

**SUBSTITUTE FOR
HOUSE BILL NO. 4242**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11s, 15, 20,
20d, 20f, 21h, 22a, 22b, 22d, 22m, 24, 24a, 25e, 25f, 26a, 26b,
26c, 31a, 31d, 31f, 31j, 31n, 32d, 32p, 35a, 35b, 39, 39a, 41, 51a,
51c, 51d, 53a, 54, 54b, 54d, 56, 61a, 61b, 61c, 61d, 62, 64d, 65,
67, 74, 81, 94, 94a, 95a, 95b, 98, 99h, 99s, 99t, 99u, 99w, 99x,
101, 102d, 104, 104b, 104c, 104d, 107, 147, 147a, 147c, 147e, 152a,
and 152b (MCL 388.1604, 388.1606, 388.1608b, 388.1611, 388.1611a,
388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1615, 388.1620,
388.1620d, 388.1620f, 388.1621h, 388.1622a, 388.1622b, 388.1622d,
388.1622m, 388.1624, 388.1624a, 388.1625e, 388.1625f, 388.1626a,
388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1631j,



388.1631n, 388.1632d, 388.1632p, 388.1635a, 388.1635b, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1654d, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1661d, 388.1662, 388.1664d, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1695b, 388.1698, 388.1699h, 388.1699s, 388.1699t, 388.1699u, 388.1699w, 388.1699x, 388.1701, 388.1702d, 388.1704, 388.1704b, 388.1704c, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1747e, 388.1752a, and 388.1752b), sections 4 and 8b as amended by 2017 PA 108, sections 6, 11, 31a, 31j, 32d, 35a, 35b, 39a, 99h, and 99u as amended and sections 31n, 99w, and 99x as added by 2018 PA 586, sections 11a, 11j, 11k, 11m, 11s, 15, 20, 20d, 20f, 21h, 22a, 22b, 22d, 22m, 24, 24a, 25e, 25f, 26a, 26b, 26c, 31d, 31f, 32p, 39, 41, 51a, 51c, 51d, 53a, 54, 54b, 56, 61a, 61b, 61c, 62, 64d, 65, 67, 74, 81, 94, 94a, 95b, 98, 99s, 99t, 102d, 104, 104b, 104c, 104d, 107, 147, 147a, 147c, 147e, 152a, and 152b as amended and sections 54d and 61d as added by 2018 PA 265, section 95a as amended by 2015 PA 85, and section 101 as amended by 2019 PA 11, and by adding sections 32e, 35c, 35d, 35e, 54e, 61j, 67a, 67b, 97, 97a, 97b, and 99a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) "Elementary pupil" means a pupil in membership in
 2 grades K to 8 in a district not maintaining classes above the
 3 eighth grade or in grades K to 6 in a district maintaining classes
 4 above the eighth grade **or a child enrolled and in regular daily**
 5 **attendance in a publicly funded prekindergarten setting.** ~~For the~~
 6 ~~purposes of calculating universal service fund (e-rate) discounts,~~
 7 ~~"elementary pupil" includes children enrolled in a preschool~~
 8 ~~program operated by a district in its facilities.~~



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

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

11 (4) "High school equivalency certificate" means a certificate
12 granted for the successful completion of a high school equivalency
13 test.

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

20 (6) "High school equivalency test preparation program" means a
21 program that has high school level courses in English language
22 arts, social studies, science, and mathematics and that prepares an
23 individual to successfully complete a high school equivalency test.

24 (7) "High school pupil" means a pupil in membership in grades
25 7 to 12, except in a district not maintaining grades above the
26 eighth grade.

27 Sec. 6. (1) "Center program" means a program operated by a
28 district or by an intermediate district for special education
29 pupils from several districts in programs for pupils with autism



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

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

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

26 (4) "Membership", except as otherwise provided in this
27 article, means for a district, a public school academy, or an
28 intermediate district the sum of the product of .90 times the
29 number of full-time equated pupils in grades K to 12 actually



1 enrolled and in regular daily attendance on the pupil membership
 2 count day for the current school year, plus the product of .10
 3 times the final audited count from the supplemental count day for
 4 the immediately preceding school year. A district's, public school
 5 academy's, or intermediate district's membership ~~shall be~~ **is**
 6 adjusted as provided under section 25e for pupils who enroll after
 7 the pupil membership count day in a strict discipline academy
 8 operating under sections 1311b to 1311m of the revised school code,
 9 MCL 380.1311b to 380.1311m. However, for a district that is a
 10 community district, "membership" means the sum of the product of
 11 .90 times the number of full-time equated pupils in grades K to 12
 12 actually enrolled and in regular daily attendance in the community
 13 district on the pupil membership count day for the current school
 14 year, plus the product of .10 times the sum of the final audited
 15 count from the supplemental count day of pupils in grades K to 12
 16 actually enrolled and in regular daily attendance in the community
 17 district for the immediately preceding school year. ~~plus the final~~
 18 ~~audited count from the supplemental count day of pupils in grades K~~
 19 ~~to 12 actually enrolled and in regular daily attendance in the~~
 20 ~~education achievement system for the immediately preceding school~~
 21 ~~year.~~ All pupil counts used in this subsection are as determined by
 22 the department and calculated by adding the number of pupils
 23 registered for attendance plus pupils received by transfer and
 24 minus pupils lost as defined by rules promulgated by the
 25 superintendent, and as corrected by a subsequent department audit.
 26 The amount of the foundation allowance for a pupil in membership is
 27 determined under section 20. In making the calculation of
 28 membership, all of the following, as applicable, apply to
 29 determining the membership of a district, a public school academy,



1 or an intermediate district:

2 (a) Except as otherwise provided in this subsection, and
3 pursuant to subsection (6), a pupil ~~shall be~~**is** counted in
4 membership in the pupil's educating district or districts. An
5 individual pupil shall not be counted for more than a total of 1.0
6 full-time equated membership.

7 (b) If a pupil is educated in a district other than the
8 pupil's district of residence, if the pupil is not being educated
9 as part of a cooperative education program, if the pupil's district
10 of residence does not give the educating district its approval to
11 count the pupil in membership in the educating district, and if the
12 pupil is not covered by an exception specified in subsection (6) to
13 the requirement that the educating district must have the approval
14 of the pupil's district of residence to count the pupil in
15 membership, the pupil ~~shall not be~~**is not** counted in membership in
16 any district.

17 (c) A special education pupil educated by the intermediate
18 district ~~shall be~~**is** counted in membership in the intermediate
19 district.

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

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

29 (f) A pupil enrolled in a career and technical education



1 program supported by a millage levied over an area larger than a
2 single district or in an area vocational-technical education
3 program established ~~pursuant to~~ **under** section 690 of the revised
4 school code, MCL 380.690, ~~shall be~~ **is** counted **in membership** only in
5 the pupil's district of residence.

6 (g) A pupil enrolled in a public school academy ~~shall be~~ **is**
7 counted in membership in the public school academy.

8 (h) For the purposes of this section and section 6a, for a
9 cyber school, as defined in section 551 of the revised school code,
10 MCL 380.551, that is in compliance with section 553a of the revised
11 school code, MCL 380.553a, a pupil's participation in the cyber
12 school's educational program is considered regular daily
13 attendance, and for a district or public school academy, a pupil's
14 participation in a virtual course as defined in section 21f is
15 considered regular daily attendance. For the purposes of this
16 subdivision, for a pupil enrolled in a cyber school and utilizing
17 sequential learning, participation means that term as defined in
18 the pupil accounting manual, section 5-o-d: requirements for
19 counting pupils in membership-subsection 10.

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

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



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

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

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

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

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



1 **must** be less than 20 years of age on September 1 of the school year
2 except as follows:

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

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

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

14 (B) Had dropped out of school.

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

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

24 (m) An individual who has achieved a high school diploma ~~shall~~
25 ~~not be~~**is not** counted in membership. An individual who has achieved
26 a high school equivalency certificate ~~shall not be~~**is not** counted
27 in membership unless the individual is a student with a disability
28 as defined in R 340.1702 of the Michigan Administrative Code. An
29 individual participating in a job training program funded under



1 former section 107a or a jobs program funded under former section
 2 107b, administered by the department of talent and economic
 3 development, or participating in any successor of either of those 2
 4 programs, ~~shall not be~~ **is not** counted in membership.

5 (n) If a pupil counted in membership in a public school
 6 academy is also educated by a district or intermediate district as
 7 part of a cooperative education program, the pupil ~~shall be~~ **is**
 8 counted in membership only in the public school academy unless a
 9 written agreement signed by all parties designates the party or
 10 parties in which the pupil ~~shall be~~ **is** counted in membership, and
 11 the instructional time scheduled for the pupil in the district or
 12 intermediate district ~~shall be~~ **is** included in the full-time equated
 13 membership determination under subdivision (q) and section 101.
 14 However, for pupils receiving instruction in both a public school
 15 academy and in a district or intermediate district but not as a
 16 part of a cooperative education program, the following apply:

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

27 (ii) If the public school academy provides instruction for less
 28 than 1/2 of the class hours required under section 101, the
 29 district or intermediate district providing the remainder of the



1 hours of instruction ~~shall receive~~ **receives** as its prorated share
2 of the full-time equated membership for each of those pupils an
3 amount equal to 1 times the product of the hours of instruction the
4 district or intermediate district provides divided by the number of
5 hours required under section 101 for full-time equivalency, and the
6 remainder of the full-time membership for each of those pupils
7 ~~shall be~~ **is** allocated to the public school academy.

8 (o) An individual less than 16 years of age as of September 1
9 of the current school year who is being educated in an alternative
10 education program ~~shall not be~~ **is not** counted in membership if
11 there are also adult education participants being educated in the
12 same program or classroom.

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

15 (q) The number of class hours used to calculate full-time
16 equated memberships ~~shall~~ **must** be consistent with section 101. In
17 determining full-time equated memberships for pupils who are
18 enrolled in a postsecondary institution or for pupils engaged in an
19 internship or work experience under section 1279h of the revised
20 school code, MCL 380.1279h, a pupil ~~shall not be~~ **is not** considered
21 to be less than a full-time equated pupil solely because of the
22 effect of his or her postsecondary enrollment or engagement in the
23 internship or work experience, including necessary travel time, on
24 the number of class hours provided by the district to the pupil.

25 (r) Full-time equated memberships for pupils in kindergarten
26 ~~shall be~~ **are** determined by dividing the number of instructional
27 hours scheduled and provided per year per kindergarten pupil by the
28 same number used for determining full-time equated memberships for
29 pupils in grades 1 to 12. However, to the extent allowable under



1 federal law, for a district or public school academy that provides
 2 evidence satisfactory to the department that it used federal title
 3 I money in the 2 immediately preceding school fiscal years to fund
 4 full-time kindergarten, full-time equated memberships for pupils in
 5 kindergarten ~~shall be~~ **are** determined by dividing the number of
 6 class hours scheduled and provided per year per kindergarten pupil
 7 by a number equal to 1/2 the number used for determining full-time
 8 equated memberships for pupils in grades 1 to 12. The change in the
 9 counting of full-time equated memberships for pupils in
 10 kindergarten that took effect for 2012-2013 is not a mandate.

11 (s) For a district or a public school academy that has pupils
 12 enrolled in a grade level that was not offered by the district or
 13 public school academy in the immediately preceding school year, the
 14 number of pupils enrolled in that grade level to be counted in
 15 membership is the average of the number of those pupils enrolled
 16 and in regular daily attendance on the pupil membership count day
 17 and the supplemental count day of the current school year, as
 18 determined by the department. Membership ~~shall be~~ **is** calculated by
 19 adding the number of pupils registered for attendance in that grade
 20 level on the pupil membership count day plus pupils received by
 21 transfer and minus pupils lost as defined by rules promulgated by
 22 the superintendent, and as corrected by subsequent department
 23 audit, plus the final audited count from the supplemental count day
 24 for the current school year, and dividing that sum by 2.

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

28 (u) If, as a result of a disciplinary action, a district
 29 determines through the district's alternative or disciplinary



1 education program that the best instructional placement for a pupil
 2 is in the pupil's home or otherwise apart from the general school
 3 population, if that placement is authorized in writing by the
 4 district superintendent and district alternative or disciplinary
 5 education supervisor, and if the district provides appropriate
 6 instruction as described in this subdivision to the pupil at the
 7 pupil's home or otherwise apart from the general school population,
 8 the district may count the pupil in membership on a pro rata basis,
 9 with the proration based on the number of hours of instruction the
 10 district actually provides to the pupil divided by the number of
 11 hours required under section 101 for full-time equivalency. For the
 12 purposes of this subdivision, a district ~~shall be~~ **is** considered to
 13 be providing appropriate instruction if all of the following are
 14 met:

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

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

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

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

26 (v) If a pupil was enrolled in a public school academy on the
 27 pupil membership count day, if the public school academy's contract
 28 with its authorizing body is revoked or the public school academy
 29 otherwise ceases to operate, and if the pupil enrolls in a district



1 within 45 days after the pupil membership count day, the department
 2 shall adjust the district's pupil count for the pupil membership
 3 count day to include the pupil in the count.

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

14 (x) If a district's membership for a particular fiscal year,
 15 as otherwise calculated under this subsection, would be less than
 16 1,550 pupils and the district has 4.5 or fewer pupils per square
 17 mile, as determined by the department, and if the district does not
 18 receive funding under section 22d(2), the district's membership
 19 ~~shall be~~ **is** considered to be the membership figure calculated under
 20 this subdivision. If a district educates and counts in its
 21 membership pupils in grades 9 to 12 who reside in a contiguous
 22 district that does not operate grades 9 to 12 and if 1 or both of
 23 the affected districts request the department to use the
 24 determination allowed under this sentence, the department shall
 25 include the square mileage of both districts in determining the
 26 number of pupils per square mile for each of the districts for the
 27 purposes of this subdivision. The membership figure calculated
 28 under this subdivision is the greater of the following:

29 (i) The average of the district's membership for the 3-fiscal-



1 year period ending with that fiscal year, calculated by adding the
 2 district's actual membership for each of those 3 fiscal years, as
 3 otherwise calculated under this subsection, and dividing the sum of
 4 those 3 membership figures by 3.

