THE Michigan COMMUNITY COLLEGE VERIFIED DATA INVENTORY** ~~community colleges activities classification structure~~ data for the preceding academic year to the center by November 1 of each year as specified in section 217.

(b) The college credit opportunity data set as specified in section 209.

(c) The longitudinal data set for the preceding academic year to the center as specified in section 219.

(d) The annual independent audit as specified in section 222.

(e) Tuition and mandatory fees information for the current academic year as specified in section 225.

(f) The number and type of associate degrees and other certificates awarded during the previous academic year as specified in section 226.

~~(g) The state budget director shall notify the chairs of the house and senate appropriations subcommittees on community colleges at least 10 days before withholding funds from any community college.~~

Sec. 207a. All of the following apply to the allocation of the fiscal year ~~2017-2018~~ **2018-2019** appropriations described in section 201(4):

(a) A community college that receives money under section 201(4) shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the college for that fiscal year.

(b) The amount allocated to each participating community college under section 201(4) shall be based on each college's percentage of the total covered payroll for all community colleges that are participating colleges in the immediately preceding

1 fiscal year.

2 Sec. 207b. All of the following apply to the allocation of the fiscal year ~~2017-~~
3 ~~2018~~ 2018-2019 appropriations described in section 201(5) for payments to community
4 colleges that are participating entities of the retirement system:

5 (a) The amount of a payment under section 201(5) shall be the difference between
6 the unfunded actuarial accrued liability contribution rate as calculated under section
7 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as
8 calculated without taking into account the maximum employer rate of 20.96% included in
9 section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL
10 38.1341, and the maximum employer rate of 20.96% under section 41 of the public school
11 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

12 (b) The amount allocated to each community college under section 201(5) shall be
13 based on each community college's percentage of the total covered payroll for all
14 community colleges that are participating colleges in the immediately preceding fiscal
15 year. A community college that receives funds under this subdivision shall use the
16 funds solely for the purpose of retirement contributions under section 201(5).

17 (c) Each participating college that receives funds under section 201(5) shall
18 forward an amount equal to the amount allocated under subdivision (b) to the
19 retirement system in a form and manner determined by the retirement system.

20 Sec. 207c. All of the following apply to the allocation of the appropriations
21 described in section 201(6) to community colleges described in section 12(3) of the
22 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692:

23 (a) The amount allocated to each community college under section 201(6) for
24 fiscal year ~~2017-2018~~ 2018-2019 shall be based on that community college's proportion
25 of total revenue lost by community colleges as a result of the exemption of property
26 taxes levied in ~~2017-2018~~ under the Michigan renaissance zone act, 1996 PA 376, MCL
27 125.2681 to 125.2696.

(b) The appropriations described in section 201(6) shall be made to each eligible community college within 60 days after the department of treasury certifies to the 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"~~. **"MICHIGAN COMMUNITY COLLEGE DATA INVENTORY REPORT"**.

(c) General fund revenue and expenditure projections for the current fiscal year and the next fiscal year.

(d) A listing of all debt service obligations, detailed by project, anticipated ~~fiscal year~~ payment of each project, and total outstanding debt for the current fiscal year.

(e) 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 general fund revenue from tuition and fees.

(b) Budgeted current fiscal year general fund revenue from state appropriations.

(c) Budgeted current fiscal year general fund revenue from property taxes.

(d) Budgeted current fiscal year total general fund revenue.

(e) Budgeted current fiscal year 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.

1 (iii) Dual enrollment.

2 (iv) An early college/middle college program.

3 (b) For each program described in subdivision (a) that the community college
4 offers, all of the following information:

5 (i) The number of high school students participating in the program.

6 (ii) The number of school districts that participate in the program with the
7 community college.

8 (iii) Whether a college professor, qualified local school district employee, or
9 other individual teaches the course or courses in the program.

10 (iv) The total cost to the community college to operate the program.

11 (v) The cost per credit hour for the course or courses in the program.

12 (vi) The location where the course or courses in the program are held.

13 (vii) Instructional resources offered to the program instructors.

14 (viii) Resources offered to the student in the program.

15 (ix) Transportation services provided to students in the program.

16 Sec. 210b. By March 1, ~~2018~~2019, the Michigan Community College Association and
17 the Michigan Association of State Universities shall submit a report to the senate and
18 house appropriations subcommittees on community colleges, the senate and house fiscal
19 agencies, and the state budget director on the activities and programs of the transfer
20 steering committee since the March 1, ~~2017~~2018 report required under this section,
21 including all of the following:

22 (a) The alignment of learning outcomes in gateway mathematics courses in the
23 quantitative reasoning, college algebra, and statistics pathways and the
24 transferability of mathematics gateway courses between and among community colleges
25 and universities.

26 (b) The development of program-specific, statewide transfer pathways that meet
27 program requirements for both associate and bachelor's degree programs.

(c) The development of an enhanced online communication tool to share information about postsecondary options in Michigan, course equivalencies, and transfer pathways that are clearly articulated.

(d) The establishment of clear timelines for developing and implementing transfer pathways.

(e) A progress report on the implementation of the Michigan transfer agreement.

SEC. 210E. BY FEBRUARY 1, 2019, 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:

(A) THE NAMES OF THE BACCALAUREATE DEGREE PROGRAMS OF STUDY OFFERED BY PUBLIC AND PRIVATE UNIVERSITIES ON COMMUNITY COLLEGE CAMPUSES.

(B) THE NAMES OF THE ARTICULATION AGREEMENTS FOR BACCALAUREATE DEGREE PROGRAMS OF STUDY BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES.

(C) THE NUMBER OF STUDENTS ENROLLED AND NUMBER OF DEGREES AWARDED THROUGH ARTICULATION AGREEMENTS, AND THE NUMBER OF COURSES OFFERED, NUMBER OF STUDENTS ENROLLED, AND NUMBER OF DEGREES AWARDED THROUGH ON-CAMPUS PROGRAMS NAMED IN SUBDIVISION (A) FROM JULY 1, 2017 THROUGH JUNE 30, 2018.

Sec. 217. (1) The center shall do all of the following:

(a) Establish, maintain, and coordinate the state community college database commonly known as the ~~"activities classification structure" or "ACS" database.~~

1 **"MICHIGAN COMMUNITY COLLEGE DATA INVENTORY".**

2 (b) Collect data concerning community colleges and community college programs in
3 this state, including data required by law.

4 (c) Establish procedures to ensure the validity and reliability of the data and
5 the collection process.

6 (d) Develop model data collection policies, including, but not limited to,
7 policies that ensure the privacy of any individual student data. Privacy policies
8 shall ensure that student social security numbers are not released to the public for
9 any purpose.

10 (e) Provide data in a useful manner to allow state policymakers and community
11 college officials to make informed policy decisions.

12 (2) There is created within the center the ~~activities-classification-structure~~
13 **"MICHIGAN COMMUNITY COLLEGE DATA INVENTORY"** advisory committee. The committee shall
14 provide advice to the director of the center regarding the management of the state
15 community college database, including, but not limited to:

16 (a) Determining what data are necessary to collect and maintain to enable state
17 and community college officials to make informed policy decisions.

18 (b) Defining the roles of all stakeholders in the data collection system.

19 (c) Recommending timelines for the implementation and ongoing collection of data.

20 (d) Establishing and maintaining data definitions, data transmission protocols,
21 and system specifications and procedures for the efficient and accurate transmission
22 and collection of data.

23 (e) Establishing and maintaining a process for ensuring the accuracy of the data.

24 (f) Establishing and maintaining policies related to data collection, including,
25 but not limited to, privacy policies related to individual student data.

26 (g) Ensuring that the data are made available to state policymakers and citizens
27 of this state in the most useful format possible.

1 (h) Addressing other matters as determined by the director of the center or as
2 required by law.

3 (3) The ~~activities classification structure~~ **MICHIGAN COMMUNITY COLLEGE DATA**
4 **INVENTORY** advisory committee created in subsection (2) shall consist of the following
5 members:

6 (a) One representative from the house fiscal agency, appointed by the director of
7 the house fiscal agency.

8 (b) One representative from the senate fiscal agency, appointed by the director
9 of the senate fiscal agency.

10 (c) One representative from the workforce development agency, appointed by the
11 director of the workforce development agency.

12 (d) One representative from the center appointed by the director of the center.

13 (e) One representative from the state budget office, appointed by the state
14 budget director.

15 (f) One representative from the governor's policy office, appointed by that
16 office.

17 (g) Four representatives of the Michigan Community College Association, appointed
18 by the president of the association. ~~From the groupings of community colleges given in~~
19 ~~table 17 of the activities classification structure database described in subsection~~
20 ~~(1), the association shall appoint 1 representative each from group 1, group 2, and~~
21 ~~group 3, and 1 representative from either group 3 or 4.~~

22 Sec. 225. Each community college shall report to the center by August 31 of each
23 year the tuition and mandatory fees paid by a full-time in-district student and a
24 full-time out-of-district student as established by the college governing board for
25 the current academic year. ~~This report should also include the annual cost of~~
26 ~~attendance based on a full-time course load of 30 credits.~~ Each community college
27 shall also report any revisions to the reported current academic year tuition and

1 mandatory fees adopted by the college governing board to the center within 15 days of
 2 being adopted. The center shall provide this information and any revisions to the
 3 house and senate fiscal agencies and the state budget director.

4 Sec. 226. Each community college shall report to the center **BY OCTOBER 15 OF EACH**
 5 **YEAR** the numbers and type of associate degrees and other certificates awarded by the
 6 community college during the previous ~~fiscal~~-**ACADEMIC** year **USING THE P-20 LONGITUDINAL**
 7 **DATA SYSTEM**. ~~The report shall be made not later than November 15 of each year.~~
 8 ~~Community colleges shall work with the center to develop a systematic approach for~~
 9 ~~meeting this requirement using the P-20 longitudinal data system.~~

10 Sec. 229a. Included in the fiscal year ~~2017-2018~~ **2018-2019** appropriations for the
 11 department of technology, management, and budget are appropriations totaling
 12 ~~\$30,879,600.00~~ **\$36,378,100.00** to provide funding for the state share of costs for
 13 previously constructed capital projects for community colleges. Those appropriations
 14 for state building authority rent represent additional state general fund support for
 15 community colleges, and the following is an estimate of the amount of that support to
 16 each community college:

- 17 (a) Alpena Community College, ~~\$630,000.00~~ **\$876,300.00**.
- 18 (b) Bay de Noc Community College, ~~\$682,400.00~~ **\$677,000.00**.
- 19 (c) Delta College, ~~\$3,347,300.00~~ **\$3,798,700.00**.
- 20 (d) Glen Oaks Community College, ~~\$124,000.00~~ **\$123,000.00**.
- 21 (e) Gogebic Community College, ~~\$56,400.00~~ **\$56,000.00**.
- 22 (f) Grand Rapids Community College, ~~\$2,075,300.00~~ **\$2,536,500.00**.
- 23 (g) Henry Ford College, ~~\$1,036,200.00~~ **\$1,028,000.00**.
- 24 (h) Jackson College, ~~\$2,264,800.00~~ **\$2,164,000.00**.
- 25 (i) Kalamazoo Valley Community College, ~~\$1,957,400.00~~ **\$1,942,000.00**.
- 26 (j) Kellogg Community College, ~~\$524,100.00~~ **\$681,300.00**.
- 27 (k) Kirtland Community College, ~~\$365,900.00~~ **\$591,800.00**.