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

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

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

23 (aa) For the first year in which a pupil is counted in
 24 membership on the pupil membership count day in a middle college
 25 program, the membership is the average of the full-time equated
 26 membership on the pupil membership count day and on the
 27 supplemental count day for the current school year, as determined
 28 by the department. If a pupil described in this subdivision was
 29 counted in membership by the operating district on the immediately



1 preceding supplemental count day, the pupil ~~shall be~~ **is** excluded
 2 from the district's immediately preceding supplemental count for
 3 the purposes of determining the district's membership.

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

8 (cc) A pupil enrolled in a district other than the pupil's
 9 district of residence ~~pursuant to~~ **under** section 1148(2) of the
 10 revised school code, MCL 380.1148, ~~shall be~~ **is** counted in the
 11 educating district.

12 (dd) For a pupil enrolled in a dropout recovery program that
 13 meets the requirements of section 23a, the pupil ~~shall be~~ **is**
 14 counted as 1/12 of a full-time equated membership for each month
 15 that the district operating the program reports that the pupil was
 16 enrolled in the program and was in full attendance. However, if the
 17 special membership counting provisions under this subdivision and
 18 the operation of the other membership counting provisions under
 19 this subsection result in a pupil being counted as more than 1.0
 20 FTE in a fiscal year, the payment made for the pupil under sections
 21 22a and 22b ~~shall~~ **must** not be based on more than 1.0 FTE for that
 22 pupil. ~~, and any portion of an FTE for that pupil that exceeds 1.0~~
 23 ~~shall instead be paid under section 25g.~~ The district operating the
 24 program shall report to the center the number of pupils who were
 25 enrolled in the program and were in full attendance for a month not
 26 later than 30 days after the end of the month. A district shall not
 27 report a pupil as being in full attendance for a month unless both
 28 of the following are met:

29 (i) A personalized learning plan is in place on or before the



1 first school day of the month for the first month the pupil
2 participates in the program.

3 (ii) The pupil meets the district's definition under section
4 23a of satisfactory monthly progress for that month or, if the
5 pupil does not meet that definition of satisfactory monthly
6 progress for that month, the pupil did meet that definition of
7 satisfactory monthly progress in the immediately preceding month
8 and appropriate interventions are implemented within 10 school days
9 after it is determined that the pupil does not meet that definition
10 of satisfactory monthly progress.

11 (ee) A pupil participating in a virtual course under section
12 21f ~~shall be~~ **is** counted in membership in the district enrolling the
13 pupil.

14 (ff) If a public school academy that is not in its first or
15 second year of operation closes at the end of a school year and
16 does not reopen for the next school year, the department shall
17 adjust the membership count of the district or other public school
18 academy in which a former pupil of the closed public school academy
19 enrolls and is in regular daily attendance for the next school year
20 to ensure that the district or other public school academy receives
21 the same amount of membership aid for the pupil as if the pupil
22 were counted in the district or other public school academy on the
23 supplemental count day of the preceding school year.

24 (gg) If a special education pupil is expelled under section
25 1311 or 1311a of the revised school code, MCL 380.1311 and
26 380.1311a, and is not in attendance on the pupil membership count
27 day because of the expulsion, and if the pupil remains enrolled in
28 the district and resumes regular daily attendance during that
29 school year, the district's membership ~~shall be~~ **is** adjusted to



1 count the pupil in membership as if he or she had been in
2 attendance on the pupil membership count day.

3 (hh) A pupil enrolled in a community district ~~shall be~~ **is**
4 counted in membership in the community district.

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

8 (jj) A district that borders another state or a public school
9 academy that operates at least grades 9 to 12 and is located within
10 20 miles of a border with another state may count in membership a
11 pupil who is enrolled in a course at a college or university that
12 is located in the bordering state and within 20 miles of the border
13 with this state if all of the following are met:

14 (i) The pupil would meet the definition of an eligible student
15 under the postsecondary enrollment options act, 1996 PA 160, MCL
16 388.511 to 388.524, if the course were an eligible course under
17 that act.

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

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

29 (iv) The district or public school academy pays for a portion



1 of the pupil's tuition at the college or university in an amount
 2 equal to the eligible charges that the district or public school
 3 academy would pay to an eligible postsecondary institution under
 4 the postsecondary enrollment options act, 1996 PA 160, MCL 388.511
 5 to 388.524, as if the course were an eligible course under that
 6 act.

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

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

17 (ll) If a district's or public school academy's membership for
 18 a particular fiscal year, as otherwise calculated under this
 19 subsection, includes pupils counted in membership who are enrolled
 20 under section 166b, all of the following apply for the purposes of
 21 this subdivision:

22 (i) If the district's or public school academy's membership for
 23 pupils counted under section 166b equals or exceeds 5% of the
 24 district's or public school academy's membership for pupils not
 25 counted in membership under section 166b in the immediately
 26 preceding fiscal year, then the growth in the district's or public
 27 school academy's membership for pupils counted under section 166b
 28 must not exceed 10%.

29 (ii) If the district's or public school academy's membership



1 for pupils counted under section 166b is less than 5% of the
 2 district's or public school academy's membership for pupils not
 3 counted in membership under section 166b in the immediately
 4 preceding fiscal year, then the district's or public school
 5 academy's membership for pupils counted under section 166b must not
 6 exceed the greater of the following:

7 (A) 5% of the district's or public school academy's membership
 8 for pupils not counted in membership under section 166b.

9 (B) 10% more than the district's or public school academy's
 10 membership for pupils counted under section 166b in the immediately
 11 preceding fiscal year.

12 (iii) If 1 or more districts consolidate or are parties to an
 13 annexation, then the calculations under subdivisions (i) and (ii)
 14 must be applied to the combined total membership for pupils counted
 15 in those districts for the fiscal year immediately preceding the
 16 consolidation or annexation.

17 (mm) Beginning with the 2019-2020 school year, if a district,
 18 intermediate district, or public school academy charges tuition for
 19 a pupil that resided out of state in the immediately preceding
 20 school year, the pupil ~~shall not be~~ **is not** counted in membership in
 21 the district, intermediate district, or public school academy.

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

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

29 (a) A nonpublic part-time pupil enrolled in grades K to 12 in



1 accordance with section 166b.

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

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

5 (d) A pupil enrolled in a district other than the pupil's
6 district of residence under an intermediate district schools of
7 choice pilot program as described in section 91a or former section
8 91 if the intermediate district and its constituent districts have
9 been exempted from section 105.

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

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

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



1 school premises.

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

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

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

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

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

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

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

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

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



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

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

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

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

15 (o) A pupil who enrolls in a district other than the pupil's
16 district of residence as a result of the pupil's school not making
17 adequate yearly progress under the no child left behind act of
18 2001, Public Law 107-110, or the every student succeeds act, Public
19 Law 114-95.

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

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



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

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

9 (i) Fourth Wednesday in July.

10 (ii) First Wednesday in October.

11 (iii) Second Wednesday in February.

12 (iv) Fourth Wednesday in April.

13 (8) "Pupils in grades K to 12 actually enrolled and in regular
14 daily attendance" means pupils in grades K to 12 in attendance and
15 receiving instruction in all classes for which they are enrolled on
16 the pupil membership count day or the supplemental count day, as
17 applicable. Except as otherwise provided in this subsection, a
18 pupil who is absent from any of the classes in which the pupil is
19 enrolled on the pupil membership count day or supplemental count
20 day and who does not attend each of those classes during the 10
21 consecutive school days immediately following the pupil membership
22 count day or supplemental count day, except for a pupil who has
23 been excused by the district, ~~shall not be~~ **is not** counted as 1.0
24 full-time equated membership. A pupil who is excused from
25 attendance on the pupil membership count day or supplemental count
26 day and who fails to attend each of the classes in which the pupil
27 is enrolled within 30 calendar days after the pupil membership
28 count day or supplemental count day ~~shall not be~~ **is not** counted as
29 1.0 full-time equated membership. In addition, a pupil who was



1 enrolled and in attendance in a district, intermediate district, or
 2 public school academy before the pupil membership count day or
 3 supplemental count day of a particular year but was expelled or
 4 suspended on the pupil membership count day or supplemental count
 5 day ~~shall-is~~ only ~~be~~ counted as 1.0 full-time equated membership if
 6 the pupil resumed attendance in the district, intermediate
 7 district, or public school academy within 45 days after the pupil
 8 membership count day or supplemental count day of that particular
 9 year. ~~Pupils~~ **A pupil** not counted as 1.0 full-time equated
 10 membership due to an absence from a class ~~shall-be-is~~ counted as a
 11 prorated membership for the classes the pupil attended. For
 12 purposes of this subsection, "class" means a period of time in 1
 13 day when pupils and a certificated teacher, a teacher engaged to
 14 teach under section 1233b of the revised school code, MCL
 15 380.1233b, or an individual working under a valid substitute
 16 permit, authorization, or approval issued by the department, are
 17 together and instruction is taking place.

18 (9) "Rule" means a rule promulgated pursuant to the
 19 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
 20 24.328.

21 (10) "The revised school code" means the revised school code,
 22 1976 PA 451, MCL 380.1 to 380.1852.

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

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

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



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

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

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

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

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

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



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

4 Sec. 8b. (1) The department shall **work with the center to**
 5 assign a district code to each public school academy that is
 6 authorized under the revised school code and is eligible to receive
 7 funding under this article. ~~within~~**Within** 30 days after a contract
 8 is submitted to the department by the authorizing body of a public
 9 school academy, **the center shall make the district code available.**

10 ~~(2) If the department does not assign a district code to a~~
 11 ~~public school academy within the 30-day period described in~~
 12 ~~subsection (1), the district code the department shall use to make~~
 13 ~~payments under this article to the newly authorized public school~~
 14 ~~academy shall be a number that is equivalent to the sum of the last~~
 15 ~~district code assigned to a public school academy located in the~~
 16 ~~same county as the newly authorized public school academy plus 1.~~
 17 ~~However, if there is not an existing public school academy located~~
 18 ~~in the same county as the newly authorized public school academy,~~
 19 ~~then the district code the department shall use to make payments~~
 20 ~~under this article to the newly authorized public school academy~~
 21 ~~shall be a 5-digit number that has the county code in which the~~
 22 ~~public school academy is located as its first 2 digits, 9 as its~~
 23 ~~third digit, 0 as its fourth digit, and 1 as its fifth digit. If~~
 24 ~~the number of public school academies in a county grows to exceed~~
 25 ~~100, the third digit in this 5-digit number shall then be 7 for the~~
 26 ~~public school academies in excess of 100.~~

27 **(2)** ~~(3)~~ For each school of excellence that is a cyber school
 28 and is authorized under part 6e of the revised school code, MCL
 29 380.551 to 380.561, by a school district, intermediate school



1 district, community college other than a federal tribally
 2 controlled community college, or other authorizing body that is not
 3 empowered to authorize a school of excellence to operate statewide
 4 and is eligible to receive funding under this article, all of the
 5 following apply:

6 (a) The department shall assign a district code that includes
 7 as the first 2 digits the county code in which the authorizing body
 8 is located.

9 (b) If the cyber school does not provide instruction at a
 10 specific location, the intermediate district that would normally
 11 provide programs and services to the school district in which the
 12 administrative office of the cyber school is located shall provide
 13 programs and services to the cyber school. The intermediate school
 14 district required to provide programs and services to a cyber
 15 school under this subdivision remains the same for as long as that
 16 cyber school is in operation.

17 Sec. 11. (1) ~~For the fiscal year ending September 30, 2018,~~
 18 ~~there is appropriated for the public schools of this state and~~
 19 ~~certain other state purposes relating to education the sum of~~
 20 ~~\$12,682,127,200.00 from the state school aid fund, the sum of~~
 21 ~~\$78,500,000.00 from the general fund, an amount not to exceed~~
 22 ~~\$72,000,000.00 from the community district education trust fund~~
 23 ~~created under section 12 of the Michigan trust fund act, 2000 PA~~
 24 ~~489, MCL 12.262, an amount not to exceed \$23,100,000.00 from the~~
 25 ~~MPSERS retirement obligation reform reserve fund, and an amount not~~
 26 ~~to exceed \$100.00 from the water emergency reserve fund.~~ For the
 27 fiscal year ending September 30, 2019, **2020**, there is appropriated
 28 for the public schools of this state and certain other state
 29 purposes relating to education the sum of ~~\$12,876,825,200.00~~



1 **\$13,138,196,200.00** from the state school aid fund, the sum of
 2 ~~\$87,920,000.00~~ **\$48,000,000.00** from the general fund, an amount not
 3 to exceed \$72,000,000.00 from the community district education
 4 trust fund created under section 12 of the Michigan trust fund act,
 5 2000 PA 489, MCL 12.262, ~~an amount not to exceed \$31,900,000.00~~
 6 ~~from the MPSERS retirement obligation reform reserve fund, an~~
 7 ~~amount not to exceed \$30,000,000.00 from the school mental health~~
 8 ~~and support services fund created under section 31m, an amount not~~
 9 **to exceed \$40,000,000.00 from the talent investment fund created**
 10 **under section 8a of the higher education loan authority act, 1975**
 11 **PA 222, MCL 390.1158a,** and an amount not to exceed \$100.00 from the
 12 water emergency reserve fund. In addition, all available federal
 13 funds are appropriated each fiscal year for the fiscal ~~years~~ **year**
 14 ending ~~September 30, 2018 and September 30, 2019.~~ **2020.**

15 (2) The appropriations under this section ~~shall be~~ **are**
 16 allocated as provided in this article. Money appropriated under
 17 this section from the general fund ~~shall~~ **must** be expended to fund
 18 the purposes of this article before the expenditure of money
 19 appropriated under this section from the state school aid fund.

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

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

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



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

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

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

7 (3) Money available in the school aid stabilization fund may
8 not be expended without a specific appropriation from the school
9 aid stabilization fund. Money in the school aid stabilization fund
10 ~~shall~~**must** be expended only for purposes for which state school aid
11 fund money may be expended.