1	(l) Lake Michigan College, \$342,700.00 \$975,800.00.
2	(m) Lansing Community College, \$1,150,000.00 \$1,141,000.00.
3	(n) Macomb Community College, \$1,662,100.00 \$1,649,000.00.
4	(o) Mid Michigan Community College, \$1,627,800.00 \$1,615,000.00.
5	(p) Monroe County Community College, \$1,273,000.00 \$1,544,300.00.
6	(q) Montcalm Community College, \$978,700.00 \$971,000.00.
7	(r) C.S. Mott Community College, \$1,817,300.00 \$2,107,200.00.
8	(s) Muskegon Community College, \$570,500.00 \$989,000.00.
9	(t) North Central Michigan College, \$416,300.00 \$668,000.00.
10	(u) Northwestern Michigan College, \$1,315,400.00 \$1,844,900.00.
11	(v) Oakland Community College, \$468,700.00 \$465,000.00.
12	(w) Schoolcraft College, \$1,558,300.00 \$2,296,000.00.
13	(x) Southwestern Michigan College, \$531,700.00 \$887,500.00.
14	(y) St. Clair County Community College, \$358,800.00 \$723,500.00.
15	(z) Washtenaw Community College, \$1,689,300.00 \$1,826,000.00.
16	(aa) Wayne County Community College, \$1,473,600.00 \$1,462,000.00.
17	(bb) West Shore Community College, \$581,600.00 \$738,300.00.

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, ~~2018, 2019~~, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~\$1,629,224,400.00.~~ **\$1,658,932,600.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$1,629,224,400.00.~~ **\$1,658,932,600.00.**

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

(i) Total federal revenues, ~~\$111,526,400.00.~~ **\$113,026,400.00.**

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$238,443,500.00.~~ **\$385,688,300.00.**

(v) State general fund/general purpose money, ~~\$1,279,254,500.00.~~
\$1,160,217,900.00.

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

(a) The appropriation for Central Michigan University is ~~\$85,654,400.00,~~
~~\$87,413,100.00,~~ ~~\$83,925,500.00~~ **\$85,654,400.00** for operations and ~~\$1,728,900.00~~
\$1,758,700.00 for performance funding.

(b) The appropriation for Eastern Michigan University is ~~\$75,169,900.00,~~
~~\$76,977,200.00,~~ ~~\$73,593,800.00~~ **\$75,169,900.00** for operations and ~~\$1,576,100.00~~
\$1,807,300.00 for performance funding.

(c) The appropriation for Ferris State University is ~~\$53,595,500.00,~~
~~\$54,975,900.00,~~ ~~\$52,259,900.00~~ **\$53,595,500.00** for operations and ~~\$1,335,600.00~~
\$1,380,400.00 for performance funding.

(d) The appropriation for Grand Valley State University is ~~\$70,100,100.00,~~
~~\$72,053,500.00, \$68,227,900.00~~ \$70,100,100.00 for operations and ~~\$1,872,200.00~~
~~\$1,953,400.00~~ for performance funding.

(e) The appropriation for Lake Superior State University is ~~\$13,775,000.00,~~
~~\$13,988,400.00, \$13,567,400.00~~ \$13,775,000.00 for operations and ~~\$207,600.00~~
~~\$213,400.00~~ for performance funding.

(f) The appropriation for Michigan State University is ~~\$344,404,800.00,~~
~~\$350,698,000.00, \$275,862,100.00~~ \$281,239,100.00 for operations, ~~\$5,377,000.00~~
~~\$5,029,800.00~~ for performance funding, ~~\$33,913,100.00~~ \$34,591,400.00 for MSU
 AgBioResearch, and ~~\$29,252,600.00~~ \$29,837,700.00 for MSU Extension.

(g) The appropriation for Michigan Technological University is ~~\$49,052,200.00,~~
~~\$49,947,900.00, \$48,097,500.00~~ \$49,052,200.00 for operations and ~~\$954,700.00~~
~~\$895,700.00~~ for performance funding.

(h) The appropriation for Northern Michigan University is ~~\$47,137,400.00,~~
~~\$48,004,600.00, \$46,279,200.00~~ \$47,137,400.00 for operations and ~~\$858,200.00~~
~~\$867,200.00~~ for performance funding.

(i) The appropriation for Oakland University is ~~\$51,235,900.00,~~ \$52,816,100.00,
~~\$49,920,700.00~~ \$51,235,900.00 for operations and ~~\$1,315,200.00~~ \$1,580,200.00 for
 performance funding.

(j) The appropriation for Saginaw Valley State University is ~~\$29,766,100.00,~~
~~\$30,526,800.00, \$29,114,000.00~~ \$29,766,100.00 for operations and ~~\$652,100.00~~
~~\$760,700.00~~ for performance funding.

(k) The appropriation for University of Michigan - Ann Arbor is ~~\$314,589,100.00,~~
~~\$320,775,300.00, \$308,639,000.00~~ \$314,589,100.00 for operations and ~~\$5,950,100.00~~
~~\$6,186,200.00~~ for performance funding.

(l) The appropriation for University of Michigan - Dearborn is ~~\$25,421,900.00,~~
~~\$26,070,700.00, \$24,803,300.00~~ \$25,421,900.00 for operations and ~~\$618,600.00~~

1 \$648,800.00 for performance funding.

2 (m) The appropriation for University of Michigan - Flint is ~~\$23,061,800.00,~~
 3 ~~\$23,584,100.00, \$22,549,300.00~~ \$23,061,800.00 for operations and ~~\$512,500.00~~
 4 \$522,300.00 for performance funding.

5 (n) The appropriation for Wayne State University is ~~\$199,169,800.00,~~
 6 ~~\$202,361,000.00, \$196,064,500.00~~ \$199,169,800.00 for operations and ~~\$3,105,300.00~~
 7 \$3,191,200.00 for performance funding.

8 (o) The appropriation for Western Michigan University is ~~\$109,376,800.00,~~
 9 ~~\$111,148,300.00, \$107,440,900.00~~ \$109,376,800.00 for operations and ~~\$1,935,900.00~~
 10 \$1,771,500.00 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.~~ \$379,786,300.00.

14 (b) State general fund/general purpose money, ~~\$1,260,291,200.00.~~
 15 \$1,141,554,600.00.

16 (4) The amount appropriated for Michigan public school employees' retirement
 17 system reimbursement is ~~\$6,705,000.00,~~ \$5,133,000.00, 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 ~~\$127,583,200.00~~, **\$128,783,200.00**, allocated as follows:

(a) State competitive scholarships, ~~\$26,361,700.00~~, **\$32,361,700.00**.

(b) Tuition grants, ~~\$38,021,500.00~~, **\$32,021,500.00**.

(c) Tuition incentive program, ~~\$58,300,000.00~~, **\$59,800,000.00**.

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

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

~~(f) North American Indian tuition waiver, \$300,000.00.~~

(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, ~~\$108,326,400.00~~, **\$109,826,400.00**.

(c) Contributions to children of veterans tuition grant program, \$100,000.00.

(d) State general fund/general purpose money, ~~\$15,956,800.00~~, **\$15,656,800.00**.

(9) For fiscal year ~~2017-2018~~ **2018-2019** 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~~ **\$669,000.00** 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 public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437,

1 and that pay contributions to the Michigan public school employees' retirement system
2 for the state fiscal year.

3 Sec. 236b. In addition to the funds appropriated in section 236, there is
4 appropriated for grants and financial aid in fiscal year ~~2017-2018-2018-2019~~ an amount
5 not to exceed \$6,000,000.00 for federal contingency funds. These funds are not
6 available for expenditure until they have been transferred under section 393(2) of the
7 management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this
8 article.

9 Sec. 236c. In addition to the funds appropriated for fiscal year ~~2017-2018-2018-~~
10 ~~2019~~ in section 236, appropriations to the department of technology, management, and
11 budget in the act providing general appropriations for fiscal year ~~2017-2018-2018-2019~~
12 for state building authority rent, totaling an estimated ~~\$144,995,300.00,~~
13 ~~\$155,478,500.00,~~ provide funding for the state share of costs for previously
14 constructed capital projects for state universities. These appropriations for state
15 building authority rent represent additional state general fund support provided to
16 public universities, and the following is an estimate of the amount of that support to
17 each university:

18 (a) Central Michigan University, ~~\$12,570,900.00-~~ \$12,936,500.00.

19 (b) Eastern Michigan University, ~~\$5,177,500.00-~~ \$7,083,900.00.

20 (c) Ferris State University, ~~\$6,658,300.00-~~ \$8,275,000.00.

21 (d) Grand Valley State University, ~~\$7,057,800.00-~~ \$8,800,000.00.

22 (e) Lake Superior State University, ~~\$1,832,400.00-~~ \$2,285,800.00.

23 (f) Michigan State University, ~~\$15,500,500.00-~~ \$16,790,400.00.

24 (g) Michigan Technological University, ~~\$7,225,100.00-~~ \$6,782,000.00.

25 (h) Northern Michigan University, ~~\$7,786,500.00-~~ \$7,309,000.00.

26 (i) Oakland University, ~~\$13,492,400.00-~~ \$12,665,000.00.

27 (j) Saginaw Valley State University, ~~\$10,918,500.00-~~ \$10,984,000.00.

(k) University of Michigan - Ann Arbor, ~~\$10,586,200.00~~ **\$11,861,000.00.**

(l) University of Michigan - Dearborn, ~~\$9,581,500.00~~ **\$10,918,000.00.**

(m) University of Michigan - Flint, ~~\$4,315,600.00~~ **\$6,244,800.00.**

(n) Wayne State University, ~~\$16,378,300.00~~ **\$16,480,200.00.**

(o) Western Michigan University, ~~\$15,913,800.00~~ **\$16,062,900.00.**

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, ~~2017~~—**2018**. Except for Wayne State University, each institution shall accrue its July and August ~~2018~~ **2019** payments to its institutional fiscal year ending June 30, ~~2018~~—**2019**.

(2) All public universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For public universities with fiscal years ending June 30, ~~2017~~—**2018**, these data shall be submitted to the state budget director by October 15, ~~2017~~—**2018**. Public universities with a fiscal year ending September 30, ~~2017~~ **2018** shall submit preliminary HEIDI data by November 15, ~~2017~~—**2018** and final data by December 15, ~~2017~~—**2018**. If a public university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer may withhold the monthly installments under subsection (1) to the public university until those data are submitted.

Sec. 242. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. ~~The acceptance and use of federal or private funds do not place an obligation on the legislature to continue the purposes for which the funds are made available.~~

1 Sec. 245. (1) A public university shall maintain a public transparency website
2 available through a link on its website homepage. The public university shall update
3 this website within 30 days after the university's governing board adopts its annual
4 operating budget for the next academic year, or after the governing board adopts a
5 subsequent revision to that budget.

6 (2) The website required under subsection (1) shall include all of the following
7 concerning the public university:

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

9 (b) A summary of current expenditures for the most recent fiscal year for which
10 they are available, expressed as pie charts in the following 2 categories:

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

12 (A) Earnings and wages.

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

15 (C) Retirement benefit costs.

16 (D) All other personnel costs.

17 (ii) A chart of all current expenditures the public university reported as part
18 of its higher education institutional data inventory data under section 241(2), broken
19 into the same subcategories in which it reported those data.

20 (c) Links to all of the following for the public university:

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

22 (ii) Each health care benefits plan, including, but not limited to, medical,
23 dental, vision, disability, long-term care, or any other type of benefits that would
24 constitute health care services, offered to any bargaining unit or employee of the
25 public university.