12 (4) The state treasurer shall direct the investment of the
13 school aid stabilization fund. The state treasurer shall credit to
14 the school aid stabilization fund interest and earnings from fund
15 investments.

16 (5) Money in the school aid stabilization fund at the close of
17 a fiscal year ~~shall remain~~**remains** in the school aid stabilization
18 fund and ~~shall~~**does** not lapse to the unreserved school aid fund
19 balance or the general fund.

20 (6) If the maximum amount appropriated under section 11 from
21 the state school aid fund for a fiscal year exceeds the amount
22 available for expenditure from the state school aid fund for that
23 fiscal year, there is appropriated from the school aid
24 stabilization fund to the state school aid fund an amount equal to
25 the projected shortfall as determined by the department of
26 treasury, but not to exceed available money in the school aid
27 stabilization fund. If the money in the school aid stabilization
28 fund is insufficient to fully fund an amount equal to the projected
29 shortfall, the state budget director shall notify the legislature



1 as required under section 296(2) and state payments in an amount
 2 equal to the remainder of the projected shortfall ~~shall~~**must** be
 3 prorated in the manner provided under section 296(3).

4 (7) For ~~2018-2019~~, **2019-2020**, in addition to the
 5 appropriations in section 11, there is appropriated from the school
 6 aid stabilization fund to the state school aid fund the amount
 7 necessary to fully fund the allocations under this article.

8 Sec. 11j. From the appropriation in section 11, there is
 9 allocated an amount not to exceed \$125,500,000.00 for ~~2018-2019~~
 10 **2019-2020** for payments to the school loan bond redemption fund in
 11 the department of treasury on behalf of districts and intermediate
 12 districts. Notwithstanding section 296 or any other provision of
 13 this act, funds allocated under this section are not subject to
 14 proration and ~~shall~~**must** be paid in full.

15 Sec. 11k. For ~~2018-2019~~, **2019-2020**, there is appropriated from
 16 the general fund to the school loan revolving fund an amount equal
 17 to the amount of school bond loans assigned to the Michigan finance
 18 authority, not to exceed the total amount of school bond loans held
 19 in reserve as long-term assets. As used in this section, "school
 20 loan revolving fund" means that fund created in section 16c of the
 21 shared credit rating act, 1985 PA 227, MCL 141.1066c.

22 Sec. 11m. From the appropriation in section 11, ~~there is~~
 23 ~~allocated for 2017-2018 an amount not to exceed \$18,000,000.00 and~~
 24 there is allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
 25 ~~\$24,000,000.00~~ **\$56,000,000.00** for fiscal year cash-flow borrowing
 26 costs solely related to the state school aid fund established by
 27 section 11 of article IX of the state constitution of 1963.

28 Sec. 11s. (1) From the ~~general fund~~ appropriation in section
 29 11, there is allocated ~~\$3,230,000.00 for 2018-2019~~ **\$8,075,000.00**



1 **for 2019-2020** for the purpose of providing services and programs to
 2 children who reside within the boundaries of a district with the
 3 majority of its territory located within the boundaries of a city
 4 for which an executive proclamation of emergency is issued in the
 5 current or immediately preceding ~~3-4~~ fiscal years under the
 6 emergency management act, 1976 PA 390, MCL 30.401 to 30.421. From
 7 the funding appropriated in section 11, there is allocated for
 8 ~~fiscal year 2018-2019~~ **2019-2020** \$100.00 from the water emergency
 9 reserve fund for the purposes of this section.

10 (2) From the allocation in subsection (1), there is allocated
 11 to a district with the majority of its territory located within the
 12 boundaries of a city in which an executive proclamation of
 13 emergency is issued in the current or immediately preceding ~~3-4~~
 14 fiscal years and that has at least 4,500 pupils in membership for
 15 the 2016-2017 fiscal year or has at least 4,000 pupils in
 16 membership for a fiscal year after 2016-2017, an amount not to
 17 exceed ~~\$2,625,000.00 for 2018-2019~~ **\$2,425,000.00 for 2019-2020** for
 18 the purpose of employing school nurses, classroom aides, and school
 19 social workers. The district shall provide a report to the
 20 department in a form, manner, and frequency prescribed by the
 21 department. The department shall provide a copy of that report to
 22 the governor, the house and senate school aid subcommittees, the
 23 house and senate fiscal agencies, and the state budget director
 24 within 5 days after receipt. The report ~~shall~~ **must** provide at least
 25 the following information:

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

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



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

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

6 (3) For ~~2018-2019 only, 2019-2020~~, from the allocation in
7 subsection (1), there is allocated an amount not to exceed ~~\$0.00~~
8 **\$4,000,000.00** to an intermediate district that has a constituent
9 district described in subsection (2) to provide state early
10 intervention services for children described in subsection (1) who
11 ~~are less than 4 years of age as of September 1, 2016.~~ **between age 3**
12 **and age 5**. The intermediate district shall use these funds to
13 provide state early intervention services that are similar to the
14 services described in the early on Michigan state plan, including
15 ensuring that all children described in subsection (1) who are less
16 than 4 years of age as of September 1, 2016 are assessed and
17 evaluated at least twice annually.

18 (4) **From the allocation in subsection (1), there is allocated**
19 **an amount not to exceed \$1,000,000.00 for 2019-2020 to an**
20 **intermediate district described in subsection (3) to enroll**
21 **children described in subsection (1) in school-day great start**
22 **readiness programs, regardless of household income eligibility**
23 **requirements contained in section 32d. The department shall**
24 **administer this funding consistent with all other provisions that**
25 **apply to great start readiness programs under sections 32d and 39.**

26 (5) ~~(4) For 2018-2019, 2019-2020~~, from the allocation in
27 subsection (1), there is allocated an amount not to exceed
28 ~~\$605,000.00~~ **\$650,000.00** for nutritional services to children
29 described in subsection (1).



1 (6) ~~(5)~~—In addition to other funding allocated and
 2 appropriated in this section, there is appropriated an amount not
 3 to exceed \$15,000,000.00 for ~~fiscal year 2018-2019~~ **2019-2020** for
 4 state restricted contingency funds. These contingency funds are not
 5 available for expenditure until they have been transferred to a
 6 section within this article under section 393(2) of the management
 7 and budget act, 1984 PA 431, MCL 18.1393.

8 (7) ~~(6)~~—Notwithstanding section 17b, **the department shall make**
 9 payments under this section ~~shall be paid~~ on a schedule determined
 10 by the department.

11 Sec. 15. (1) If a district or intermediate district fails to
 12 receive its proper apportionment, the department, upon satisfactory
 13 proof that the district or intermediate district was entitled
 14 justly, shall apportion the deficiency in the next apportionment.
 15 Subject to subsections (2) and (3), if a district or intermediate
 16 district has received more than its proper apportionment, the
 17 department, upon satisfactory proof, shall deduct the excess in the
 18 next apportionment. Notwithstanding any other provision in this
 19 article, state aid overpayments to a district, other than
 20 overpayments in payments for special education or special education
 21 transportation, may be recovered from any payment made under this
 22 article other than a special education or special education
 23 transportation payment, from the proceeds of a loan to the district
 24 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
 25 141.942, or from the proceeds of millage levied or pledged under
 26 section 1211 of the revised school code, MCL 380.1211. State aid
 27 overpayments made in special education or special education
 28 transportation payments may be recovered from subsequent special
 29 education or special education transportation payments, from the



1 proceeds of a loan to the district under the emergency municipal
 2 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
 3 of millage levied or pledged under section 1211 of the revised
 4 school code, MCL 380.1211.

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

20 (3) If, based on an audit by the department or the
 21 department's designee or because of new or updated information
 22 received by the department, the department determines that the
 23 amount paid to a district or intermediate district under this
 24 article for the current fiscal year or a prior fiscal year was
 25 incorrect, the department shall make the appropriate deduction or
 26 payment in the district's or intermediate district's allocation in
 27 the next apportionment after the adjustment is finalized. The
 28 **department shall calculate the** deduction or payment ~~shall be~~
 29 ~~calculated~~ according to the law in effect in the fiscal year in



1 which the incorrect amount was paid. If the district does not
 2 receive an allocation for the fiscal year or if the allocation is
 3 not sufficient to pay the amount of any deduction, the amount of
 4 any deduction otherwise applicable ~~shall~~**must** be satisfied from the
 5 proceeds of a loan to the district under the emergency municipal
 6 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
 7 of millage levied or pledged under section 1211 of the revised
 8 school code, MCL 380.1211, as determined by the department.

9 **(4) If the department makes an adjustment under this section**
 10 **based in whole or in part on a membership audit finding that a**
 11 **district or intermediate district employed an educator in violation**
 12 **of certification requirements under the revised school code and**
 13 **rules promulgated by the department, the department shall prorate**
 14 **the adjustment according to the period of noncompliance with the**
 15 **certification requirements.**

16 **(5) ~~(4)~~**—The department may conduct audits, or may direct
 17 audits by designee of the department, for the current fiscal year
 18 and the immediately preceding **3** fiscal ~~year~~**years** of all records
 19 related to a program for which a district or intermediate district
 20 has received funds under this article.

21 **(6) ~~(5)~~**—Expenditures made by the department under this article
 22 that are caused by the write-off of prior year accruals may be
 23 funded by revenue from the write-off of prior year accruals.

24 **(7) ~~(6)~~**—In addition to funds appropriated in section 11 for
 25 all programs and services, there is appropriated for ~~2018-2019~~
 26 **2019-2020** for obligations in excess of applicable appropriations an
 27 amount equal to the collection of overpayments, but not to exceed
 28 amounts available from overpayments.

29 Sec. 20. (1) For ~~2018-2019~~, **2019-2020**, both of the following



1 apply:

2 (a) The basic foundation allowance is ~~\$8,409.00~~ **\$8,499.00**.

3 (b) The minimum foundation allowance is ~~\$7,871.00~~ **\$8,051.00**.

4 (2) The **department shall calculate the** amount of each
5 district's foundation allowance ~~shall be calculated~~ as provided in
6 this section, using a basic foundation allowance in the amount
7 specified in subsection (1).

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

13 (a) Except as otherwise provided in this subdivision, for a
14 district that had a foundation allowance for the immediately
15 preceding state fiscal year that was at least equal to the minimum
16 foundation allowance for the immediately preceding state fiscal
17 year, but less than the basic foundation allowance for the
18 immediately preceding state fiscal year, the district ~~shall receive~~
19 **receives** a foundation allowance in an amount equal to the sum of
20 the district's foundation allowance for the immediately preceding
21 state fiscal year plus the difference between twice the dollar
22 amount of the adjustment from the immediately preceding state
23 fiscal year to the current state fiscal year made in the basic
24 foundation allowance and [(the difference between the basic
25 foundation allowance for the current state fiscal year and basic
26 foundation allowance for the immediately preceding state fiscal
27 year minus \$40.00) times (the difference between the district's
28 foundation allowance for the immediately preceding state fiscal
29 year and the minimum foundation allowance for the immediately



1 preceding state fiscal year) divided by the difference between the
2 basic foundation allowance for the current state fiscal year and
3 the minimum foundation allowance for the immediately preceding
4 state fiscal year.] However, the foundation allowance for a
5 district that had less than the basic foundation allowance for the
6 immediately preceding state fiscal year ~~shall~~**must** not exceed the
7 basic foundation allowance for the current state fiscal year.

8 (b) Except as otherwise provided in this subsection, for a
9 district that in the immediately preceding state fiscal year had a
10 foundation allowance in an amount equal to the amount of the basic
11 foundation allowance for the immediately preceding state fiscal
12 year, the district ~~shall receive~~**receives** a foundation allowance
13 for ~~2018-2019~~**2019-2020** in an amount equal to the basic foundation
14 allowance for ~~2018-2019~~**2019-2020**.

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

29 (d) For a district that has a foundation allowance that is not



1 a whole dollar amount, **the department shall round** the district's
 2 foundation allowance ~~shall be rounded up~~ to the nearest whole
 3 dollar.

4 ~~(c) For a district that received a foundation allowance~~
 5 ~~supplemental payment calculated under section 20m and paid under~~
 6 ~~section 22b for 2017-2018, the district's 2017-2018 foundation~~
 7 ~~allowance is considered to have been an amount equal to the sum of~~
 8 ~~the district's actual 2017-2018 foundation allowance as otherwise~~
 9 ~~calculated under this section plus the lesser of the per pupil~~
 10 ~~amount of the district's supplemental payment for 2017-2018 as~~
 11 ~~calculated under section 20m or the product of the district's~~
 12 ~~foundation allowance for the immediately preceding state fiscal~~
 13 ~~year times the percentage increase in the United States consumer~~
 14 ~~price index in the calendar year ending in the immediately~~
 15 ~~preceding fiscal year as reported by the May revenue estimating~~
 16 ~~conference conducted under section 367b of the management and~~
 17 ~~budget act, 1984 PA 431, MCL 18.1367b.~~

18 (4) Except as otherwise provided in this subsection, beginning
 19 in 2014-2015, the state portion of a district's foundation
 20 allowance is an amount equal to the district's foundation allowance
 21 or the basic foundation allowance for the current state fiscal
 22 year, whichever is less, minus the local portion of the district's
 23 foundation allowance. For a district described in subsection
 24 (3)(c), beginning in 2014-2015, the state portion of the district's
 25 foundation allowance is an amount equal to \$6,962.00 plus the
 26 difference between the district's foundation allowance for the
 27 current state fiscal year and the district's foundation allowance
 28 for 1998-99, minus the local portion of the district's foundation
 29 allowance. For a district that has a millage reduction required



1 under section 31 of article IX of the state constitution of 1963,
 2 the **department shall calculate the** state portion of the district's
 3 foundation allowance ~~shall be calculated~~ as if that reduction did
 4 not occur. For a receiving district, if school operating taxes
 5 continue to be levied on behalf of a dissolved district that has
 6 been attached in whole or in part to the receiving district to
 7 satisfy debt obligations of the dissolved district under section 12
 8 of the revised school code, MCL 380.12, the taxable value per
 9 membership pupil of property in the receiving district used for the
 10 purposes of this subsection does not include the taxable value of
 11 property within the geographic area of the dissolved district. For
 12 a community district, if school operating taxes continue to be
 13 levied by a qualifying school district under section 12b of the
 14 revised school code, MCL 380.12b, with the same geographic area as
 15 the community district, the taxable value per membership pupil of
 16 property in the community district to be used for the purposes of
 17 this subsection does not include the taxable value of property
 18 within the geographic area of the community district.

19 (5) The allocation calculated under this section for a pupil
 20 ~~shall be~~ **is** based on the foundation allowance of the pupil's
 21 district of residence. For a pupil enrolled pursuant to section 105
 22 or 105c in a district other than the pupil's district of residence,
 23 the allocation calculated under this section ~~shall be~~ **is** based on
 24 the lesser of the foundation allowance of the pupil's district of
 25 residence or the foundation allowance of the educating district.
 26 For a pupil in membership in a K-5, K-6, or K-8 district who is
 27 enrolled in another district in a grade not offered by the pupil's
 28 district of residence, the allocation calculated under this section
 29 ~~shall be~~ **is** based on the foundation allowance of the educating



1 district if the educating district's foundation allowance is
 2 greater than the foundation allowance of the pupil's district of
 3 residence. ~~The calculation under this subsection shall take into~~
 4 ~~account a district's per-pupil allocation under section 20m.~~

5 (6) Except as otherwise provided in this subsection, for
 6 pupils in membership, other than special education pupils, in a
 7 public school academy, the allocation calculated under this section
 8 is an amount per membership pupil other than special education
 9 pupils in the public school academy equal to the foundation
 10 allowance of the district in which the public school academy is
 11 located or the state maximum public school academy allocation,
 12 whichever is less. Except as otherwise provided in this subsection,
 13 for pupils in membership, other than special education pupils, in a
 14 public school academy that is a cyber school and is authorized by a
 15 school district, the allocation calculated under this section is an
 16 amount per membership pupil other than special education pupils in
 17 the public school academy equal to the foundation allowance of the
 18 district that authorized the public school academy or the state
 19 maximum public school academy allocation, whichever is less.
 20 However, **for** a public school academy that had an allocation under
 21 this subsection before 2009-2010 that was equal to the sum of the
 22 local school operating revenue per membership pupil other than
 23 special education pupils for the district in which the public
 24 school academy is located and the state portion of that district's
 25 foundation allowance, ~~shall not have~~ that allocation **is not** reduced
 26 as a result of the 2010 amendment to this subsection.
 27 Notwithstanding section 101, for a public school academy that
 28 begins operations after the pupil membership count day, the amount
 29 per membership pupil calculated under this subsection ~~shall~~**must** be



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

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

16 (8) Subject to subsection (4), for a district that is formed
 17 or reconfigured after June 1, 2002 by consolidation of 2 or more
 18 districts or by annexation, the resulting district's foundation
 19 allowance under this section beginning after the effective date of
 20 the consolidation or annexation ~~shall be~~**is** the lesser of the sum
 21 of the average of the foundation allowances of each of the original
 22 or affected districts, calculated as provided in this section,
 23 weighted as to the percentage of pupils in total membership in the
 24 resulting district who reside in the geographic area of each of the
 25 original or affected districts plus \$100.00 or the highest
 26 foundation allowance among the original or affected districts. This
 27 subsection does not apply to a receiving district unless there is a
 28 subsequent consolidation or annexation that affects the district.
 29 ~~The calculation under this subsection shall take into account a~~



1 ~~district's per pupil allocation under section 20m.~~

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

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

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

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

27 (b) The revenue adjustment factor ~~shall be~~ **is** computed by
28 dividing the sum of the estimated total state school aid fund
29 revenue for the subsequent ~~state~~ fiscal year plus the estimated



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

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

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

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



1 allowance or per-pupil payment calculation under this section may
2 be reduced.

3 (14) As used in this section:

4 (a) "Certified mills" means the lesser of 18 mills or the
5 number of mills of school operating taxes levied by the district in
6 1993-94.

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

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

14 (d) "Current ~~state~~-fiscal year" means the ~~state~~-fiscal year
15 for which a particular calculation is made.

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

20 (f) "Immediately preceding ~~state~~-fiscal year" means the ~~state~~
21 fiscal year immediately preceding the current ~~state~~-fiscal year.

22 (g) "Local portion of the district's foundation allowance"
23 means an amount that is equal to the difference between (the sum of
24 the product of the taxable value per membership pupil of all
25 property in the district that is nonexempt property times the
26 district's certified mills and, for a district with certified mills
27 exceeding 12, the product of the taxable value per membership pupil
28 of property in the district that is commercial personal property
29 times the certified mills minus 12 mills) and (the quotient of the



1 product of the captured assessed valuation under tax increment
2 financing acts times the district's certified mills divided by the
3 district's membership excluding special education pupils).

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

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

16 (j) "Maximum public school academy allocation", except as
17 otherwise provided in this subdivision, means the maximum per-pupil
18 allocation as calculated by adding the highest per-pupil allocation
19 among all public school academies for the immediately preceding
20 ~~state~~-fiscal year plus the difference between twice the amount of
21 the difference between the basic foundation allowance for the
22 current ~~state~~-fiscal year and the basic foundation allowance for
23 the immediately preceding ~~state~~-fiscal year and [(the amount of the
24 difference between the basic foundation allowance for the current
25 ~~state~~-fiscal year and the basic foundation allowance for the
26 immediately preceding ~~state~~-fiscal year minus \$40.00) times (the
27 difference between the highest per-pupil allocation among all
28 public school academies for the immediately preceding ~~state~~-fiscal
29 year and the minimum foundation allowance for the immediately



1 preceding ~~state~~-fiscal year) divided by the difference between the
 2 basic foundation allowance for the current ~~state~~-fiscal year and
 3 the minimum foundation allowance for the immediately preceding
 4 ~~state~~-fiscal year.] For the purposes of this subdivision, for ~~2018-~~
 5 ~~2019,~~ **2019-2020**, the maximum public school academy allocation is
 6 ~~\$7,871.00-~~ **\$8,051.00.**

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

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

15 (m) "Principal residence", "qualified agricultural property",
 16 "qualified forest property", "supportive housing property",
 17 "industrial personal property", and "commercial personal property"
 18 mean those terms as defined in section 1211 of the revised school
 19 code, MCL 380.1211.

20 (n) "Receiving district" means a district to which all or part
 21 of the territory of a dissolved district is attached under section
 22 12 of the revised school code, MCL 380.12.

23 (o) "School operating purposes" means the purposes included in
 24 the operation costs of the district as prescribed in sections 7 and
 25 18 and purposes authorized under section 1211 of the revised school
 26 code, MCL 380.1211.

27 (p) "School operating taxes" means local ad valorem property
 28 taxes levied under section 1211 of the revised school code, MCL
 29 380.1211, and retained for school operating purposes.



1 (q) "Tax increment financing acts" means 1975 PA 197, MCL
 2 125.1651 to 125.1681, the tax increment finance authority act, 1980
 3 PA 450, MCL 125.1801 to 125.1830, the local development financing
 4 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
 5 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670,
 6 or the corridor improvement authority act, 2005 PA 280, MCL
 7 125.2871 to 125.2899.

8 (r) "Taxable value per membership pupil" means taxable value,
 9 as certified by the county treasurer and reported to the
 10 department, for the calendar year ending in the current ~~state~~
 11 fiscal year divided by the district's membership excluding special
 12 education pupils for the school year ending in the current ~~state~~
 13 fiscal year.

14 Sec. 20d. In making the final determination required under
 15 former section 20a of a district's combined state and local revenue
 16 per membership pupil in 1993-94 and in making calculations under
 17 section 20 for ~~2018-2019,~~ **2019-2020**, the department and the
 18 department of treasury shall comply with all of the following:

19 (a) For a district that had combined state and local revenue
 20 per membership pupil in the 1994-95 state fiscal year of \$6,500.00
 21 or more and served as a fiscal agent for a state board designated
 22 area vocational education center in the 1993-94 school year, total
 23 state school aid received by or paid on behalf of the district
 24 ~~pursuant to~~ **under** this act in 1993-94 ~~shall exclude~~ **excludes**
 25 payments made under former section 146 and under section 147 on
 26 behalf of the district's employees who provided direct services to
 27 the area vocational education center. Not later than June 30, 1996,
 28 the department shall make an adjustment under this subdivision to
 29 the district's combined state and local revenue per membership



1 pupil in the 1994-95 state fiscal year and the department of
 2 treasury shall make a final certification of the number of mills
 3 that may be levied by the district under section 1211 of the
 4 revised school code, MCL 380.1211, as a result of the adjustment
 5 under this subdivision.

6 (b) If a district had an adjustment made to its 1993-94 total
 7 state school aid that excluded payments made under former section
 8 146 and under section 147 on behalf of the district's employees who
 9 provided direct services for intermediate district center programs
 10 operated by the district under sections 51 to 56, if nonresident
 11 pupils attending the center programs were included in the
 12 district's membership for purposes of calculating the combined
 13 state and local revenue per membership pupil for 1993-94, and if
 14 there is a signed agreement by all constituent districts of the
 15 intermediate district ~~that~~ **agreeing to** an adjustment under this
 16 subdivision, ~~shall be made,~~ **the department shall calculate** the
 17 foundation allowances for 1995-96 and 1996-97 of all districts that
 18 had pupils attending the intermediate district center program
 19 operated by the district that had the adjustment ~~shall be~~
 20 ~~calculated~~ as if their combined state and local revenue per
 21 membership pupil for 1993-94 included resident pupils attending the
 22 center program and excluded nonresident pupils attending the center
 23 program.

24 Sec. 20f. (1) From the funds appropriated in section 11, there
 25 is allocated an amount not to exceed \$18,000,000.00 for ~~2018-2019~~
 26 **2019-2020** for payments to eligible districts under this section.

27 (2) The funding under this subsection is from the allocation
 28 under subsection (1). A district is eligible for funding under this
 29 subsection if the district received a payment under this section as



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

3 (a) The increase in the district's foundation allowance or
4 per-pupil payment as calculated under section 20 from 2012-2013 to
5 2013-2014.

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

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

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

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

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

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

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

27 (d) The quotient of the district's allocation under section
28 31a for 2015-2016 divided by the district's membership pupils for
29 2015-2016 minus the quotient of the district's allocation under



1 section 31a for 2014-2015 divided by the district's membership
2 pupils for 2014-2015.

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

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

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

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

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

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

22 Sec. 21h. (1) From the appropriation in section 11, there is
23 allocated ~~\$7,000,000.00 for 2018-2019~~ **\$100,000.00 for 2019-2020** for
24 assisting districts assigned by the superintendent to participate
25 in a partnership to improve student achievement. The purpose of the
26 partnership is to identify district needs, develop intervention
27 plans, and partner with public, private, and nonprofit
28 organizations to coordinate resources and improve student
29 achievement. Assignment of a district to a partnership is at the



1 sole discretion of the superintendent.

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

9 (a) Completes a comprehensive needs evaluation in
 10 collaboration with an intermediate school district, community
 11 members, education organizations, and postsecondary institutions,
 12 as applicable and approved by the superintendent, within 90 days of
 13 assignment to the partnership described in this section. The
 14 comprehensive needs evaluation shall include at least all of the
 15 following:

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

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

21 (iii) A review of classroom, instructional, and operational
 22 practices and curriculum to ensure alignment with research-based
 23 instructional practices and state curriculum standards.

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

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



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

5 (c) Crafts academic goals that put pupils on track to meet or
6 exceed grade level proficiency.

7 (3) Upon approval of the intervention plan developed under
8 subsection (2), the department shall assign a team of individuals
9 with expertise in comprehensive school and district reform to
10 partner with the district, the intermediate district, community
11 organizations, education organizations, and postsecondary
12 institutions identified in the intervention plan to review the
13 district's use of existing financial resources to ensure that those
14 resources are being used as efficiently and effectively as possible
15 to improve student academic achievement. The superintendent of
16 public instruction may waive burdensome administrative rules for a
17 partnership district for the duration of the partnership agreement.

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

29 (5) The department shall annually report in person to the



1 legislature on the activities funded under this section and how
 2 those activities impacted student achievement in eligible districts
 3 that received funds under this section. To the extent possible,
 4 participating districts receiving funding under this section shall
 5 participate in the report.

6 Sec. 22a. (1) From the appropriation in section 11, ~~there is~~
 7 ~~allocated an amount not to exceed \$5,176,000,000.00 for 2017-2018~~
 8 ~~and there is allocated an amount not to exceed \$5,107,000,000.00~~
 9 ~~for 2018-2019~~ **\$4,943,000,000.00 for 2019-2020** for payments to
 10 districts and qualifying public school academies to guarantee each
 11 district and qualifying public school academy an amount equal to
 12 its 1994-95 total state and local ~~per pupil~~ **per-pupil** revenue for
 13 school operating purposes under section 11 of article IX of the
 14 state constitution of 1963. Pursuant to section 11 of article IX of
 15 the state constitution of 1963, this guarantee does not apply to a
 16 district in a year in which the district levies a millage rate for
 17 school district operating purposes less than it levied in 1994.
 18 However, subsection (2) applies to calculating the payments under
 19 this section. Funds allocated under this section that are not
 20 expended in the state fiscal year for which they were allocated, as
 21 determined by the department, may be used to supplement the
 22 allocations under sections 22b and 51c in order to fully fund those
 23 calculated allocations for the same fiscal year.