26 (iii) Audits and financial reports for the most recent fiscal year for which they
27 are available.

1 (iv) Campus security policies and crime statistics pursuant to the student right-
2 to-know and campus security act, Public Law 101-542, 104 Stat 2381. Information shall
3 include all material prepared pursuant to the public information reporting
4 requirements under the crime awareness and campus security act of 1990, title II of
5 the student right-to-know and campus security act, Public Law 101-542, 104 Stat 2381.

6 (d) A list of all positions funded partially or wholly through institutional
7 general fund revenue that includes the position title and annual salary or wage amount
8 for each position.

9 (e) General fund revenue and expenditure projections for the current fiscal year
10 and the next fiscal year.

11 (f) A listing of all debt service obligations, detailed by project, anticipated
12 fiscal year payment for each project, and total outstanding debt for the current
13 fiscal year.

14 (g) The institution's policy regarding the transferability of core college
15 courses between community colleges and the university.

16 (h) A listing of all community colleges that have entered into reverse transfer
17 agreements with the university.

18 (3) On the website required under subsection (1), a public university shall
19 provide a dashboard or report card demonstrating the university's performance in
20 several "best practice" measures. The dashboard or report card shall include at least
21 all of the following for the 3 most recent academic years for which the data are
22 available:

23 (a) Enrollment.

24 (b) Student retention rate.

25 (c) Six-year graduation rates.

26 (d) Number of Pell grant recipients and graduating Pell grant recipients.

27 (e) Geographic origination of students, categorized as in-state, out-of-state,

1 and international.

2 (f) Faculty to student ratios and total university employee to student ratios.

3 (g) Teaching load by faculty classification.

4 (h) Graduation outcome rates, including employment and continuing education.

5 (4) For statewide consistency and public visibility, public universities must use
6 the icon badge provided by the department of technology, management, and budget
7 consistent with the icon badge developed by the department of education for K-12
8 school districts. It must appear on the front of each public university's homepage.
9 The size of the icon may be reduced to 150 x 150 pixels. The font size and style for
10 this reporting must be consistent with other documents on each university's website.

11 ~~(5) The state budget director shall determine whether a public university has~~
12 ~~complied with this section. The state budget director may withhold a public~~
13 ~~university's monthly installments described in section 241 until the public university~~
14 ~~complies with this section.~~

15 (5) ~~(6)~~ By November 15 of each year, a public university shall report the
16 following information to the center and post the information on its website under the
17 budget transparency icon badge:

18 (a) Opportunities for earning college credit through the following programs:

19 (i) State approved career and technical education or a tech prep articulated
20 program of study.

21 (ii) Direct college credit or concurrent enrollment.

22 (iii) Dual enrollment.

23 (iv) An early college/middle college program.

24 (b) For each program described in subdivision (a) that the public university
25 offers, all of the following information:

26 (i) The number of high school students participating in the program.

27 (ii) The number of school districts that participate in the program with the

1 public university.

2 (iii) Whether a university professor, qualified local school district employee,
3 or other individual teaches the course or courses in the program.

4 (iv) The total cost to the public university to operate the program.

5 (v) The cost per credit hour for the course or courses in the program.

6 (vi) The location where the course or courses in the program are held.

7 (vii) Instructional resources offered to the program instructors.

8 (viii) Resources offered to the student in the program.

9 (ix) Transportation services provided to students in the program.

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

12 (2) Tuition grant awards shall be made to all eligible Michigan residents
13 enrolled in undergraduate degree programs who are qualified and who apply before July
14 1, 2017 for the 2017-2018 academic year. Beginning with the 2018-2019 academic year,
15 tuition grant awards shall be made to all eligible Michigan residents enrolled in
16 undergraduate degree programs who are qualified and who apply before March 1 of each
17 year for the next academic year.

18 ~~(3) Beginning with the 2018-2019 academic year, a tuition grant may be renewed~~
19 ~~for not more than 10 semesters or its equivalent in trimesters or quarters of~~
20 ~~undergraduate education, or if an eligible applicant has not completed using the grant~~
21 ~~within 10 years after his or her eligibility is determined, whichever occurs first.~~
22 ~~The department shall determine an equivalent to 10 semesters or its equivalent in~~
23 ~~trimesters or quarters of undergraduate education for less than full-time but more~~
24 ~~than half-time students.~~

25 (3) ~~(4)~~ Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to
26 subsections ~~(8)~~ (7) and ~~(9)~~, (8), the department of treasury shall determine an actual
27 maximum tuition grant award per student, which shall be no less than \$2,000.00,

1 \$2,100.00, that ensures that the aggregate payments for the tuition grant program do
 2 not exceed the appropriation contained in section 236 for the state tuition grant
 3 program. If the department determines that insufficient funds are available to
 4 establish a maximum award amount equal to at least ~~\$2,000.00~~, \$2,100.00, the
 5 department shall immediately report to the house and senate appropriations
 6 subcommittees on higher education, the house and senate fiscal agencies, and the state
 7 budget director regarding the estimated amount of additional funds necessary to
 8 establish a ~~\$2,000.00~~ \$2,100.00 maximum award amount. If the department determines
 9 that sufficient funds are available to establish a maximum award amount equal to at
 10 least ~~\$2,000.00~~, \$2,100.00, the department shall immediately report to the house and
 11 senate appropriations subcommittees on higher education, the house and senate fiscal
 12 agencies, and the state budget director regarding the maximum award amount established
 13 and the projected amount of any projected year-end appropriation balance based on that
 14 maximum award amount. By February 18 of each fiscal year, the department shall analyze
 15 the status of award commitments, shall make any necessary adjustments, and shall
 16 confirm that those award commitments will not exceed the appropriation contained in
 17 section 236 for the tuition grant program. The determination and actions shall be
 18 reported to the state budget director and the house and senate fiscal agencies no
 19 later than the final day of February of each year. If award adjustments are necessary,
 20 the students shall be notified of the adjustment by March 4 of each year.

21 (4) ~~(5)~~—Any unexpended and unencumbered funds remaining on September 30, ~~2018~~
 22 2019 from the amounts appropriated in section 236 for the tuition grant program for
 23 fiscal year ~~2017-2018-2018-2019~~ do not lapse on September 30, ~~2018-2019~~, but continue
 24 to be available for expenditure for tuition grants provided in the ~~2018-2019-2019-2020~~
 25 fiscal year under a work project account. ~~The use of these unexpended fiscal year~~
 26 ~~2017-2018 funds terminates at the end of the 2018-2019 fiscal year.~~

27 (5) ~~(6)~~—The department of treasury shall continue a proportional tuition grant

1 maximum award level for recipients enrolled less than full-time in a given semester or
2 term.

3 (6) ~~(7)~~—If the department of treasury increases the maximum award per eligible
4 student from that provided in the previous fiscal year, it shall not have the effect
5 of reducing the number of eligible students receiving awards in relation to the total
6 number of eligible applicants. Any increase in the maximum grant shall be proportional
7 for all eligible students receiving awards for that fiscal year.

8 (7) ~~(8)~~—Except as provided in subsection ~~(5)~~, ~~(4)~~, the department of treasury
9 shall not award more than ~~\$3,500,000.00~~ **\$4,200,000.00** in tuition grants to eligible
10 students enrolled in the same independent nonprofit college or university in this
11 state. Any decrease in the maximum grant shall be proportional for all eligible
12 students enrolled in that college or university, as determined by the department.

13 (8) ~~(9)~~—The department of treasury shall not award tuition grants to otherwise
14 eligible students enrolled in an independent college or university that does not
15 report, in a form and manner directed by and satisfactory to the department of
16 treasury, by October 31 of each year, all of the following:

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

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

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

26 (9) ~~(10)~~—By February 1, ~~2018~~ **2019**, each independent college and university
27 participating in the tuition grant program shall report to the senate and house

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

8 Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive
9 program shall be distributed as provided in this section and pursuant to the
10 administrative procedures for the tuition incentive program of the department of
11 treasury.

12 (2) As used in this section:

13 (a) "Phase I" means the first part of the tuition incentive program defined as
14 the academic period of 80 semester or 120 term credits, or less, leading to an
15 associate degree or certificate. Students must be enrolled in a certificate or
16 associate degree program and taking classes within the program of study for a
17 certificate or associate degree. Tuition will not be covered for courses outside of a
18 certificate or associate degree program.

19 (b) "Phase II" means the second part of the tuition incentive program which
20 provides assistance in the third and fourth year of 4-year degree programs.

21 (c) "Department" means the department of treasury.

22 (d) "High school equivalency certificate" means that term as defined in section
23 4.

24 (3) An individual shall meet the following basic criteria and financial
25 thresholds to be eligible for tuition incentive program benefits:

26 (a) To be eligible for phase I, an individual shall meet all of the following
27 criteria:

1 (i) Apply for certification to the department any time after he or she begins the
2 sixth grade but before August 31 of the school year in which he or she graduates from
3 high school or before achieving a high school equivalency certificate.

4 (ii) Be less than 20 years of age at the time he or she graduates from high
5 school with a diploma or certificate of completion or achieves a high school
6 equivalency certificate or, for students attending a 5-year middle college approved by
7 the Michigan department of education, be less than 21 years of age when he or she
8 graduates from high school.

9 (iii) Be a United States citizen and a resident of this state according to
10 institutional criteria.

11 (iv) Be at least a half-time student, earning less than 80 semester or 120 term
12 credits at a participating educational institution within 4 years of high school
13 graduation or achievement of a high school equivalency certificate. All program
14 eligibility expires 6 years from high school graduation or achievement of a high
15 school equivalency certificate.

16 (v) Meet the satisfactory academic progress policy of the educational institution
17 he or she attends.

18 (b) To be eligible for phase II, an individual shall meet either of the following
19 criteria in addition to the criteria in subdivision (a):

20 (i) Complete at least 56 transferable semester or 84 transferable term credits.

21 (ii) Obtain an associate degree or certificate at a participating institution.

22 (c) To be eligible for phase I or phase II, an individual must not be
23 incarcerated and must be financially eligible as determined by the department. An
24 individual is financially eligible for the tuition incentive program if he or she was
25 eligible for Medicaid from this state for 24 months within the 36 consecutive months
26 before application. The department shall accept certification of Medicaid eligibility
27 only from the department of health and human services for the purposes of verifying if

1 a person is Medicaid eligible for 24 months within the 36 consecutive months before
2 application. Certification of eligibility may begin in the sixth grade. As used in
3 this subdivision, "incarcerated" does not include detention of a juvenile in a state-
4 operated or privately operated juvenile detention facility.

5 (4) ~~Beginning in fiscal year 2017-2018, The~~ **THE** department shall not award more
6 than \$8,500,000.00 annually in tuition incentive program funds to eligible students
7 enrolled in the same college or university in this state.

8 (5) For phase I, the department shall provide payment on behalf of a person
9 eligible under subsection (3). The department shall only accept standard per-credit
10 hour tuition billings and shall reject billings that are excessive or outside the
11 guidelines for the type of educational institution.

12 (6) For phase I, all of the following apply:

13 (a) Payments for associate degree or certificate programs shall not be made for
14 more than 80 semester or 120 term credits for any individual student at any
15 participating institution.

16 (b) For persons enrolled at a Michigan community college, the department shall
17 pay the current in-district tuition and mandatory fees. For persons residing in an
18 area that is not included in any community college district, the out-of-district
19 tuition rate may be authorized.