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

29 (a) Except as otherwise provided in this subsection, the state



1 portion of a district's 1994-95 foundation allowance is an amount
2 equal to the district's 1994-95 foundation allowance or \$6,500.00,
3 whichever is less, minus the difference between the sum of the
4 product of the taxable value per membership pupil of all property
5 in the district that is nonexempt property times the district's
6 certified mills and, for a district with certified mills exceeding
7 12, the product of the taxable value per membership pupil of
8 property in the district that is commercial personal property times
9 the certified mills minus 12 mills and the quotient of the ad
10 valorem property tax revenue of the district captured under tax
11 increment financing acts divided by the district's membership. For
12 a district that has a millage reduction required under section 31
13 of article IX of the state constitution of 1963, **the department**
14 **shall calculate** the state portion of the district's foundation
15 allowance ~~shall be calculated~~ as if that reduction did not occur.
16 For a receiving district, if school operating taxes are to be
17 levied on behalf of a dissolved district that has been attached in
18 whole or in part to the receiving district to satisfy debt
19 obligations of the dissolved district under section 12 of the
20 revised school code, MCL 380.12, taxable value per membership pupil
21 of all property in the receiving district that is nonexempt
22 property and taxable value per membership pupil of property in the
23 receiving district that is commercial personal property do not
24 include property within the geographic area of the dissolved
25 district; ad valorem property tax revenue of the receiving district
26 captured under tax increment financing acts does not include ad
27 valorem property tax revenue captured within the geographic
28 boundaries of the dissolved district under tax increment financing
29 acts; and certified mills do not include the certified mills of the



1 dissolved district. For a community district, **the department shall**
 2 **reduce** the allocation as otherwise calculated under this section
 3 ~~shall be reduced~~ by an amount equal to the amount of local school
 4 operating tax revenue that would otherwise be due to the community
 5 district if not for the operation of section 386 of the revised
 6 school code, MCL 380.386, and the amount of this reduction ~~shall be~~
 7 **is** offset by the increase in funding under section 22b(2).

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



1 captured within the geographic boundaries of the dissolved district
2 under tax increment financing acts.

3 (3) Beginning in 2003-2004, for pupils in membership in a
4 qualifying public school academy, there is allocated under this
5 section to the authorizing body that is the fiscal agent for the
6 qualifying public school academy for forwarding to the qualifying
7 public school academy an amount equal to the 1994-95 ~~per pupil~~**per-**
8 **pupil** payment to the qualifying public school academy under section
9 20.

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

14 (5) Except as otherwise provided in this subsection, for a
15 district that is formed or reconfigured after June 1, 2000 by
16 consolidation of 2 or more districts or by annexation, the
17 resulting district's 1994-95 foundation allowance under this
18 section beginning after the effective date of the consolidation or
19 annexation ~~shall be~~**is** the average of the 1994-95 foundation
20 allowances of each of the original or affected districts,
21 calculated as provided in this section, weighted as to the
22 percentage of pupils in total membership in the resulting district
23 in the state fiscal year in which the consolidation takes place who
24 reside in the geographic area of each of the original districts. If
25 an affected district's 1994-95 foundation allowance is less than
26 the 1994-95 basic foundation allowance, the amount of that
27 district's 1994-95 foundation allowance ~~shall be~~**is** considered for
28 the purpose of calculations under this subsection to be equal to
29 the amount of the 1994-95 basic foundation allowance. This



1 subsection does not apply to a receiving district unless there is a
2 subsequent consolidation or annexation that affects the district.

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

4 (6) ~~(7)~~As used in this section:

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

9 (b) "Certified mills" means the lesser of 18 mills or the
10 number of mills of school operating taxes levied by the district in
11 1993-94.

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

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

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

29 (f) "Hold harmless millage" means, for a district with a 1994-



1 95 foundation allowance greater than \$6,500.00, the number of mills
 2 by which the exemption from the levy of school operating taxes on a
 3 homestead, **principal residence**, qualified agricultural property,
 4 qualified forest property, supportive housing property, industrial
 5 personal property, commercial personal property, and property
 6 occupied by a public school academy could be reduced as provided in
 7 section 1211 of the revised school code, MCL 380.1211, and the
 8 number of mills of school operating taxes that could be levied on
 9 all property as provided in section 1211(2) of the revised school
 10 code, MCL 380.1211, as certified by the department of treasury for
 11 the 1994 tax year. For a receiving district, if school operating
 12 taxes are to be levied on behalf of a dissolved district that has
 13 been attached in whole or in part to the receiving district to
 14 satisfy debt obligations of the dissolved district under section 12
 15 of the revised school code, MCL 380.12, school operating taxes do
 16 not include school operating taxes levied within the geographic
 17 area of the dissolved district.

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

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

26 ~~(h) (i)~~—"Nonexempt property" means property that is not a
 27 principal residence, qualified agricultural property, qualified
 28 forest property, supportive housing property, industrial personal
 29 property, commercial personal property, or property occupied by a



1 public school academy.

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

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

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

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

17 (m) "Tax increment financing acts" means 1975 PA 197, MCL
18 125.1651 to 125.1681, the tax increment finance authority act, 1980
19 PA 450, MCL 125.1801 to 125.1830, the local development financing
20 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
21 redevelopment financing act, 1996 PA 381, MCL 125.2651 to ~~125.2672,~~
22 **125.2670**, or the corridor improvement authority act, 2005 PA 280,
23 MCL 125.2871 to 125.2899.

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

26 (i) For the number of mills by which the exemption from the
27 levy of school operating taxes on a ~~homestead,~~ **principal residence**,
28 qualified agricultural property, qualified forest property,
29 supportive housing property, industrial personal property,



1 commercial personal property, and property occupied by a public
 2 school academy may be reduced as provided in section 1211 of the
 3 revised school code, MCL 380.1211, the taxable value of ~~homestead,~~
 4 **a principal residence**, qualified agricultural property, qualified
 5 forest property, supportive housing property, industrial personal
 6 property, commercial personal property, and property occupied by a
 7 public school academy for the calendar year ending in the current
 8 ~~state~~-fiscal year. For a receiving district, if school operating
 9 taxes are to be levied on behalf of a dissolved district that has
 10 been attached in whole or in part to the receiving district to
 11 satisfy debt obligations of the dissolved district under section 12
 12 of the revised school code, MCL 380.12, mills do not include mills
 13 within the geographic area of the dissolved district.

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

25 Sec. 22b. (1) For discretionary nonmandated payments to
 26 districts under this section, ~~there is allocated for 2017-2018 an~~
 27 ~~amount not to exceed \$3,957,000,000.00 from the state school aid~~
 28 ~~fund and general fund appropriations in section 11 and an amount~~
 29 ~~not to exceed \$72,000,000.00 from the community district education~~



1 ~~trust fund appropriation in section 11, and there is allocated for~~
 2 ~~2018-2019-2019-2020~~ an amount not to exceed ~~\$4,252,000,000.00~~
 3 **\$4,408,000,000.00** from the state school aid fund and general fund
 4 appropriations in section 11 and an amount not to exceed
 5 \$72,000,000.00 from the community district education trust fund
 6 appropriation in section 11. Except for money allocated from the
 7 community district trust fund, money allocated under this section
 8 that is not expended in the state fiscal year for which it was
 9 allocated, as determined by the department, may be used to
 10 supplement the allocations under sections 22a and 51c in order to
 11 fully fund those calculated allocations for the same fiscal year.

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

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

28 (a) Comply with section 1280b of the revised school code, MCL
 29 380.1280b.



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

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

6 (d) Comply with section 1230g of the revised school code, MCL
7 380.1230g.

8 (e) Comply with section 21f.

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

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

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

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



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

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

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



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

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

11 (11) If a lawsuit challenging payments made to districts
 12 related to costs reimbursed by federal title XIX Medicaid funds is
 13 filed against this state, then, for the purpose of addressing
 14 potential liability under such a lawsuit, the state budget director
 15 may place funds allocated under this section in escrow or allocate
 16 money from the funds otherwise allocated under this section, up to
 17 a maximum of 50% of the amount allocated in subsection (1). If
 18 funds are placed in escrow under this subsection, those funds are a
 19 work project appropriation and the funds are carried forward into
 20 the following fiscal year. The purpose of the work project is to
 21 provide for any payments that may be awarded to districts as a
 22 result of the litigation. The work project ~~shall be~~ **is** completed
 23 upon resolution of the litigation. In addition, this state reserves
 24 the right to terminate future federal title XIX Medicaid
 25 reimbursement payments to districts if the amount or allocation of
 26 reimbursed funds is challenged in the lawsuit. As used in this
 27 subsection, "title XIX" means title XIX of the social security act,
 28 42 USC 1396 to 1396w-5.

29 Sec. 22d. (1) From the appropriation in section 11, an amount



1 not to exceed ~~\$6,000,000.00~~ **\$7,000,000.00** is allocated for ~~2018-~~
 2 ~~2019-2019-2020~~ for supplemental payments to rural districts under
 3 this section.

4 (2) From the allocation under subsection (1), there is
 5 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
 6 \$957,300.00 for payments under this subsection to districts that
 7 meet all of the following:

8 (a) Operates grades K to 12.

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

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

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

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

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



1 district under the spending plan are allocated under subsection (2)
2 and ~~shall~~**must** be paid to the eligible districts in the same manner
3 as payments under section 22b.

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

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

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

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

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

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

24 (c) If the total funding allocated under subdivision (b) is
25 not sufficient to fully fund payments as calculated under that
26 subdivision, the department shall prorate payments to districts
27 under subdivision (b) on an equal per-pupil basis.

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



1 Sec. 22m. (1) From the appropriations in section 11, there is
 2 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
 3 \$2,200,000.00 for supporting the integration of local data systems
 4 into the Michigan data hub network based on common standards and
 5 applications that are in compliance with section 19(6).

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

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

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

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

25 (6) To receive funding under this section, a regional data hub
 26 must have a governance model that ensures local control of data,
 27 data security, and student privacy issues. The integration of data
 28 within each of the regional data hubs ~~shall~~ **must** provide for the
 29 actionable use of data by districts and intermediate districts



1 through common reports and dashboards and for efficiently providing
2 information to meet state and federal reporting purposes.

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

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

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

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

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

18 (d) Promoting 100% district adoption of the Michigan data hub
19 network by September 30, 2020.

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

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

25 (g) Creating a governance model to facilitate sustainable
26 operations of the infrastructure in the future, including
27 administration, legal agreements, documentation, staffing, hosting,
28 and funding.

29 (h) Evaluating future data initiatives at all levels to



1 determine whether the initiatives can be enhanced by using the
2 standardized environment in the Michigan data hub network.

3 (9) Not later than January 1 of each fiscal year, the center
4 shall prepare a summary report of information provided by each
5 entity that received funds under this section that includes
6 measurable outcomes based on the objectives described under this
7 section ~~. The report shall include~~ **and** a summary of compiled data
8 from each entity to provide a means to evaluate the effectiveness
9 of the project. The center shall submit the report to the house and
10 senate appropriations subcommittees on state school aid and to the
11 house and senate fiscal agencies.

12 Sec. 24. (1) From the appropriation in section 11, there is
13 allocated ~~each fiscal year for 2017-2018 and for 2018-2019~~ **for**
14 **2019-2020** an amount not to exceed \$7,150,000.00 for payments to the
15 educating district or intermediate district for educating pupils
16 assigned by a court or the department of health and human services
17 to reside in or to attend a juvenile detention facility or child
18 caring institution licensed by the department of health and human
19 services and approved by the department to provide an on-grounds
20 education program. The amount of the payment under this section to
21 a district or intermediate district ~~shall be~~ **is** calculated as
22 prescribed under subsection (2).

23 (2) The **department shall allocate the** total amount allocated
24 under this section ~~shall be allocated~~ by paying to the educating
25 district or intermediate district an amount equal to the lesser of
26 the district's or intermediate district's added cost or the
27 department's approved per-pupil allocation for the district or
28 intermediate district. For the purposes of this subsection:

29 (a) "Added cost" means 100% of the added cost each fiscal year



1 for educating all pupils assigned by a court or the department of
 2 health and human services to reside in or to attend a juvenile
 3 detention facility or child caring institution licensed by the
 4 department of health and human services or the department of
 5 licensing and regulatory affairs and approved by the department to
 6 provide an on-grounds education program. Added cost ~~shall be is~~
 7 computed by deducting all other revenue received under this article
 8 for pupils described in this section from total costs, as approved
 9 by the department, in whole or in part, for educating those pupils
 10 in the on-grounds education program or in a program approved by the
 11 department that is located on property adjacent to a juvenile
 12 detention facility or child caring institution. Costs reimbursed by
 13 federal funds are not included.

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

20 (3) A district or intermediate district educating pupils
 21 described in this section at a residential child caring institution
 22 may operate, and receive funding under this section for, a
 23 department-approved on-grounds educational program for those pupils
 24 that is longer than 181 days, but not longer than 233 days, if the
 25 child caring institution was licensed as a child caring institution
 26 and offered in 1991-92 an on-grounds educational program that was
 27 longer than 181 days but not longer than 233 days and that was
 28 operated by a district or intermediate district.

29 (4) Special education pupils funded under section 53a ~~shall~~



1 ~~not be~~**are not** funded under this section.

2 Sec. 24a. From the appropriation in section 11, there is
 3 allocated an amount not to exceed \$1,355,700.00 for ~~2018-2019-2019-~~
 4 **2020** for payments to intermediate districts for pupils who are
 5 placed in juvenile justice service facilities operated by the
 6 department of health and human services. ~~Each~~**The amount of the**
 7 **payment to each** intermediate district ~~shall receive~~**is** an amount
 8 equal to the state share of those costs that are clearly and
 9 directly attributable to the educational programs for pupils placed
 10 in facilities described in this section that are located within the
 11 intermediate district's boundaries. The intermediate districts
 12 receiving payments under this section shall cooperate with the
 13 department of health and human services to ensure that all funding
 14 allocated under this section is utilized by the intermediate
 15 district and department of health and human services for
 16 educational programs for pupils described in this section. Pupils
 17 described in this section are not eligible to be funded under
 18 section 24. However, a program responsibility or other fiscal
 19 responsibility associated with these pupils ~~shall~~**must** not be
 20 transferred from the department of health and human services to a
 21 district or intermediate district unless the district or
 22 intermediate district consents to the transfer.

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

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



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

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

17 (b) Notify both the pupil auditing staff of the intermediate
 18 district in which the educating district is located and the pupil
 19 auditing staff of the intermediate district in which the district
 20 that previously enrolled the pupil is located. The pupil auditing
 21 staff shall investigate a representative sample based on required
 22 audit sample sizes in the pupil auditing manual and may deny the
 23 pupil membership transfer.

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

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

27 (a) Adjust the membership calculation for each district or
 28 intermediate district in which the pupil was previously counted in
 29 membership or that previously received an adjustment in its



1 membership calculation under this section due to a change in the
 2 pupil's enrollment and attendance so that the district's or
 3 intermediate district's membership is prorated to allow the
 4 district or intermediate district to receive for each school day,
 5 as determined by the financial calendar furnished by the center, in
 6 which the pupil was enrolled and in attendance in the district or
 7 intermediate district an amount equal to 1/105 of a full-time
 8 equated membership claimed in the fall pupil membership count. The
 9 **department shall pay the** district or intermediate district ~~shall~~
 10 ~~receive~~ a prorated foundation allowance in an amount equal to the
 11 product of the adjustment under this subdivision for the district
 12 or intermediate district multiplied by the foundation allowance or
 13 per-pupil payment as calculated under section 20 for the district
 14 or intermediate district. The foundation allowance or per-pupil
 15 payment ~~shall be~~ **is** adjusted by the pupil's full-time equated
 16 status as affected by the membership definition under section 6(4).

17 (b) Adjust the membership calculation for the educating
 18 district or intermediate district in which the pupil is enrolled
 19 and is in attendance so that the district's or intermediate
 20 district's membership is increased to allow the district or
 21 intermediate district to receive an amount equal to the difference
 22 between the full-time equated membership claimed in the fall pupil
 23 membership count and the sum of the adjustments calculated under
 24 subdivision (a) for each district or intermediate district in which
 25 the pupil was previously enrolled and in attendance. The **department**
 26 **shall pay the** educating district or intermediate district ~~shall~~
 27 ~~receive~~ a prorated foundation allowance in an amount equal to the
 28 product of the adjustment under this subdivision for the educating
 29 district or intermediate district multiplied by the per-pupil



1 payment as calculated under section 20 for the educating district
 2 or intermediate district. The foundation allowance or per-pupil
 3 payment ~~shall be~~**is** adjusted by the pupil's full-time equated
 4 status as affected by the membership definition under section 6(4).

5 (4) The changes in calculation of state school aid required
 6 under subsection (3) ~~shall~~ take effect as of the date that the
 7 pupil becomes enrolled and in attendance in the educating district
 8 or intermediate district, and the department shall base all
 9 subsequent payments under this article for the fiscal year to the
 10 affected districts or intermediate districts on this recalculation
 11 of state school aid.

12 (5) If a pupil enrolls in an educating district or
 13 intermediate district as described in subsection (2), the district
 14 or intermediate district in which the pupil is counted in
 15 membership or another educating district or intermediate district
 16 that received an adjustment in its membership calculation under
 17 subsection (3), if any, and the educating district or intermediate
 18 district shall provide to the center and the department all
 19 information they require to comply with this section.

20 (6) The portion of the full-time equated pupil membership for
 21 which a pupil is enrolled in 1 or more online courses under section
 22 21f that is representative of the amount that the primary district
 23 paid in course costs to the course provider ~~shall not be~~**is not**
 24 counted or transferred under the pupil transfer process under this
 25 section.

26 (7) ~~It is the intent of the legislature that the center~~
 27 ~~determine the number of pupils who did not reside in this state as~~
 28 ~~of the 2018-2019 pupil membership count day but who newly enrolled~~
 29 ~~in a district or intermediate district after that pupil membership~~



1 ~~count day and before the 2018-2019 supplemental count day. It is~~
 2 ~~the intent of the legislature that the center further determine the~~
 3 ~~number of pupils who were counted in membership for the 2018-2019~~
 4 ~~pupil membership count day but who left this state before the 2018-~~
 5 ~~2019 supplemental count day. In 2019-2020, the~~ **The center annually**
 6 shall provide a report to the senate and house appropriations
 7 subcommittees on state school aid, and to the senate and house
 8 fiscal agencies, detailing the number of pupils transferring in
 9 from outside the public school system of this state and the number
 10 of pupils transferring out of the public school system in this
 11 state between the pupil membership count day and supplemental count
 12 day as described in this subsection.

13 (8) As used in this section:

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

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

23 Sec. 25f. (1) From the state school aid fund money
 24 appropriated in section 11, there is allocated an amount not to
 25 exceed \$1,600,000.00 ~~each fiscal year for 2017-2018 and for 2018-~~
 26 ~~2019~~ **for 2019-2020** for payments to strict discipline academies
 27 established under sections 1311b to 1311m of the revised school
 28 code, MCL 380.1311b to 380.1311m, as provided under this section.

29 (2) In order to receive funding under this section, a strict



1 discipline academy shall first comply with section 25e and use the
2 pupil transfer process under that section for changes in enrollment
3 as prescribed under that section.

4 (3) The total amount allocated to a strict discipline academy
5 under this section shall first be distributed as the lesser of the
6 strict discipline academy's added cost or the department's approved
7 per-pupil allocation for the strict discipline academy. Any funds
8 remaining after the first distribution shall be distributed by
9 prorating on an equal per-pupil membership basis, not to exceed a
10 strict discipline academy's added cost. However, the sum of the
11 amounts received by a strict discipline academy under this section
12 and under section 24 shall not exceed the product of the strict
13 discipline academy's per-pupil allocation calculated under section
14 20 multiplied by the strict discipline academy's full-time equated
15 membership. The department shall allocate funds to strict
16 discipline academies under this section on a monthly basis. For the
17 purposes of this subsection:

18 (a) "Added cost" means 100% of the added cost each fiscal year
19 for educating all pupils enrolled and in regular daily attendance
20 at a strict discipline academy. Added cost shall be computed by
21 deducting all other revenue received under this article for pupils
22 described in this subsection from total costs, as approved by the
23 department, in whole or in part, for educating those pupils in a
24 strict discipline academy. The department shall include all costs
25 including, but not limited to, educational costs, insurance,
26 management fees, technology costs, legal fees, auditing fees,
27 interest, pupil accounting costs, and any other administrative
28 costs necessary to operate the program or to comply with statutory
29 requirements. Costs reimbursed by federal funds are not included.



1 (b) "Department's approved per-pupil allocation" for a strict
 2 discipline academy shall be determined by dividing the total amount
 3 allocated under this subsection for a fiscal year by the full-time
 4 equated membership total for all pupils approved by the department
 5 to be funded under this subsection for that fiscal year for the
 6 strict discipline academy.

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

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

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

15 Sec. 26a. From the funds appropriated in section 11, there is
 16 allocated ~~an amount not to exceed \$15,000,000.00 for 2017-2018 and~~
 17 ~~there is allocated an amount not to exceed \$15,000,000.00 for 2018-~~
 18 ~~2019~~ **\$15,300,000.00 for 2019-2020** to reimburse districts and
 19 intermediate districts pursuant to section 12 of the Michigan
 20 renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied
 21 in ~~2017 and 2018, as applicable.~~ **2019.** The **department shall pay the**
 22 allocations ~~shall be made~~ not later than 60 days after the
 23 department of treasury certifies to the department and to the state
 24 budget director that the department of treasury has received all
 25 necessary information to properly determine the amounts due to each
 26 eligible recipient.

27 Sec. 26b. (1) From the appropriation in section 11, there is
 28 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
 29 \$4,405,100.00 for payments to districts, intermediate districts,



1 and community college districts for the portion of the payment in
 2 lieu of taxes obligation that is attributable to districts,
 3 intermediate districts, and community college districts under
 4 section 2154 of the natural resources and environmental protection
 5 act, 1994 PA 451, MCL 324.2154.

6 (2) If the amount appropriated under this section is not
 7 sufficient to fully pay obligations under this section, payments
 8 ~~shall be~~ **are** prorated on an equal basis among all eligible
 9 districts, intermediate districts, and community college districts.

10 Sec. 26c. (1) From the appropriation in section 11, there is
 11 ~~allocated an amount not to exceed \$1,600,000.00 for 2017-2018 and~~
 12 ~~there is allocated an amount not to exceed \$3,000,000.00 for 2018-~~
 13 ~~2019~~ **\$8,400,000.00 for 2019-2020** to the promise zone fund created
 14 in subsection (3). The funds allocated under this section reflect
 15 the amount of revenue from the collection of the state education
 16 tax captured under section ~~17(2)~~ **17** of the Michigan promise zone
 17 authority act, 2008 PA 549, MCL 390.1677.

18 (2) Funds allocated to the promise zone fund under this
 19 section ~~shall~~ **must** be used solely for payments to eligible
 20 districts and intermediate districts, in accordance with section
 21 ~~17(3)~~ **17** of the Michigan promise zone authority act, 2008 PA 549,
 22 MCL 390.1677, that have a promise zone development plan approved by
 23 the department of treasury under section 7 of the Michigan promise
 24 zone authority act, 2008 PA 549, MCL 390.1667. Eligible districts
 25 and intermediate districts shall use payments made under this
 26 section for reimbursement for qualified educational expenses as
 27 defined in section 3 of the Michigan promise zone authority act,
 28 2008 PA 549, MCL 390.1663.

29 (3) The promise zone fund is created as a separate account



1 within the state school aid fund to be used solely for the purposes
2 of the Michigan promise zone authority act, 2008 PA 549, MCL
3 390.1661 to 390.1679. All of the following apply to the promise
4 zone fund:

5 (a) The state treasurer shall direct the investment of the
6 promise zone fund. The state treasurer shall credit to the promise
7 zone fund interest and earnings from fund investments.

8 (b) Money in the promise zone fund at the close of a fiscal
9 year ~~shall remain~~ **remains** in the promise zone fund and ~~shall~~ **does**
10 not lapse to the general fund.

11 (4) Subject to subsection (2), the state treasurer may make
12 payments from the promise zone fund to eligible districts and
13 intermediate districts ~~pursuant to~~ **under** the Michigan promise zone
14 authority act, 2008 PA 549, MCL 390.1661 to 390.1679, to be used
15 for the purposes of a promise zone authority created under that
16 act.

17 (5) Notwithstanding section 17b, **the department shall make**
18 payments under this section ~~shall be paid on~~ a schedule determined
19 by the department.

20 Sec. 31a. (1) From the state school aid fund money
21 appropriated in section 11, there is allocated for ~~2018-2019-2019-~~
22 **2020** an amount not to exceed \$528,207,300.00 for payments to
23 eligible districts and eligible public school academies for the
24 purposes of ensuring that pupils are proficient in English language
25 arts by the end of grade 3, that pupils are proficient in
26 mathematics by the end of grade 8, that pupils are attending school
27 regularly, that high school graduates are career and college ready,
28 and for the purposes under subsections (7) and (8).

29 (2) For a district that has combined state and local revenue



1 per membership pupil under ~~sections 20 and 20m~~ **section 20** that is
 2 greater than the basic foundation allowance under section 20 for
 3 the current fiscal year, the allocation under this section ~~shall be~~
 4 **is** an amount equal to 30% of the allocation for which it would
 5 otherwise be eligible under this section before any proration under
 6 subsection (14).

7 (3) For a district or public school academy to be eligible to
 8 receive funding under this section, other than funding under
 9 subsection (7) or (8), the district or public school academy, for
 10 grades K to 12, shall comply with the requirements under section
 11 1280f of the revised school code, MCL 380.1280f, and shall use
 12 resources to address early literacy and numeracy, and for at least
 13 grades K to 12 or, if the district or public school academy does
 14 not operate all of grades K to 12, for all of the grades it
 15 operates, must implement a multi-tiered system of supports that is
 16 an evidence-based framework that uses data-driven problem solving
 17 to integrate academic and behavioral instruction and that uses
 18 intervention delivered to all pupils in varying intensities based
 19 on pupil needs. The multi-tiered system of supports described in
 20 this subsection must provide at least all of the following
 21 essential components:

22 (a) Team-based leadership.

23 (b) A tiered delivery system.

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

26 (d) A comprehensive screening and assessment system.

27 (e) Continuous data-based decision making.

28 (4) Except as otherwise provided in this subsection, ~~an~~
 29 ~~eligible district or eligible public school academy shall receive~~



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

19 (5) Except as otherwise provided in this section, a district
 20 or public school academy receiving funding under this section shall
 21 use that money only to provide instructional programs and direct
 22 noninstructional services, including, but not limited to, medical,
 23 mental health, or counseling services, for at-risk pupils; for
 24 school health clinics; and for the purposes of subsection (6), (7),
 25 or (8). In addition, a district that is a school district of the
 26 first class or a district or public school academy in which at
 27 least 50% of the pupils in membership were determined to be
 28 economically disadvantaged in the immediately preceding state
 29 fiscal year, as determined and reported as described in subsection



1 (4), may use not more than 20% of the funds it receives under this
 2 section for school security **that aligns to the needs assessment and**
 3 **the multitiered system of supports model.** A district or public
 4 school academy shall not use any of that money for administrative
 5 costs. The instruction or direct noninstructional services provided
 6 under this section may be conducted before or after regular school
 7 hours or by adding extra school days to the school year. ~~Funds~~
 8 ~~spent on school security under this subsection must be counted~~
 9 ~~toward required spending under subsection (16) (c).~~

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

18 (7) From the funds allocated under subsection (1), there is
 19 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
 20 \$6,057,300.00 to support primary health care services provided to
 21 children and adolescents up to age 21. These funds ~~shall~~**must** be
 22 expended in a form and manner determined jointly by the department
 23 and the department of health and human services. If any funds
 24 allocated under this subsection are not used for the purposes of
 25 this subsection for the fiscal year in which they are allocated,
 26 those unused funds ~~shall~~**must** be used that fiscal year to avoid or
 27 minimize any proration that would otherwise be required under
 28 subsection (14) for that fiscal year.