20 (c) For fiscal year ~~2017-2018-2018-2019~~, for persons enrolled at a Michigan
21 public university, the department shall pay lower division resident tuition and
22 mandatory fees for the current year. Beginning in fiscal year 2018-2019, for persons
23 enrolled at a Michigan public university, the department shall pay mandatory fees for
24 the current year and a per-credit payment that does not exceed 3 times the average
25 community college in-district per-credit tuition rate as reported on August 1 for the
26 immediately preceding academic year.

27 (d) For persons enrolled at a Michigan independent, nonprofit degree-granting

1 college or university, or a Michigan federal tribally controlled community college, or
2 Focus: HOPE, the department shall pay mandatory fees for the current year and a per-
3 credit payment that does not exceed the average community college in-district per-
4 credit tuition rate as reported on August 1, for the immediately preceding academic
5 year.

6 (7) A person participating in phase II may be eligible for additional funds not
7 to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00
8 subject to the following conditions:

9 (a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year
10 college or university.

11 (b) The tuition reimbursement is for coursework completed within 30 months of
12 completion of the phase I requirements.

13 (8) The department shall work closely with participating institutions to develop
14 an application and eligibility determination process that will provide the highest
15 level of participation and ensure that all requirements of the program are met.

16 (9) Applications for the tuition incentive program may be approved at any time
17 after the student begins the sixth grade. If a determination of financial eligibility
18 is made, that determination is valid as long as the student meets all other program
19 requirements and conditions.

20 (10) Each institution shall ensure that all known available restricted grants for
21 tuition and fees are used prior to billing the tuition incentive program for any
22 portion of a student's tuition and fees.

23 (11) The department shall ensure that the tuition incentive program is well
24 publicized and that eligible Medicaid clients are provided information on the program.
25 The department shall provide the necessary funding and staff to fully operate the
26 program.

27 ~~(12) Any unexpended and unencumbered funds remaining on September 30, 2018 from~~

1 ~~the amounts appropriated in section 236 for the tuition incentive program for fiscal~~
2 ~~year 2017-2018 do not lapse on September 30, 2018, but continue to be available for~~
3 ~~expenditure for tuition incentive program funds provided in the 2018-2019 fiscal year~~
4 ~~under a work project account. The use of these unexpended fiscal year 2017-2018 funds~~
5 ~~terminates at the end of the 2018-2019 fiscal year.~~

6 (12) ~~(13)~~ The department of treasury shall collaborate with the center to use the
7 P-20 longitudinal data system to report the following information for each qualified
8 postsecondary institution:

9 (a) The number of phase I students in the most recently completed academic year
10 who in any academic year received a tuition incentive program award and who
11 successfully completed a degree or certificate program. Cohort graduation rates for
12 phase I students shall be calculated using the established success rate methodology
13 developed by the center in collaboration with the postsecondary institutions.

14 (b) The number of students in the most recently completed academic year who in
15 any academic year received a Pell grant at the reporting institution and who
16 successfully completed a degree or certificate program. Cohort graduation rates for
17 students who received Pell grants shall be calculated using the established success
18 rate methodology developed by the center in collaboration with the postsecondary
19 institutions.

20 (13) ~~(14)~~ If a qualified postsecondary institution does not report the data
21 necessary to comply with subsection ~~(13)~~ (12) to the P-20 longitudinal data system,
22 the institution shall report, in a form and manner satisfactory to the department of
23 treasury and the center, all of the information needed to comply with subsection ~~(13)~~
24 (12) by December 1, ~~2017~~ 2019.

25 (14) ~~(15)~~ Beginning in fiscal year ~~2018-2019-2019-2020~~, if a qualified
26 postsecondary institution does not report the data necessary to complete the reporting
27 in subsection ~~(13)~~ (12) to the P-20 longitudinal data system by October 15 for the

1 prior academic year, the department of treasury shall not award phase I tuition
2 incentive program funding to otherwise eligible students enrolled in that institution
3 until the data are submitted.

4 Sec. 263. (1) Included in the appropriation in section 236 for fiscal year ~~2017-~~
5 ~~2018~~ 2018-2019 for MSU AgBioResearch is \$2,982,900.00 and included in the
6 appropriation in section 236 for MSU Extension is \$2,645,200.00 for Project GREEN.
7 Project GREEN is intended to address critical regulatory, food safety, economic, and
8 environmental problems faced by this state's plant-based agriculture, forestry, and
9 processing industries. "GREEN" is an acronym for Generating Research and Extension to
10 Meet Environmental and Economic Needs.

11 (2) The department of agriculture and rural development and Michigan State
12 University, in consultation with agricultural commodity groups and other interested
13 parties, shall develop Project GREEN and its program priorities.

14 Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2017-2018~~
15 2018-2019 for Michigan State University is \$80,000.00 for the Michigan Future Farmers
16 of America Association. This \$80,000.00 allocation shall not supplant any existing
17 support that Michigan State University provides to the Michigan Future Farmers of
18 America Association.

19 Sec. 265. (1) Payments under section 265a for performance funding shall only be
20 made to a public university that certifies to the state budget director by August 31,
21 ~~2017-2018~~ that its board did not adopt an increase in tuition and fee rates for
22 resident undergraduate students after September 1, ~~2016-2017~~ for the ~~2016-2017-2017-~~
23 ~~2018~~ academic year and that its board will not adopt an increase in tuition and fee
24 rates for resident undergraduate students for the ~~2017-2018-2018-2019~~ academic year
25 that is greater than 3.8% or ~~\$475.00~~-\$490.00, whichever is greater. As used in this
26 subsection:

27 (a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of

1 all resident undergraduate students at least once during their enrollment at a public
2 university, as described in the higher education institutional data inventory (HEIDI)
3 user manual. A university increasing a fee that applies to a specific subset of
4 students or courses shall provide sufficient information to prove that the increase
5 applied to that subset will not cause the increase in the average amount of board-
6 authorized total tuition and fees paid by resident undergraduate students in the 2017-
7 2018-2019 academic year to exceed the limit established in this subsection.

8 (b) "Tuition and fee rate" means the average of full-time rates paid by a
9 majority of students in each undergraduate class, based on an unweighted average of
10 the rates authorized by the university board and actually charged to students,
11 deducting any uniformly rebated or refunded amounts, for the 2 semesters with the
12 highest levels of full-time equated resident undergraduate enrollment during the
13 academic year, as described in the higher education institutional data inventory
14 (HEIDI) user manual.

15 ~~(c) For purposes of subdivision (a), for a public university that compels~~
16 ~~resident undergraduate students to be covered by health insurance as a condition to~~
17 ~~enroll at the university, "fee" includes the annual amount a student is charged for~~
18 ~~coverage by the university affiliated group health insurance policy if he or she does~~
19 ~~not provide proof that he or she is otherwise covered by health insurance. This~~
20 ~~subdivision does not apply to limited subsets of resident undergraduate students to be~~
21 ~~covered by health insurance for specific reasons other than general enrollment at the~~
22 ~~university.~~

23 (2) The state budget director shall implement uniform reporting requirements to
24 ensure that a public university receiving a payment under section 265a for performance
25 funding has satisfied the tuition restraint requirements of this section. The state
26 budget director shall have the sole authority to determine if a public university has
27 met the requirements of this section. Information reported by a public university to

1 the state budget director under this subsection shall also be reported to the house
2 and senate appropriations subcommittees on higher education and the house and senate
3 fiscal agencies.

4 ~~(3) Universities that exceed the tuition and fee rate cap described in subsection~~
5 ~~(1) shall not receive a planning or construction authorization for a state funded~~
6 ~~capital outlay project in fiscal year 2018-2019 or fiscal year 2019-2020.~~

7 ~~(4) Notwithstanding any other provision of this act, the legislature may at any~~
8 ~~time adjust appropriations for a university that adopts an increase in tuition and fee~~
9 ~~rates for resident undergraduate students that exceeds the rate cap established in~~
10 ~~subsection (1).~~

11 Sec. 265a. (1) Appropriations to public universities in section 236 for fiscal
12 year ~~2017-2018-2018-2019~~ for performance funding shall be paid only to a public
13 university that complies with section 265 and certifies to the state budget director,
14 the house and senate appropriations subcommittees on higher education, and the house
15 and senate fiscal agencies by August 31, ~~2017-2018~~ that it complies with all of the
16 following requirements:

17 (a) The university participates in reverse transfer agreements described in
18 section 286 with at least 3 Michigan community colleges.

19 (b) The university does not and will not consider whether dual enrollment credits
20 earned by an incoming student were utilized towards his or her high school graduation
21 requirements when making a determination as to whether those credits may be used by
22 the student toward completion of a university degree or certificate program.

23 (c) The university actively participates in and submits timely updates to the
24 Michigan Transfer Network created as part of the Michigan Association of Collegiate
25 Registrars and Admissions Officers transfer agreement.

26 (2) Any performance funding amounts under section 236 that are not paid to a
27 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, ~~2017~~ 2018, 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%.

FOR FISCAL YEAR 2018-2019, THE WEIGHTING FOR CERTIFICATES AND ASSOCIATE DEGREES IN CRITICAL SKILLS AREAS IS INCREASED.

(c) Based on research and development expenditures, for universities classified in Carnegie classifications as doctoral universities: moderate research activity, doctoral universities: higher research activity, or 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.

1 (c) A university classified as improving, a score of 2. ~~It is the intent of the~~
2 ~~legislature that, beginning in the 2018-2019 state fiscal year, a university~~
3 ~~classified as improving is assigned a score of 1.~~

4 (d) A university that is not included in subdivision (a), (b), or (c), a score of
5 0.

6 (6) As used in this section, "Carnegie classification" means the basic
7 classification of the university according to the most recent version of the Carnegie
8 classification of institutions of higher education, published by the Carnegie
9 Foundation for the Advancement of Teaching.

10 ~~(7) It is the intent of the legislature to allocate more funding based on~~
11 ~~performance metrics in future years.~~

12 SEC. 265B. BY FEBRUARY 1, 2019, THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION, THE
13 MICHIGAN ASSOCIATION OF STATE UNIVERSITIES, AND THE MICHIGAN INDEPENDENT COLLEGES AND
14 UNIVERSITIES, ON BEHALF OF THEIR MEMBER COLLEGES AND UNIVERSITIES, SHALL SUBMIT TO THE
15 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE SENATE AND
16 HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND HOUSE FISCAL
17 AGENCIES, AND THE STATE BUDGET DIRECTOR A COMPREHENSIVE REPORT DETAILING THE NUMBER OF
18 ACADEMIC PROGRAM PARTNERSHIPS BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC UNIVERSITIES,
19 AND PRIVATE COLLEGES AND UNIVERSITIES, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING
20 INFORMATION:

21 (A) THE NAMES OF THE BACCALAUREATE DEGREE PROGRAMS OF STUDY OFFERED BY PUBLIC AND
22 PRIVATE UNIVERSITIES ON COMMUNITY COLLEGE CAMPUSES.

23 (B) THE NAMES OF THE ARTICULATION AGREEMENTS FOR BACCALAUREATE DEGREE PROGRAMS OF
24 STUDY BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC UNIVERSITIES, AND PRIVATE COLLEGES AND
25 UNIVERSITIES.

26 (C) THE NUMBER OF STUDENTS ENROLLED AND NUMBER OF DEGREES AWARDED THROUGH
27 ARTICULATION AGREEMENTS, AND THE NUMBER OF COURSES OFFERED, NUMBER OF STUDENTS

1 ENROLLED, AND NUMBER OF DEGREES AWARDED THROUGH ON-CAMPUS PROGRAMS NAMED IN
2 SUBDIVISION (A) FROM JULY 1, 2017 THROUGH JUNE 30, 2018.