29 (8) From the funds allocated under subsection (1), there is



1 allocated for ~~2018-2019~~**2019-2020** an amount not to exceed
 2 \$5,150,000.00 for the state portion of the hearing and vision
 3 screenings as described in section 9301 of the public health code,
 4 1978 PA 368, MCL 333.9301. A local public health department shall
 5 pay at least 50% of the total cost of the screenings. The frequency
 6 of the screenings ~~shall~~**must** be as required under R 325.13091 to R
 7 325.13096 and R 325.3271 to R 325.3276 of the Michigan
 8 Administrative Code. Funds ~~shall~~**must** be awarded in a form and
 9 manner approved jointly by the department and the department of
 10 health and human services. Notwithstanding section 17b, **the**
 11 **department shall make** payments to eligible entities under this
 12 subsection ~~shall be paid~~ on a schedule determined by the
 13 department.

14 (9) Each district or public school academy receiving funds
 15 under this section shall submit to the department by July 15 of
 16 each fiscal year a report, in the form and manner prescribed by the
 17 department, that includes a brief description of each program
 18 conducted or services performed by the district or public school
 19 academy using funds under this section, the amount of funds under
 20 this section allocated to each of those programs or services, the
 21 total number of at-risk pupils served by each of those programs or
 22 services, and the data necessary for the department and the
 23 department of health and human services to verify matching funds
 24 for the temporary assistance for needy families program. In
 25 prescribing the form and manner of the report, the department shall
 26 ensure that districts are allowed to expend funds received under
 27 this section on any activities that are permissible under this
 28 section. If a district or public school academy does not comply
 29 with this subsection, the department shall withhold an amount equal



1 to the August payment due under this section until the district or
2 public school academy complies with this subsection. If the
3 district or public school academy does not comply with this
4 subsection by the end of the state fiscal year, the withheld funds
5 ~~shall be~~**are** forfeited to the school aid fund.

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

12 (11) Subject to subsections (6), (7), and (8), for schools in
13 which more than 40% of pupils are identified as at-risk, a district
14 or public school academy may use the funds it receives under this
15 section to implement **tier 1, evidence-based practices in** schoolwide
16 reforms that are guided by the district's comprehensive needs
17 assessment and are included in the district improvement plan.
18 Schoolwide reforms must include parent and community supports,
19 activities, and services, that may include the pathways to
20 potential program created by the department of health and human
21 services or the communities in schools program. **As used in this**
22 **subsection, "tier 1, evidence-based practices" means research-based**
23 **instruction and classroom interventions that are available to all**
24 **learners and effectively meet the needs of most pupils.**

25 (12) A district or public school academy that receives funds
26 under this section may use up to 5% of those funds to provide
27 research-based professional development and to implement a coaching
28 model that supports the multi-tiered system of supports framework.
29 Professional development may be provided to district and school



1 leadership and teachers and must be aligned to professional
 2 learning standards; integrated into district, school building, and
 3 classroom practices; and solely related to the following:

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

7 (b) Implementing section 1280f of the revised school code, MCL
 8 380.1280f, as required under subsection (3), with fidelity.

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

13 (14) If necessary, and before any proration required under
 14 section 296, the department shall prorate payments under this
 15 section, except payments under subsection (7), (8), or ~~(17)~~, **(16)**,
 16 by reducing the amount of the allocation as otherwise calculated
 17 under this section by an equal percentage per district.

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

26 ~~(16) Beginning in 2019-2020, if a district or public school~~
 27 ~~academy does not demonstrate to the satisfaction of the department~~
 28 ~~that at least 50% of at-risk pupils are proficient in English~~
 29 ~~language arts by the end of grade 3 as measured by the state~~



1 ~~assessment for the immediately preceding school year or have~~
2 ~~achieved at least 1 year's growth in English language arts during~~
3 ~~grade 3 as measured by a local benchmark assessment for the~~
4 ~~immediately preceding school year, demonstrate to the satisfaction~~
5 ~~of the department that at least 50% of at-risk pupils are~~
6 ~~proficient in mathematics by the end of grade 8 as measured by the~~
7 ~~state assessment for the immediately preceding school year or have~~
8 ~~achieved at least 1 year's growth in mathematics during grade 8 as~~
9 ~~measured by a local benchmark assessment for the immediately~~
10 ~~preceding school year, and demonstrate to the satisfaction of the~~
11 ~~department improvement over each of the 3 immediately preceding~~
12 ~~school years in the percentage of at-risk pupils that are career-~~
13 ~~and college-ready as determined by proficiency on the English~~
14 ~~language arts, mathematics, and science content area assessments on~~
15 ~~the grade 11 summative assessment under section 1279g(2) (a) of the~~
16 ~~revised school code, MCL 380.1279g, the district or public school~~
17 ~~academy shall ensure all of the following:~~

18 ~~(a) The district or public school academy shall determine the~~
19 ~~proportion of at-risk pupils in grade 3 that represents the number~~
20 ~~of at-risk pupils in grade 3 that are not proficient in English~~
21 ~~language arts by the end of grade 3 or that did not achieve at~~
22 ~~least 1 year's growth in English language arts during grade 3, and~~
23 ~~the district or public school academy shall expend that same~~
24 ~~proportion multiplied by 1/3 of its total at-risk funds under this~~
25 ~~section on tutoring and other methods of improving grade 3 English~~
26 ~~language arts proficiency or growth.~~

27 ~~(b) The district or public school academy shall determine the~~
28 ~~proportion of at-risk pupils in grade 8 that represents the number~~
29 ~~of at risk pupils in grade 8 that are not proficient in mathematics~~



1 ~~by the end of grade 8 or that did not achieve at least 1 year's~~
 2 ~~growth in mathematics during grade 8, and the district or public~~
 3 ~~school academy shall expend that same proportion multiplied by 1/3~~
 4 ~~of its total at-risk funds under this section on tutoring and other~~
 5 ~~methods of improving grade 8 mathematics proficiency or growth.~~

6 ~~(c) The district or public school academy shall determine the~~
 7 ~~proportion of at-risk pupils in grade 11 that represents the number~~
 8 ~~of at-risk pupils in grade 11 that are not career and college-~~
 9 ~~ready as measured by the student's score on the English language~~
 10 ~~arts, mathematics, and science content area assessments on the~~
 11 ~~grade 11 summative assessment under section 1279g(2) (a) of the~~
 12 ~~revised school code, MCL 380.1279g, and the district or public~~
 13 ~~school academy shall expend that same proportion multiplied by 1/3~~
 14 ~~of its total at-risk funds under this section on tutoring and other~~
 15 ~~activities to improve scores on the college entrance examination~~
 16 ~~portion of the Michigan merit examination.~~

17 ~~(16) (17)~~ From the funds allocated under subsection (1), there
 18 is allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
 19 \$18,000,000.00 for payments to districts and public school
 20 academies that otherwise received an allocation under this section
 21 in 2018-2019 and that allocation was less than the district's or
 22 public school academy's allocation under this section in 2017-2018.
 23 The allocation for each district or public school academy under
 24 this subsection is an amount equal to its allocation under this
 25 section in ~~2017-2018~~ minus its allocation as otherwise calculated
 26 under this section for 2018-2019. If necessary, and before any
 27 proration required under section 296, the department shall prorate
 28 payments under this subsection by reducing the amount of the
 29 allocation as otherwise calculated under this subsection by an



1 equal percentage per district or public school academy.

2 (17) ~~(18)~~—A district or public school academy that receives
3 funds under this section may use funds received under this section
4 to provide an anti-bullying or crisis intervention program.

5 (18) ~~(19)~~—The department shall collaborate with the department
6 of health and human services to prioritize assigning Pathways to
7 Potential Success coaches to elementary schools that have a high
8 percentage of pupils in grades K to 3 who are not proficient in
9 English language arts, based upon state assessments for pupils in
10 those grades.

11 (19) ~~(20)~~—As used in this section:

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

15 (i) The pupil is economically disadvantaged.

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

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

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

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

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

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

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

28 (ix) For pupils for whom the results of the state summative



1 assessment have been received, is a pupil who did not achieve
 2 proficiency on the English language arts, mathematics, science, or
 3 social studies content area assessment.

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

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

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

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



1 Sec. 31d. (1) From the appropriations in section 11, there is
 2 allocated ~~an amount not to exceed \$22,802,000.00 for 2017-2018 and~~
 3 ~~there is allocated~~ an amount not to exceed \$23,144,000.00 for ~~2018-~~
 4 ~~2019-2019-2020~~ for the purpose of making payments to districts and
 5 other eligible entities under this section.

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

15 (3) The payments made under this section include all state
 16 payments made to districts so that each district receives at least
 17 6.0127% of the necessary costs of operating the state mandated
 18 portion of the school lunch program in a fiscal year.

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

25 (5) From the federal funds appropriated in section 11, there
 26 is allocated for ~~2018-2019-2019-2020~~ all available federal funding,
 27 estimated at ~~\$520,000,000.00~~ **\$533,000,000.00** for the national
 28 school lunch program and all available federal funding, estimated
 29 at ~~\$3,200,000.00~~ **\$4,200,000.00** for the emergency food assistance



1 program.

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

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

10 Sec. 31f. (1) From the appropriations in section 11, there is
 11 allocated an amount not to exceed \$4,500,000.00 for ~~2018-2019-2019-~~
 12 **2020** for the purpose of making payments to districts to reimburse
 13 for the cost of providing breakfast.

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

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

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

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



1 (4) Notwithstanding section 17b, **the department may make**
 2 payments under this section ~~may be made~~ pursuant to an agreement
 3 with the department.

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

8 Sec. 31j. (1) From the general fund money appropriated in
 9 section 11, there is allocated an amount not to exceed \$575,000.00
 10 for ~~2018-2019-2019-2020~~ for a pilot project to support districts in
 11 the purchase of locally grown fruits and vegetables as described in
 12 this section.

13 (2) The department shall provide funding in an amount equal to
 14 \$125,000.00 per region to districts in prosperity regions 2, 4, 6,
 15 and 9 for the pilot project described under this section. In
 16 addition, the department shall provide funding in an amount equal
 17 to \$75,000.00 to districts in prosperity region 8 for the pilot
 18 project described under this section. From the funding to districts
 19 in subsection (1), funding retained by prosperity regions that
 20 administer the project ~~shall~~**must** not exceed 10%, and funding
 21 retained by the department for administration ~~shall~~**must** not exceed
 22 6%. A prosperity region may enter into a memorandum of
 23 understanding with the department or another prosperity region, or
 24 both, to administer the project. If the department administers the
 25 project for a prosperity region, the department may retain up to
 26 10% of that prosperity region's funding for administration **or may**
 27 **distribute to project partners, as appropriate.**

28 (3) The department shall develop and implement a competitive
 29 grant program for districts within the identified prosperity



1 regions to assist in paying for the costs incurred by the district
2 to purchase or increase purchases of whole or minimally processed
3 fruits, vegetables, and legumes grown in this state. The maximum
4 amount that may be drawn down on a grant to a district ~~shall be~~**is**
5 based on the number of meals served by the school district during
6 the previous school year under the Richard B. Russell national
7 school lunch act, 42 USC 1751 to 1769j. The department shall
8 collaborate with the Michigan department of agriculture and rural
9 development to provide training to newly participating schools and
10 electronic information on Michigan agriculture.

11 (4) The goals of the pilot project include improving daily
12 nutrition and eating habits for children through the school
13 settings while investing in Michigan's agricultural and related
14 food business economy.

15 (5) A district that receives a grant under this section shall
16 use those funds for the costs incurred by the school district to
17 purchase whole or minimally processed fruits, vegetables, and
18 legumes that meet all of the following:

19 (a) Are purchased on or after the date the district received
20 notification from the department of the amount to be distributed to
21 the district under this subsection, including purchases made to
22 launch meals in September ~~2018-2019~~ for the ~~2018-2019-2019-2020~~
23 fiscal year.

24 (b) Are grown in this state and, if minimally processed, are
25 also processed in this state.

26 (c) Are used for meals that are served as part of the United
27 States Department of Agriculture's child nutrition programs.

28 (6) For Michigan-grown fruits, vegetables, and legumes that
29 satisfy the requirements of subsection (5), **the department shall**



1 **make** matching reimbursements ~~shall be made~~ in an amount not to
 2 exceed 10 cents for every school meal that is served as part of the
 3 United States Department of Agriculture's child nutrition programs
 4 and that uses Michigan-grown fruits, vegetables, and legumes.

5 (7) A district that receives a grant for reimbursement under
 6 this section shall use the grant to purchase whole or minimally
 7 processed fruits, vegetables, and legumes that are grown in this
 8 state and, if minimally processed, are also processed in this
 9 state.

10 (8) In awarding grants under this section, the department
 11 shall work in conjunction with prosperity region offices, in
 12 consultation with Michigan-based farm to school resource
 13 organizations, to develop scoring criteria that assess an
 14 applicant's ability to procure Michigan-grown products, prepare and
 15 menu Michigan-grown products, promote and market Michigan-grown
 16 products, and submit letters of intent from districts on plans for
 17 educational activities that promote the goals of the program.

18 (9) The department shall give preference to districts that
 19 propose educational activities that meet 1 or more of the
 20 following: promote healthy food activities; have clear educational
 21 objectives; involve parents or the community; connect to a school's
 22 farm-to-school procurement activities; and market and promote the
 23 program, leading to increased pupil knowledge and consumption of
 24 Michigan-grown products. ~~Applications~~ **The department shall give**
 25 **stronger weighting and consideration to applications** with robust
 26 marketing and promotional activities. ~~shall receive stronger~~
 27 ~~weighting and consideration.~~

28 (10) In awarding grants, the department shall also consider
 29 all of the following: ~~the~~



1 **(a) The** percentage of children who qualify for free or reduced
 2 price school meals under the Richard B. Russell national school
 3 lunch act, 42 USC 1751 to 1769j. ~~;~~ ~~the~~

4 **(b) The** variety of school sizes and geographic locations
 5 within the identified prosperity regions. ~~;~~ ~~and existing~~

6 **(c) Existing** or future collaboration opportunities between
 7 more than 1 district in a prosperity region.