3 Sec. 267. All public universities shall submit the amount of tuition and fees
4 actually charged to a full-time resident undergraduate student for academic year ~~2017-~~
5 ~~2018~~ 2018-2019 as part of their higher education institutional data inventory (HEIDI)
6 data by August 31 of each year. A public university shall report any revisions for any
7 semester of the reported academic year ~~2017-2018~~ 2018-2019 tuition and fee charges to
8 HEIDI within 15 days of being adopted.

9 Sec. 268. ~~(1) For the fiscal year ending September 30, 2018, it is the intent of~~
10 ~~the legislature that funds be allocated for unfunded North American Indian tuition~~
11 ~~waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to~~
12 ~~390.1253, from the general fund.~~

13 ~~(2) Appropriations in section 236(7)(f) for North American Indian tuition waivers~~
14 ~~shall be paid to universities under section 2a of 1976 PA 174, MCL 390.1252a.~~
15 ~~Allocations shall be adjusted for amounts included in university operations~~
16 ~~appropriations. If funds are insufficient to support the entire cost of waivers,~~
17 ~~amounts shall be prorated proportionate to each institution's shortfall as a~~
18 ~~percentage of its fiscal year 2017-2018 state appropriation for operations.~~

19 (1) ~~(3)~~ By February 15 of each year, the department of civil rights shall
20 annually submit to the state budget director, the house and senate appropriations
21 subcommittees on higher education, and the house and senate fiscal agencies a report
22 on North American Indian tuition waivers for the preceding academic year that
23 includes, but is not limited to, all of the following information:

24 (a) The number of waiver applications received and the number of waiver
25 applications approved.

26 (b) For each university submitting information under subsection ~~(4)~~, ~~(2)~~, all of
27 the following:

1 (i) The number of graduate and undergraduate North American Indian students
2 enrolled each term for the previous academic year.

3 (ii) The number of North American Indian waivers granted each term, including to
4 continuing education students, and the monetary value of the waivers for the previous
5 academic year.

6 (iii) The number of graduate and undergraduate students attending under a North
7 American Indian tuition waiver who withdrew from the university each term during the
8 previous academic year. For purposes of this subparagraph, a withdrawal occurs when a
9 student who has been awarded the waiver withdraws from the institution at any point
10 during the term, regardless of enrollment in subsequent terms.

11 (iv) The number of graduate and undergraduate students attending under a North
12 American Indian tuition waiver who successfully complete a degree or certificate
13 program, separated by degree or certificate level, and the graduation rate for
14 graduate and undergraduate students attending under a North American Indian tuition
15 waiver who complete a degree or certificate within 150% of the normal time to
16 complete, separated by the level of the degree or certificate.

17 (2) ~~(4)~~—A public university that receives funds under section 236 shall provide
18 to the department of civil rights any information necessary for preparing the report
19 detailed in subsection ~~(3)~~, (1), using guidelines and procedures developed by the
20 department of civil rights.

21 (3) ~~(5)~~—The department of civil rights may consolidate the report required under
22 this section with the report required under section 223, but a consolidated report
23 must separately identify data for universities and data for community colleges.

24 Sec. 269. For fiscal year ~~2017-2018-2018-2019~~, from the amount appropriated in
25 section 236 to Central Michigan University for operations, \$29,700.00 shall be paid to
26 Saginaw Chippewa Tribal College for the costs of waiving tuition for North American
27 Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

1 Sec. 270. For fiscal year ~~2017-2018~~, ~~2018-2019~~, from the amount appropriated in
2 section 236 to Lake Superior State University for operations, \$100,000.00 shall be
3 paid to Bay Mills Community College for the costs of waiving tuition for North
4 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

5 Sec. 274c. By February 1, ~~2018~~, ~~2019~~, each university receiving funds under
6 section 236 shall report to the senate and house appropriations subcommittees on
7 higher education, the senate and house fiscal agencies, and the state budget director
8 on its efforts to develop and implement sexual assault response training for the
9 university's title IX coordinator, campus law enforcement personnel, campus public
10 safety personnel, and any other campus personnel charged with responding to on-campus
11 incidents, including information on sexual assault response training materials and the
12 status of implementing sexual assault response training for campus personnel.

13 Sec. 276. (1) Included in the appropriation for fiscal year ~~2017-2018~~, ~~2018-2019~~
14 for each public university in section 236 is funding for the Martin Luther King, Jr. -
15 Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool
16 of academically or economically disadvantaged candidates pursuing faculty teaching
17 careers in postsecondary education. Preference may not be given to applicants on the
18 basis of race, color, ethnicity, gender, or national origin. Institutions should
19 encourage applications from applicants who would otherwise not adequately be
20 represented in the graduate student and faculty populations. Each public university
21 shall apply the percentage change applicable to every public university in the
22 calculation of appropriations in section 236 to the amount of funds allocated to the
23 future faculty program.

24 (2) The program shall be administered by each public university in a manner
25 prescribed by the workforce development agency. The workforce development agency shall
26 use a good faith effort standard to evaluate whether a fellowship is in default.

27 Sec. 277. (1) Included in the appropriation for fiscal year ~~2017-2018~~, ~~2018-2019~~

1 for each public university in section 236 is funding for the Martin Luther King, Jr. -
2 Cesar Chavez - Rosa Parks college day program that is intended to introduce
3 academically or economically disadvantaged schoolchildren to the potential of a
4 college education. Preference may not be given to participants on the basis of race,
5 color, ethnicity, gender, or national origin. Public universities should encourage
6 participation from those who would otherwise not adequately be represented in the
7 student population.

8 (2) Individual program plans of each public university shall include a budget of
9 equal contributions from this program, the participating public university, the
10 participating school district, and the participating independent degree-granting
11 college. College day funds shall not be expended to cover indirect costs. Not more
12 than 20% of the university match shall be attributable to indirect costs. Each public
13 university shall apply the percentage change applicable to every public university in
14 the calculation of appropriations in section 236 to the amount of funds allocated to
15 the college day program.

16 (3) The program described in this section shall be administered by each public
17 university in a manner prescribed by the workforce development agency.

18 Sec. 278. (1) Included in section 236 for fiscal year ~~2017-2018-2018-2019~~ is
19 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student
20 support services program for developing academically or economically disadvantaged
21 student retention programs for 4-year public and independent educational institutions
22 in this state. Preference may not be given to participants on the basis of race,
23 color, ethnicity, gender, or national origin. Institutions should encourage
24 participation from those who would otherwise not adequately be represented in the
25 student population.

26 (2) An award made under this program to any 1 institution shall not be greater
27 than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college

1 or university basis.

2 (3) The program described in this section shall be administered by the workforce
3 development agency.

4 Sec. 279. (1) Included in section 236 for fiscal year ~~2017-2018-2018-2019~~ is
5 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university
6 partnership program between 4-year public and independent colleges and universities
7 and public community colleges, which is intended to increase the number of
8 academically or economically disadvantaged students who transfer from community
9 colleges into baccalaureate programs. Preference may not be given to participants on
10 the basis of race, color, ethnicity, gender, or national origin. Institutions should
11 encourage participation from those who would otherwise not adequately be represented
12 in the transfer student population.

13 (2) The grants shall be made under the program described in this section to
14 Michigan public and independent colleges and universities. An award to any 1
15 institution shall not be greater than \$150,000.00, and the amount awarded shall be
16 matched on a 70% state, 30% college or university basis.

17 (3) The program described in this section shall be administered by the workforce
18 development agency.

19 Sec. 280. (1) Included in the appropriation for fiscal year ~~2017-2018-2018-2019~~
20 for each public university in section 236 is funding for the Martin Luther King, Jr. -
21 Cesar Chavez - Rosa Parks visiting professors program which is intended to increase
22 the number of instructors in the classroom to provide role models for academically or
23 economically disadvantaged students. Preference may not be given to participants on
24 the basis of race, color, ethnicity, gender, or national origin. Public universities
25 should encourage participation from those who would otherwise not adequately be
26 represented in the student population.

27 (2) The program described in this section shall be administered by the workforce

1 development agency.

2 Sec. 281. (1) Included in the appropriation for fiscal year ~~2017-2018-2018-2019~~
3 in section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa
4 Parks initiative for the Morris Hood, Jr. educator development program which is
5 intended to increase the number of academically or economically disadvantaged students
6 who enroll in and complete K-12 teacher education programs at the baccalaureate level.
7 Preference may not be given to participants on the basis of race, color, ethnicity,
8 gender, or national origin. Institutions should encourage participation from those who
9 would otherwise not adequately be represented in the teacher education student
10 population.

11 (2) The program described in this section shall be administered by each state-
12 approved teacher education institution in a manner prescribed by the workforce
13 development agency.

14 (3) Approved teacher education institutions may and are encouraged to use student
15 support services funding in coordination with the Morris Hood, Jr. funding to achieve
16 the goals of the program described in this section.

17 Sec. 282. Each institution receiving funds for fiscal year ~~2017-2018-2018-2019~~
18 under section 278, 279, or 281 shall provide to the workforce development agency by
19 April 15, ~~2018-2019~~ the unobligated and unexpended funds as of March 31, ~~2018-2019~~ and
20 a plan to expend the remaining funds by the end of the fiscal year. Notwithstanding
21 the award limitations in sections 278 and 279, the amount of funding reported as not
22 being expended will be reallocated to the institutions that intend to expend all
23 funding received under section 278, 279, or 281.

24 Sec. 289. (1) The auditor general shall ~~periodically~~ **NOT LESS THAN EVERY FOUR**
25 **YEARS** audit higher education institutional data inventory (HEIDI) data submitted by
26 all public universities under section 241 and may perform audits of selected public
27 universities if determined necessary. The audits shall be based upon the definitions,

1 requirements, and uniform reporting categories established by the state budget
2 director in consultation with the HEIDI advisory committee. The auditor general shall
3 submit a report of findings to the house and senate appropriations committees and the
4 state budget director no later than July 1 of each year an audit takes place.

5 (2) Student credit hours reports shall not include the following:

6 (a) Student credit hours generated through instructional activity by faculty or
7 staff in classrooms located outside Michigan, with the exception of instructional
8 activity related to study-abroad programs or field programs.

9 (b) Student credit hours generated through distance learning instruction for
10 students not eligible for the public university's in-state main campus resident
11 tuition rate. However, in instances where a student is enrolled in distance education
12 and non-distance education credit hours in a given term and the student's non-distance
13 education enrollment is at a campus or site located within Michigan, student credit
14 hours per the student's eligibility for in-state or out-of-state tuition rates may be
15 reported.

16 (c) Student credit hours generated through credit by examination.

17 (d) Student credit hours generated through inmate prison programs regardless of
18 teaching location.

19 (e) Student credit hours generated in new degree programs created on or after
20 January 1, 1975 and before January 1, 2013, that were not specifically authorized for
21 funding by the legislature, except spin-off programs converted from existing core
22 programs, and student credit hours generated in any new degree programs created after
23 January 1, 2013, that are specifically excluded from reporting by the legislature
24 under this section.

25 (3) "Distance learning instruction" as used in subsection (2) means instruction
26 that occurs solely in other than a traditional classroom setting where the student and
27 instructor are in the same physical location and for which a student receives course

- 1 credits and is charged tuition and fees. Examples of distance learning instruction are
- 2 instruction delivered solely through the internet, cable television, teleconference,
- 3 or mail.

ARTICLE IV**GENERAL PROVISIONS**

Sec. 296. (1) If the maximum amount appropriated under this act from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a.

(2) If the total maximum amount appropriated under all articles of this act from the state school aid fund and the school aid stabilization fund exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, 56, **147C**, and 152a shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or \$5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (3). If proration is necessary, state payments under each of the other sections of article I from all state funding sources, and state appropriations to community colleges and public universities under articles II and III from the state school aid fund, shall be prorated in the manner prescribed in subsection (3) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further

1 proration is required under this subsection after an initial proration has already
2 been made for a fiscal year, the department of treasury shall notify the state budget
3 director, and the state budget director shall notify the legislature at least 30
4 calendar days or 6 legislative session days, whichever is more, before the department
5 reduces any payments under this act because of the proration. During the 30-calendar-
6 day or 6-legislative-session-day period after that notification by the state budget
7 director, the department shall not reduce any payments under this act because of
8 proration under this subsection. The legislature may prevent proration from occurring
9 by, within the 30-calendar-day or 6-legislative-session-day period after that
10 notification by the state budget director, enacting legislation appropriating
11 additional funds from the general fund, countercyclical budget and economic
12 stabilization fund, state school aid fund balance, or another source to fund the
13 amount of the projected shortfall.

14 (3) If proration is necessary under subsection (2), the department shall
15 calculate the proration in district and intermediate district payments under article I
16 that is required under subsection (2), and the department of treasury shall calculate
17 the proration in community college and public university payments under articles II
18 and III that is required under subsection (2), as follows:

19 (a) The department and the department of treasury shall calculate the percentage
20 of total state school aid fund money that is appropriated and allocated under this act
21 for the affected fiscal year for each of the following:

22 (i) Districts.

23 (ii) Intermediate districts.

24 (iii) Entities receiving funding from the state school aid fund under article I
25 other than districts or intermediate districts.

26 (iv) Community colleges and public universities that receive funding from the
27 state school aid fund.

1 (b) The department shall recover a percentage of the proration amount required
2 under subsection (2) that is equal to the percentage calculated under subdivision
3 (a) (i) for districts by reducing payments to districts. This reduction shall be made
4 by calculating an equal dollar amount per pupil as necessary to recover this
5 percentage of the proration amount and reducing each district's total state school aid
6 from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b,
7 31d, 31f, 51a(2), 51a(12), 51c, 53a, **147C**, and 152a, by that amount.

8 (c) The department shall recover a percentage of the proration amount required
9 under subsection (2) that is equal to the percentage calculated under subdivision
10 (a) (ii) for intermediate districts by reducing payments to intermediate districts.
11 This reduction shall be made by reducing the payments to each intermediate district,
12 other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a(12), 53a, 56, **147C**,
13 and 152a, on an equal percentage basis.

14 (d) The department shall recover a percentage of the proration amount required
15 under subsection (2) that is equal to the percentage calculated under subdivision
16 (a) (iii) for entities receiving funding from the state school aid fund under article I
17 other than districts and intermediate districts by reducing payments to these
18 entities. This reduction shall be made by reducing the payments to each of these
19 entities, other than payments under sections 11j, 26a, and 26b, on an equal percentage
20 basis.

21 (e) The department of treasury shall recover a percentage of the proration amount
22 required under subsection (2) that is equal to the percentage calculated under
23 subdivision (a) (iv) for community colleges and public universities that receive
24 funding from the state school aid fund by reducing that portion of the payments under
25 articles II and III, **OTHER THAN THOSE PAYMENTS UNDER SECTION 201(5) AND 236(4) OF**
26 **THESE ARTICLES**, to these community colleges and public universities that is from the
27 state school aid fund on an equal percentage basis.

ARTICLE V

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, 2019 AND ANTICIPATED APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2020, FROM THE FUNDS INDICATED IN THIS ACT:

(2) SUMMARY OF EDUCATION OMNIBUS APPROPRIATIONS

GROSS APPROPRIATION	\$ 16,699,916,900	\$ 16,698,233,800
TOTAL INTERDEPARTMENTAL GRANTS AND		
INTRADEPARTMENTAL TRANSFERS	0	0
ADJUSTED GROSS APPROPRIATION	\$ 16,699,916,900	\$ 16,698,233,800
TOTAL FEDERAL REVENUES	1,837,769,900	1,832,769,900
TOTAL LOCAL REVENUES	0	0
TOTAL PRIVATE REVENUES	0	0
TOTAL OTHER STATE RESTRICTED REVENUES	13,656,929,100	13,660,246,600
STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,205,217,900	\$ 1,205,217,900

SEC. 298A. (1) SUMMARY OF APPROPRIATIONS FOR SCHOOL AID (ARTICLE I)

APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$ 14,635,968,800	\$ 14,630,585,700
TOTAL INTERDEPARTMENTAL GRANTS AND		
INTRADEPARTMENTAL TRANSFERS	0	0
ADJUSTED GROSS APPROPRIATION	\$ 14,635,968,800	\$ 14,630,585,700
TOTAL FEDERAL REVENUES	1,724,743,500	1,719,743,500
TOTAL LOCAL REVENUES	0	0
TOTAL PRIVATE REVENUES	0	0

1	TOTAL OTHER STATE RESTRICTED REVENUES	12,866,225,300	12,865,842,200
2	STATE GENERAL FUND/GENERAL PURPOSE	\$ 45,000,000	\$ 45,000,000
3	(2) BASIC OPERATIONS		
4	PROPOSAL A OBLIGATION PAYMENT	\$ 5,048,000,000	\$ 4,985,000,000
5	DISCRETIONARY PAYMENT	4,228,600,000	4,219,000,000
6	MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM		
7	— REFORM COSTS	1,258,439,000	1,308,439,000
8	ISD GENERAL OPERATIONS	67,108,000	67,108,000
9	SHARED TIME PUPILS	64,100,000	64,100,000
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	\$ 10,689,247,000	\$ 10,666,647,000
13	APPROPRIATED FROM:		
14	STATE RESTRICTED REVENUES	10,678,371,200	10,652,541,200
15	STATE GENERAL FUND/GENERAL PURPOSE	\$ 10,875,800	\$ 14,105,800
16	(3) SPECIAL EDUCATION		
17	SPECIAL EDUCATION HEADLEE OBLIGATION	\$ 650,600,000	\$ 665,000,000
18	SPECIAL EDUCATION FOUNDATIONS	272,100,000	278,000,000
19	SPECIAL EDUCATION MILLAGE EQUALIZATION	37,758,100	37,758,100
20	SPECIAL EDUCATION COURT PLACED FTES	10,500,000	10,500,000
21	EARLY ON	5,000,000	5,000,000
22	SPECIAL EDUCATION NON-SEC. 52 PAYMENT	3,400,000	3,200,000
23	SPECIAL EDUCATION RULE CHANGE	2,200,000	2,200,000
24	MICHIGAN SCHOOLS FOR THE DEAF AND BLIND	1,688,000	1,688,000
25	INTEGRATED BEHAVIOR AND LEARNING SUPPORT (MIBLSI)	1,600,000	1,600,000
26	SPECIAL EDUCATION HOLD HARMLESS PAYMENT	1,100,000	1,100,000
27	SPECIAL EDUCATION MONITORING	500,000	500,000

1	SPECIAL EDUCATION TASKFORCE RECOMMENDATIONS	500,000	500,000
2	SPECIAL EDUCATION FEDERAL PROGRAMS	<u>431,000,000</u>	<u>431,000,000</u>
3	GROSS APPROPRIATION	\$ 1,417,946,100	\$ 1,438,046,100
4	APPROPRIATED FROM:		
5	FEDERAL REVENUES	431,000,000	431,000,000
6	STATE RESTRICTED REVENUES	984,346,100	1,004,446,100
7	STATE GENERAL FUND/GENERAL PURPOSE	\$ 2,600,000	\$ 2,600,000
8	(4) SUPPORT SERVICES		
9	AT-RISK PROGRAMS	\$ 499,000,000	\$ 499,000,000
10	ADULT EDUCATION	27,000,000	27,000,000
11	EARLY LITERACY GRANTS	20,900,000	20,900,000
12	HIGH SCHOOL PER PUPIL PAYMENTS	11,000,000	11,000,000
13	PARTNERSHIP MODEL DISTRICTS	8,000,000	6,000,000
14	COURT-PLACED CHILDREN	8,000,000	8,000,000
15	MICHIGAN VIRTUAL UNIVERSITY	7,387,500	7,387,500
16	ADOLESCENT TEEN HEALTH CENTERS	6,057,300	6,057,300
17	EARLY LITERACY INSTRUCTIONAL COACHES	6,000,000	6,000,000
18	BILINGUAL EDUCATION	6,000,000	6,000,000
19	VISION AND HEARING SCREENINGS	5,150,000	5,150,000
20	DRINKING WATER DECLARATION OF EMERGENCY	3,230,100	0
21	BUS DRIVER SAFETY PROGRAMS	2,025,000	2,025,000
22	SCHOOL BUS INSPECTION PROGRAMS	1,729,900	1,729,900
23	CHALLENGE PROGRAM	1,545,400	1,545,400
24	JUVENILE DETENTION FACILITY PROGRAMS	1,355,700	1,355,700
25	STRICT DISCIPLINE ACADEMIES PUPIL TRANSFERS	750,000	750,000
26	DROPOUT RECOVERY PROGRAMS	750,000	750,000
27	FEDERAL PROGRAMS	<u>760,600,000</u>	<u>755,600,000</u>

1	GROSS APPROPRIATION	\$ 1,376,480,900	\$ 1,366,250,800
2	APPROPRIATED FROM:		
3	FEDERAL REVENUES	760,600,000	755,600,000
4	STATE RESTRICTED REVENUES	605,263,400	603,263,300
5	STATE GENERAL FUND/GENERAL PURPOSE	\$ 10,617,500	\$ 7,387,500
6	(5) SCHOOL MEAL PROGRAMS		
7	SCHOOL LUNCH	\$ 546,344,000	\$ 546,691,000
8	SCHOOL BREAKFAST	<u>4,500,000</u>	<u>4,500,000</u>
9	GROSS APPROPRIATION	\$ 550,844,000	\$ 551,191,000
10	APPROPRIATED FROM:		
11	FEDERAL REVENUES	523,200,000	523,200,000
12	STATE RESTRICTED REVENUES	27,644,000	27,991,000
13	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
14	(6) EARLY CHILDHOOD EDUCATION		
15	GREAT START READINESS PROGRAM	\$ 243,900,000	\$ 243,900,000
16	GREAT START EARLY CHILDHOOD BLOCK GRANTS	<u>13,400,000</u>	<u>13,400,000</u>
17	GROSS APPROPRIATION	\$ 257,300,000	\$ 257,300,000
18	APPROPRIATED FROM:		
19	STATE RESTRICTED REVENUES	257,000,000	257,000,000
20	STATE GENERAL FUND/GENERAL PURPOSE	\$ 300,000	\$ 300,000
21	(7) STUDENT ASSESSMENT AND ACCOUNTABILITY		
22	DATA COLLECTION AND REPORTING COSTS	38,000,500	38,000,500
23	STUDENT ASSESSMENTS	37,259,400	37,259,400
24	CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION	16,550,200	16,550,200
25	REGIONAL DATA HUBS	<u>2,200,000</u>	<u>2,200,000</u>
26	GROSS APPROPRIATION	\$ 94,010,100	\$ 94,010,100
27	APPROPRIATED FROM:		

1	FEDERAL REVENUES	6,443,500	6,443,500
2	STATE RESTRICTED REVENUES	71,209,900	71,209,900
3	STATE GENERAL FUND/GENERAL PURPOSE	\$ 16,356,700	\$ 16,356,700
4	(8) DEBT SERVICE AND OTHER REQUIREMENTS		
5	SCHOOL BOND LOAN REDEMPTION FUND	\$ 125,500,000	\$ 125,500,000
6	SCHOOL AID FUND BORROWING COSTS	\$ 24,000,000	\$ 31,000,000
7	RENAISSANCE ZONE REIMBURSEMENT	\$ 15,000,000	\$ 15,000,000
8	PAYMENT IN LIEU OF TAXES REIMBURSEMENT	\$ 4,405,100	\$ 4,405,100
9	PROMISE ZONE PAYMENTS	\$ <u>3,000,000</u>	\$ <u>3,000,000</u>
10	GROSS APPROPRIATION	\$ 171,905,100	\$ 178,905,100
11	APPROPRIATED FROM:		
12	STATE RESTRICTED REVENUES	171,905,100	178,905,100
13	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
14	(9) COLLEGE AND CAREER READINESS		
15	VOCATIONAL EDUCATION	\$ 36,611,300	\$ 36,611,300
16	VOCATIONAL EDUCATION MILLAGE REIMBURSEMENT	9,190,000	9,190,000
17	MISTEM NETWORK REGIONS	8,084,300	8,084,300
18	CTE AND EARLY MIDDLE COLLEGE PROGRAMS	8,000,000	8,000,000
19	CTE PER PUPIL FUNDING	5,000,000	5,000,000
20	MICHIGAN COLLEGE ACCESS NETWORK	3,000,000	3,000,000
21	MISTEM COUNCIL	2,950,000	2,950,000
22	FIRST ROBOTICS	2,500,000	2,500,000
23	DUAL ENROLLMENT INCENTIVE PAYMENTS	1,750,000	1,750,000
24	ADVANCED PLACEMENT (AP) INCENTIVE PROGRAM	750,000	750,000
25	STEM EXECUTIVE DIRECTOR	<u>400,000</u>	<u>400,000</u>
26	GROSS APPROPRIATION	\$ 78,235,600	\$ 78,235,600
27	APPROPRIATED FROM:		

1	FEDERAL REVENUES	3,500,000	3,500,000
2	STATE RESTRICTED REVENUES	70,485,600	70,485,600
3	STATE GENERAL FUND/GENERAL PURPOSE	\$ 4,250,000	\$ 4,250,000
4	SEC. 298B. (1) SUMMARY OF APPROPRIATIONS FOR COMMUNITY COLLEGES (ARTICLE II)		
5	APPROPRIATION SUMMARY		
6	GROSS APPROPRIATION	\$ 405,015,500	\$ 407,715,500
7	TOTAL INTERDEPARTMENTAL GRANTS AND		
8	INTRADEPARTMENTAL TRANSFERS	0	0
9	ADJUSTED GROSS APPROPRIATION	\$ 405,015,500	\$ 407,715,500
10	TOTAL FEDERAL REVENUES	0	0
11	TOTAL LOCAL REVENUES	0	0
12	TOTAL PRIVATE REVENUES	0	0
13	TOTAL OTHER STATE RESTRICTED REVENUES	405,015,500	407,715,500
14	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
15	(2) OPERATIONS		
16	(A) ALPENA COMMUNITY COLLEGE		
17	OPERATIONS	\$ 5,627,500	\$ 5,627,500
18	PERFORMANCE FUNDING	0	0
19	GROSS APPROPRIATION	\$ 5,627,500	\$ 5,627,500
20	(B) BAY DE NOC COMMUNITY COLLEGE		
21	OPERATIONS	\$ 5,589,000	\$ 5,589,000
22	PERFORMANCE FUNDING	0	0
23	GROSS APPROPRIATION	\$ 5,589,000	\$ 5,589,000
24	(C) DELTA COLLEGE		
25	OPERATIONS	\$ 14,990,700	\$ 14,990,700
26	PERFORMANCE FUNDING	0	0
27	GROSS APPROPRIATION	\$ 14,990,700	\$ 14,990,700

1	(D) GLEN OAKS COMMUNITY COLLEGE			
2	OPERATIONS	\$	2,601,400	\$ 2,601,400
3	PERFORMANCE FUNDING		0	0
4	GROSS APPROPRIATION	\$	2,601,400	\$ 2,601,400
5	(E) GOGEBIC COMMUNITY COLLEGE			
6	OPERATIONS	\$	4,715,400	\$ 4,715,400
7	PERFORMANCE FUNDING		0	0
8	GROSS APPROPRIATION	\$	4,715,400	\$ 4,715,400
9	(F) GRAND RAPIDS COMMUNITY COLLEGE			
10	OPERATIONS	\$	18,556,800	\$ 18,556,800
11	PERFORMANCE FUNDING		0	0
12	GROSS APPROPRIATION	\$	18,556,800	\$ 18,556,800
13	(G) HENRY FORD COLLEGE			
14	OPERATIONS	\$	22,299,200	\$ 22,299,200
15	PERFORMANCE FUNDING		0	0
16	GROSS APPROPRIATION	\$	22,299,200	\$ 22,299,200
17	(H) JACKSON COLLEGE			
18	OPERATIONS	\$	12,590,100	\$ 12,590,100
19	PERFORMANCE FUNDING		0	0
20	GROSS APPROPRIATION	\$	12,590,100	\$ 12,590,100
21	(I) KALAMAZOO VALLEY COMMUNITY COLLEGE			
22	OPERATIONS	\$	12,948,700	\$ 12,948,700
23	PERFORMANCE FUNDING		0	0
24	GROSS APPROPRIATION	\$	12,948,700	\$ 12,948,700
25	(J) KELLOGG COMMUNITY COLLEGE			
26	OPERATIONS	\$	10,143,600	\$ 10,143,600
27	PERFORMANCE FUNDING		0	0

1	GROSS APPROPRIATION	\$	10,143,600	\$	10,143,600
2	(K) KIRTLAND COMMUNITY COLLEGE				
3	OPERATIONS	\$	3,298,400	\$	3,298,400
4	PERFORMANCE FUNDING		0		0
5	GROSS APPROPRIATION	\$	3,298,400	\$	3,298,400
6	(L) LAKE MICHIGAN COLLEGE				
7	OPERATIONS	\$	5,523,600	\$	5,523,600
8	PERFORMANCE FUNDING		0		0
9	GROSS APPROPRIATION	\$	5,523,600	\$	5,523,600
10	(M) LANSING COMMUNITY COLLEGE				
11	OPERATIONS	\$	32,324,200	\$	32,324,200
12	PERFORMANCE FUNDING		0		0
13	GROSS APPROPRIATION	\$	32,324,200	\$	32,324,200
14	(N) MACOMB COMMUNITY COLLEGE				
15	OPERATIONS	\$	33,863,600	\$	33,863,600
16	PERFORMANCE FUNDING		0		0
17	GROSS APPROPRIATION	\$	33,863,600	\$	33,863,600
18	(O) MID MICHIGAN COMMUNITY COLLEGE				
19	OPERATIONS	\$	4,968,900	\$	4,968,900
20	PERFORMANCE FUNDING		0		0
21	GROSS APPROPRIATION	\$	4,968,900	\$	4,968,900
22	(P) MONROE COUNTY COMMUNITY COLLEGE				
23	OPERATIONS	\$	4,665,500	\$	4,665,500
24	PERFORMANCE FUNDING		0		0
25	GROSS APPROPRIATION	\$	4,665,500	\$	4,665,500
26	(Q) MONTCALM COMMUNITY COLLEGE				
27	OPERATIONS	\$	3,446,300	\$	3,446,300

1	PERFORMANCE FUNDING		0		0
2	GROSS APPROPRIATION	\$	3,446,300	\$	3,446,300
3	(R) C. S. MOTT COMMUNITY COLLEGE				
4	OPERATIONS	\$	16,258,100	\$	16,258,100
5	PERFORMANCE FUNDING		0		0
6	GROSS APPROPRIATION	\$	16,258,100	\$	16,258,100
7	(S) MUSKEGON COMMUNITY COLLEGE				
8	OPERATIONS	\$	9,203,000	\$	9,203,000
9	PERFORMANCE FUNDING		0		0
10	GROSS APPROPRIATION	\$	9,203,000	\$	9,203,000
11	(T) NORTH CENTRAL MICHIGAN COLLEGE				
12	OPERATIONS	\$	3,353,200	\$	3,353,200
13	PERFORMANCE FUNDING		0		0
14	GROSS APPROPRIATION	\$	3,353,200	\$	3,353,200
15	(U) NORTHWESTERN MICHIGAN COLLEGE				
16	OPERATIONS	\$	9,508,900	\$	9,508,900
17	PERFORMANCE FUNDING		0		0
18	GROSS APPROPRIATION	\$	9,508,900	\$	9,508,900
19	(V) OAKLAND COMMUNITY COLLEGE				
20	OPERATIONS	\$	21,905,700	\$	21,905,700
21	PERFORMANCE FUNDING		0		0
22	GROSS APPROPRIATION	\$	21,905,700	\$	21,905,700
23	(W) SCHOOLCRAFT COLLEGE				
24	OPERATIONS	\$	12,991,300	\$	12,991,300
25	PERFORMANCE FUNDING		0		0
26	GROSS APPROPRIATION	\$	12,991,300	\$	12,991,300
27	(X) SOUTHWESTERN MICHIGAN COLLEGE				

1	OPERATIONS	\$	6,860,700	\$	6,860,700
2	PERFORMANCE FUNDING		0		0
3	GROSS APPROPRIATION	\$	6,860,700	\$	6,860,700
4	(Y) ST. CLAIR COUNTY COMMUNITY COLLEGE				
5	OPERATIONS	\$	7,300,100	\$	7,300,100
6	PERFORMANCE FUNDING		0		0
7	GROSS APPROPRIATION	\$	7,300,100	\$	7,300,100
8	(Z) WASHTENAW COMMUNITY COLLEGE				
9	OPERATIONS	\$	13,631,400	\$	13,631,400
10	PERFORMANCE FUNDING		0		0
11	GROSS APPROPRIATION	\$	13,631,400	\$	13,631,400
12	(AA) WAYNE COUNTY COMMUNITY COLLEGE				
13	OPERATIONS	\$	17,338,300	\$	17,338,300
14	PERFORMANCE FUNDING		0		0
15	GROSS APPROPRIATION	\$	17,338,300	\$	17,338,300
16	(BB) WEST SHORE COMMUNITY COLLEGE				
17	OPERATIONS	\$	2,556,300	\$	2,556,300
18	PERFORMANCE FUNDING		0		0
19	GROSS APPROPRIATION	\$	2,556,300	\$	2,556,300
20	(CC) OPERATIONS FUNDING SOURCES				
21	GROSS APPROPRIATION	\$	319,050,900	\$	319,050,900
22	APPROPRIATED FROM:				
23	STATE SCHOOL AID FUND		319,050,900		319,050,900
24	STATE GENERAL FUND/GENERAL PURPOSE	\$	0	\$	0
25	(3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT				
26	SYSTEM (MPSERS)				
27	MPSERS COST OFFSET	\$	1,733,600	\$	1,733,600

1	MPERS UAL CAP REIMBURSEMENT	75,300,000		78,000,000
2	GROSS APPROPRIATION	\$ 77,033,600	\$	79,733,600
3	APPROPRIATED FROM:			
4	STATE SCHOOL AID FUND	77,033,600		79,733,600
5	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$	0
6	(4) RENAISSANCE ZONE REIMBURSEMENTS			
7	RENAISSANCE ZONE REIMBURSEMENTS	\$ 2,500,000	\$	2,500,000
8	GROSS APPROPRIATION	\$ 2,500,000	\$	2,500,000
9	APPROPRIATED FROM:			
10	STATE SCHOOL AID FUND	\$ 2,500,000	\$	2,500,000
11	(6) ONE-TIME APPROPRIATIONS			
12	MPERS NORMAL COST OFFSET	6,431,000		6,431,000
13	GROSS APPROPRIATION	\$ 4,637,000	\$	7,225,000
14	APPROPRIATED FROM:			
15	STATE SCHOOL AID FUND	3,612,000		7,225,000
16	STATE GENERAL FUND/GENERAL PURPOSE	\$	\$	0
17	SEC. 298C. (1) SUMMARY OF APPROPRIATIONS FOR UNIVERSITIES AND STUDENT FINANCIAL			
18	AID (ARTICLE III)			
19	APPROPRIATION SUMMARY			
20	GROSS APPROPRIATION	\$ 1,658,932,600	\$	1,659,932,600
21	TOTAL INTERDEPARTMENTAL GRANTS AND			
22	INTRADEPARTMENTAL TRANSFERS	0		0
23	ADJUSTED GROSS APPROPRIATION	\$ 1,658,932,600	\$	1,659,932,600
24	TOTAL FEDERAL REVENUES	113,026,400		113,026,400
25	TOTAL LOCAL REVENUES	0		0
26	TOTAL PRIVATE REVENUES	0		0
27	TOTAL OTHER STATE RESTRICTED REVENUES	385,688,300		386,688,300

1	STATE GENERAL FUND/GENERAL PURPOSE	\$	1,160,217,900	\$	1,160,217,900
2	(2) UNIVERSITY OPERATIONS				
3	(A) CENTRAL MICHIGAN UNIVERSITY				
4	OPERATIONS	\$	85,654,400	\$	87,413,100
5	PERFORMANCE FUNDING		1,758,700		0
6	GROSS APPROPRIATION	\$	87,413,100	\$	87,413,100
7	(B) EASTERN MICHIGAN UNIVERSITY				
8	OPERATIONS	\$	75,169,900	\$	76,977,200
9	PERFORMANCE FUNDING		1,807,300		0
10	GROSS APPROPRIATION	\$	76,977,200	\$	76,977,200
11	(C) FERRIS STATE UNIVERSITY				
12	OPERATIONS	\$	53,595,500	\$	54,975,900
13	PERFORMANCE FUNDING		1,380,400		0
14	GROSS APPROPRIATION	\$	54,975,900	\$	54,975,900
15	(D) GRAND VALLEY STATE UNIVERSITY				
16	OPERATIONS	\$	70,100,100	\$	72,053,500
17	PERFORMANCE FUNDING		1,953,400		0
18	GROSS APPROPRIATION	\$	72,053,500	\$	72,053,500
19	(E) LAKE SUPERIOR STATE UNIVERSITY				
20	OPERATIONS	\$	13,775,000	\$	13,988,400
21	PERFORMANCE FUNDING		213,400		0
22	GROSS APPROPRIATION	\$	13,988,400	\$	13,988,400
23	(F) MICHIGAN STATE UNIVERSITY				
24	OPERATIONS	\$	281,239,100	\$	286,268,900
25	PERFORMANCE FUNDING		5,029,800		0
26	MSU AGBIORESEARCH		34,591,400		34,591,400
27	MSU EXTENSION		29,837,700		29,837,700

1	GROSS APPROPRIATION	\$	350,698,000	\$	350,698,000
2	(G) MICHIGAN TECHNOLOGICAL UNIVERSITY				
3	OPERATIONS	\$	49,052,200	\$	49,947,900
4	PERFORMANCE FUNDING		895,700		0
5	GROSS APPROPRIATION	\$	49,947,900	\$	49,947,900
6	(H) NORTHERN MICHIGAN UNIVERSITY				
7	OPERATIONS	\$	47,137,400	\$	48,004,600
8	PERFORMANCE FUNDING		867,200		0
9	GROSS APPROPRIATION	\$	48,004,600	\$	48,004,600
10	(I) OAKLAND UNIVERSITY				
11	OPERATIONS	\$	51,235,900	\$	52,816,100
12	PERFORMANCE FUNDING		1,580,200		0
13	GROSS APPROPRIATION	\$	52,816,100	\$	52,816,100
14	(J) SAGINAW VALLEY STATE UNIVERSITY				
15	OPERATIONS	\$	29,766,100	\$	30,526,800
16	PERFORMANCE FUNDING		760,700		0
17	GROSS APPROPRIATION	\$	30,526,800	\$	30,526,800
18	(K) UNIVERSITY OF MICHIGAN - ANN ARBOR				
19	OPERATIONS	\$	314,589,100	\$	320,775,300
20	PERFORMANCE FUNDING		6,186,200		0
21	GROSS APPROPRIATION	\$	320,775,300	\$	320,775,300
22	(L) UNIVERSITY OF MICHIGAN - DEARBORN				
23	OPERATIONS	\$	25,421,900	\$	26,070,700
24	PERFORMANCE FUNDING		648,800		0
25	GROSS APPROPRIATION	\$	26,070,700	\$	26,070,700
26	(M) UNIVERSITY OF MICHIGAN - FLINT				
27	OPERATIONS	\$	23,061,800	\$	23,584,100

1	PERFORMANCE FUNDING	522,300	0
2	GROSS APPROPRIATION	\$ 23,584,100	\$ 23,584,100
3	(N) WAYNE STATE UNIVERSITY		
4	OPERATIONS	\$ 199,169,800	\$ 202,361,000
5	PERFORMANCE FUNDING	3,191,200	0
6	GROSS APPROPRIATION	\$ 202,361,000	\$ 202,361,000
7	(O) WESTERN MICHIGAN UNIVERSITY		
8	OPERATIONS	\$ 109,376,800	\$ 111,148,300
9	PERFORMANCE FUNDING	1,771,500	0
10	GROSS APPROPRIATION	\$ 111,148,300	\$ 111,148,300
11	(P) OPERATIONS FUNDING SOURCES		
12	GROSS APPROPRIATION	\$ 1,521,340,900	\$ 1,521,340,900
13	APPROPRIATED FROM:		
14	STATE SCHOOL AID FUND	379,786,300	379,786,300
15	STATE GENERAL FUND/GENERAL PURPOSE	\$ 1,141,554,600	\$ 1,141,554,600
16	(3) MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT		
17	SYSTEM (MPSERS)		
18	MPSERS UAL CAP REIMBURSEMENT	\$ 5,133,000	\$ 6,133,000
19	GROSS APPROPRIATION	\$ 5,133,000	\$ 6,133,000
20	APPROPRIATED FROM:		
21	STATE SCHOOL AID FUND	5,133,000	6,133,000
22	STATE GENERAL FUND/GENERAL PURPOSE	\$ 0	\$ 0
23	(4) STATE AND REGIONAL PROGRAMS		
24	HIGHER EDUCATION DATABASE MODERNIZATION AND		
25	CONVERSION	\$ 200,000	\$ 200,000
26	MIDWESTERN HIGHER EDUCATION COMPACT	115,000	115,000
27	GROSS APPROPRIATION	\$ 315,000	\$ 315,000

1	APPROPRIATED FROM:			
2	STATE GENERAL FUND/GENERAL PURPOSE	\$	315,000	\$ 315,000
3	(5) MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA			
4	PARKS PROGRAM			
5	SELECT STUDENT SUPPORT SERVICES	\$	1,956,100	\$ 1,956,100
6	MICHIGAN COLLEGE/UNIVERSITY PARTNERSHIP PROGRAM		586,800	586,800
7	MORRIS HOOD, JR. EDUCATOR DEVELOPMENT PROGRAM		148,600	148,600
8	GROSS APPROPRIATION	\$	2,691,500	\$ 2,691,500
9	APPROPRIATED FROM:			
10	STATE GENERAL FUND/GENERAL PURPOSE	\$	2,691,500	\$ 2,691,500
11	(6) GRANTS AND FINANCIAL AID			
12	STATE COMPETITIVE SCHOLARSHIPS	\$	32,361,700	\$ 32,361,700
13	TUITION GRANTS		32,021,500	32,021,500
14	TUITION INCENTIVE PROGRAM		59,800,000	59,800,000
15	CHILDREN OF VETERANS AND OFFICER'S SURVIVOR			
16	TUITION GRANT PROGRAMS		1,400,000	1,400,000
17	PROJECT GEAR-UP		3,200,000	3,200,000
18	GROSS APPROPRIATION	\$	128,783,200	\$ 128,783,200
19	APPROPRIATED FROM:			
20	UNITED STATES DEPARTMENT OF EDUCATION, OFFICE OF			
21	ELEMENTARY AND SECONDARY EDUCATION, GEAR-UP PROGRAM..		3,200,000	3,200,000
22	SOCIAL SECURITY ACT, TEMPORARY ASSISTANCE FOR NEEDY			
23	FAMILIES		109,826,400	109,826,400
24	CONTRIBUTIONS TO CHILDREN OF VETERANS TUITION GRANT			
25	PROGRAM		100,000	100,000
26	STATE GENERAL FUND/GENERAL PURPOSE	\$	15,656,800	\$ 15,656,800

1 Enacting section 1. (1) In accordance with section 30 of article I of the state
2 constitution of 1963, total state spending on school aid under article I as amended by
3 this amendatory act from state sources for fiscal year 2018-2019 is estimated at
4 \$12,911,225,300.00 and state appropriations for school aid to be paid to local units
5 of government for fiscal year 2018-2019 are estimated at \$12,733,596,100.00.

6 (2) In accordance with section 30 of article IX of the state constitution of
7 1963, total state spending from state sources for community colleges for fiscal year
8 2018-2019 under article II as amended by this amendatory act is estimated at
9 \$405,015,500.00 and the amount of that state spending from state sources to be paid to
10 local units of government for fiscal year 2018-2019 is estimated at \$405,015,500.00.

11 (3) In accordance with section 30 of article IX of the state constitution of
12 1963, total state spending from state sources for higher education for fiscal year
13 2018-2019 under article III as amended by this amendatory act is estimated at
14 \$1,545,906,200.00 and the amount of that state spending from state sources to be paid
15 to local units of government for fiscal year 2018-2019 is estimated at \$0.

16 Enacting section 2. Sections 21j, 22g, 31b, 31j, 32q, 35, 55, 61c, 64d, 65, 67a,
17 95b, 99k, 99t, 99u, 102d, 104d, 104e, 152b, 164g, 164h, 201a, 208, 212, 227, 228,
18 236a, 261, 271a, 274, and 275 of the state school aid act of 1979, 1979 PA 94, MCL
19 388.1621j, 388.1622g, 388.1631b, 388.1631j, 388.1632q, 388.1635, 388.1655, 388.1661c,
20 388.1664d, 388.1665, 388.1667a, 388.1695b, 388.1699k, 388.1699t, 388.1699u, 388.1702d,
21 388.1704d, 388.1704e, 388.1752b, 388.1764g, 388.1764h, 388.1801a, 388.1808, 388.1812,
22 388.1827, 388.1828, 388.1836a, 388.1861, 388.1871a, 388.1874, and 388.1875 are
23 repealed effective October 1, 2018.