8 (11) As a condition of receiving a grant under this section, a
 9 district shall provide or direct its vendors to provide to
 10 prosperity region offices copies of monthly receipts that show the
 11 quantity of different Michigan-grown fruits, vegetables, and
 12 legumes purchased, the amount of money spent on each of these
 13 products, the name and Michigan location of the farm that grew the
 14 products, and the methods or plans to market and promote the
 15 program. The district ~~shall~~ **shall** provide to the prosperity
 16 region monthly lunch numbers and lunch participation rates, and
 17 calendars or monthly menus noting when and how Michigan-grown
 18 products were used in meals. The district and school food service
 19 director or directors also shall agree to respond to brief online
 20 surveys and to provide a report that shows the percentage
 21 relationship of Michigan spending compared to total food spending.
 22 Not later than March 1, ~~2019,~~ **2020**, each prosperity region office,
 23 either on its own or in conjunction with another prosperity region,
 24 shall submit a report to the department on expected outcomes and
 25 related measurements for economic development and children's
 26 nutrition and readiness to learn based on progress so far. The
 27 report ~~shall~~ **must** include at least all of the following:

28 (a) The extent to which farmers and related businesses,
 29 including distributors and processors, see an increase in market



1 opportunities and income generation through sales of Michigan or
2 local products to districts. All of the following apply for
3 purposes of this subdivision:

4 (i) The data used to determine the amount of this increase
5 ~~shall be~~**are** the total dollar amount of Michigan or local fruits,
6 vegetables, and legumes purchased by schools, along with the number
7 of different types of products purchased; school food purchasing
8 trends identified along with products that are of new and growing
9 interest among food service directors; the number of businesses
10 impacted; and the percentage of total food budget spent on
11 Michigan-grown fruits, vegetables, and legumes.

12 (ii) The prosperity region office shall use purchasing data
13 collected for the project and surveys of school food service
14 directors on the impact and success of the project as the source
15 for the data described in subparagraph (i).

16 (b) The ability to which pupils can access a variety of
17 healthy Michigan-grown foods through schools and increase their
18 consumption of those foods. All of the following apply for purposes
19 of this subdivision:

20 (i) The data used to determine whether this subparagraph is met
21 ~~shall be~~**are** the number of pupils exposed to Michigan-grown fruits,
22 vegetables, and legumes at schools; the variety of products served;
23 new items taste-tested or placed on menus; and the increase in
24 pupil willingness to try new local, healthy foods.

25 (ii) The prosperity region office shall use purchasing data
26 collected for the project, meal count and enrollment numbers,
27 school menu calendars, and surveys of school food service directors
28 as the source for the data described in subparagraph (i).

29 (12) The department shall compile the reports provided by



1 prosperity region offices under subsection (11) into 1 legislative
 2 report. The department shall provide this report not later than
 3 April 1, ~~2019-2020~~ to the house and senate subcommittees
 4 responsible for school aid, the house and senate fiscal agencies,
 5 and the state budget director.

6 **(13) Notwithstanding section 17b, the department shall make**
 7 **payments under this section on a schedule determined by the**
 8 **department.**

9 Sec. 31n. (1) From the ~~school mental health and support~~
 10 ~~services fund~~ **state school aid fund** money appropriated in section
 11 11, there is allocated for ~~2018-2019-2019-2020~~ for the purposes of
 12 this section an amount not to exceed ~~\$30,000,000.00~~ **\$23,500,000.00**
 13 and from the general fund money appropriated in section 11, there
 14 is allocated for ~~2018-2019-2019-2020~~ for the purposes of this
 15 section an amount not to exceed \$1,300,000.00. ~~Not later than~~
 16 ~~February 15, 2019, the~~ **The** department and the department of health
 17 and human services shall ~~establish~~ **continue** a program to distribute
 18 this funding to add licensed behavioral health providers for
 19 general education pupils, and shall **continue to** seek federal
 20 Medicaid match funding for all eligible mental health and support
 21 services.

22 ~~(2) Not later than February 15, 2019, the~~ **The** department and
 23 the department of health and human services shall ~~create~~ **maintain**
 24 an advisory council ~~and~~ **for programs funded under this section.**
 25 **This advisory council shall** define goals for implementation of
 26 programs funded under this section, and shall provide feedback on
 27 that implementation. At a minimum, the advisory council ~~shall~~
 28 ~~include~~ **must consist of** representatives of state associations
 29 representing school health, school mental health, school



1 counseling, education, health care, and other organizations,
 2 representatives from the department and the department of health
 3 and human services, and a representative from the school safety
 4 task force created under Executive Order No. 2018-5. The department
 5 and department of health and human services, working with the
 6 advisory council, shall determine an approach to increase capacity
 7 for mental health and support services in schools for general
 8 education pupils, and shall determine where that increase in
 9 capacity qualifies for federal Medicaid match funding.

10 (3) The advisory council shall develop a fiduciary agent
 11 checklist for intermediate districts to facilitate development of a
 12 plan to submit to the department and to the department of health
 13 and human services. The department and department of health and
 14 human services shall determine the requirements and format for
 15 intermediate districts to submit a plan for possible funding under
 16 subsection (5). ~~Applications~~ **The department shall make applications**
 17 for funding for this program ~~shall be made~~ available to districts
 18 and intermediate districts not later than ~~March 1,~~ **December 1,**
 19 2019, and funding shall be awarded not later than ~~April 1,~~
 20 ~~2019.~~ **February 1, 2020.**

21 (4) ~~Not later than January 1, 2019, the~~ **The** department of
 22 health and human services shall seek to amend the state Medicaid
 23 plan or obtain appropriate Medicaid waivers as necessary for the
 24 purpose of generating additional Medicaid match funding for school
 25 mental health and support services for general education pupils. It
 26 is ~~the intent of the legislature~~ **intended** that a successful state
 27 plan amendment or other Medicaid match mechanisms will result in
 28 additional federal Medicaid match funding for both the new funding
 29 allocated under this section and for any expenses already incurred



1 by districts and intermediate districts for mental health and
 2 support services for general education pupils.

3 (5) From the funds allocated under subsection (1), there is
 4 allocated **for 2019-2020** an amount not to exceed ~~\$5,000,000.00~~
 5 **\$6,500,000.00** to be distributed to the existing network of child
 6 and adolescent health centers to place a licensed master's level
 7 behavioral health provider in schools that do not currently have
 8 services available to general education students. Existing child
 9 and adolescent health centers receiving funding under this
 10 subsection shall provide a commitment to maintain services and
 11 implement all available federal Medicaid match methodologies. The
 12 department of health and human services shall use all existing or
 13 additional federal Medicaid match opportunities to maximize funding
 14 allocated under this subsection. ~~Funds~~ **The department shall provide**
 15 **funds** under this subsection ~~shall be provided~~ to existing child and
 16 adolescent health centers in the same proportion that funding under
 17 section 31a(7) is provided to child and adolescent health centers
 18 located and operating in those districts.

19 (6) From the funds allocated under subsection (1), there is
 20 allocated **for 2019-2020** an amount not to exceed \$16,500,000.00 to
 21 be distributed to intermediate districts for the provision of
 22 mental health and support services to general education students.
 23 From the funds allocated under this subsection, the department
 24 shall distribute \$294,500.00 to each intermediate district that
 25 submits a plan approved by the department and the department of
 26 health and human services. The department and department of health
 27 and human services shall work cooperatively in providing oversight
 28 and assistance to intermediate districts during the plan submission
 29 process and shall monitor the program upon implementation. An



1 intermediate district shall use funds awarded under this subsection
2 to provide funding to its constituent districts, including public
3 school academies that are considered to be constituent districts
4 under section 705(7) of the revised school code, MCL 380.705, for
5 the provision of mental health and support services to general
6 education students. In addition to the criteria identified under
7 subsection (7), an intermediate district shall consider geography,
8 cost, or other challenges when awarding funding to its constituent
9 districts. If funding awarded to an intermediate district remains
10 after funds are provided by the intermediate district to its
11 constituent districts, the intermediate district may hire or
12 contract for experts to provide mental health and support services
13 to general education students residing within the boundaries of the
14 intermediate district.

15 (7) A district requesting funds under this section from the
16 intermediate district in which it is located shall submit an
17 application for funding for the provision of mental health and
18 support services to general education pupils. A district receiving
19 funding from the application process described in this subsection
20 shall provide services to nonpublic students upon request. An
21 intermediate district shall not discriminate against an application
22 submitted by a public school academy simply on the basis of the
23 applicant being a public school academy. ~~Grant~~**The department shall**
24 **approve grant** applications ~~shall be approved~~ based on the following
25 criteria:

26 (a) The district's commitment to maintain mental health and
27 support services delivered by licensed providers into future fiscal
28 years.

29 (b) The district's commitment to implement all federal



1 Medicaid match methodologies and provide a local match of at least
2 20%.

3 (c) The district's commitment to adhere to any local funding
4 requirements determined by the department and the department of
5 health and human services.

6 (d) The extent of the district's existing partnerships with
7 community health care providers or the ability of the district to
8 establish such partnerships.

9 (e) The district's documentation of need, including gaps in
10 current mental health and support services for the general
11 education population.

12 (f) The district's submission of a formal plan of action
13 identifying the number of schools and students to be served.

14 (g) Whether the district will participate in ongoing
15 trainings.

16 (h) Whether the district will submit an annual report to the
17 state.

18 (i) Whether the district demonstrates a willingness to work
19 with the state to establish program and service delivery
20 benchmarks.

21 (j) Whether the district has developed a school safety plan or
22 is in the process of developing a school safety plan.

23 (k) Any other requirements determined by the department or the
24 department of health and human services.

25 (8) Funding under this section, including any federal Medicaid
26 funds that are generated, ~~shall~~**must** not be used to supplant
27 existing services.

28 (9) Both of the following are allocated for ~~2018-2019~~**2019-**
29 **2020** to the department of health and human services from the



1 general fund money allocated under subsection (1):

2 (a) An amount not to exceed \$1,000,000.00 for the purpose of
3 upgrading technology and systems infrastructure and other
4 administrative requirements to support the programs funded under
5 this section.

6 (b) An amount not to exceed \$300,000.00 for the purpose of
7 administering the programs under this section and working on
8 generating additional Medicaid funds as a result of programs funded
9 under this section.

10 (10) From the funds allocated under subsection (1), there is
11 allocated for ~~2018-2019~~**2019-2020** an amount not to exceed
12 \$500,000.00 to intermediate districts on an equal per intermediate
13 district basis for the purpose of administering programs funded
14 under this section.

15 (11) The department and the department of health and human
16 services shall work with the advisory council to develop proposed
17 measurements of outcomes and performance. Those measurements shall
18 include, at a minimum, the number of pupils served, the number of
19 schools served, and where those pupils and schools were located.
20 The department and the department of health and human services
21 shall compile data necessary to measure outcomes and performance,
22 and districts and intermediate districts receiving funding under
23 this section shall provide data requested by the department and
24 department of health and human services for the measurement of
25 outcomes and performance. The department and department of health
26 and human services shall provide a report not later than December
27 1, 2019 and by December 1 annually thereafter to the house and
28 senate appropriations subcommittees on school aid and health and
29 human services, and to the house and senate fiscal agencies. At a



1 minimum, the report ~~shall~~**must** include measurements of outcomes and
 2 performance, proposals to increase efficacy and usefulness,
 3 proposals to increase performance, and proposals to expand
 4 coverage.

5 ~~(12) From the funds allocated in subsection (1), there is~~
 6 ~~allocated for 2018-2019 an amount not to exceed \$8,000,000.00 for~~
 7 ~~the behavioral health team pilot program. The department shall~~
 8 ~~award funds under this subsection to intermediate school districts~~
 9 ~~to create school-based behavioral health assessment teams utilizing~~
 10 ~~a "train the trainer" model of training that focuses on providing~~
 11 ~~age-appropriate interventions, identifying behaviors that suggest a~~
 12 ~~pupil may be struggling with mental health challenges, providing~~
 13 ~~treatment and support of the pupil, and using disciplinary~~
 14 ~~interventions and the criminal justice system as methods of last~~
 15 ~~resort. The intermediate district may hire or contract with experts~~
 16 ~~to provide training to intermediate district staff so that it may~~
 17 ~~provide similar training for staff of the constituent districts.~~
 18 ~~The department shall award the entire \$8,000,000.00 allocated under~~
 19 ~~this subsection by allocating an equal dollar amount to each~~
 20 ~~intermediate district that has its application approved under~~
 21 ~~subsection (13).~~

22 ~~(13) An intermediate district shall apply for funds under~~
 23 ~~subsection (12) in a form and manner determined by the department.~~
 24 ~~The application shall include, but is not limited to, all of the~~
 25 ~~following:~~

26 ~~(a) A detailed plan on how the intermediate district will work~~
 27 ~~with constituent districts to identify a behavioral health~~
 28 ~~assessment team within each school to be trained under this pilot.~~
 29 ~~The plan shall demonstrate that a behavioral health assessment team~~



1 ~~must consist of, but is not limited to, all of the following~~
 2 ~~individuals:~~

3 ~~(i) School administrators and teachers.~~

4 ~~(ii) An individual whose primary purpose is ensuring safety in~~
 5 ~~a school.~~

6 ~~(iii) Pathways to potential workers, if the school participates~~
 7 ~~in the pathways to potential program.~~

8 ~~(iv) Local mental health agency representatives.~~

9 ~~(v) Local law enforcement agency personnel.~~

10 ~~(vi) If appropriate under the model being used, a pupil.~~

11 ~~(b) Identification of a behavioral health assessment training~~
 12 ~~implementation plan that shall include a description of how results~~
 13 ~~of the training will be incorporated into administrative policies~~
 14 ~~and a comprehensive school safety plan, including into a multi-~~
 15 ~~tiered system of support.~~

16 ~~(14) The funds allocated under this section for 2018-2019 are~~
 17 ~~a work project appropriation, and any unexpended funds for 2018-~~
 18 ~~2019 are carried forward into 2019-2020. The purpose of the work~~
 19 ~~project is to continue to provide funding for the expansion of~~
 20 ~~mental health and support services for general education students.~~
 21 ~~The estimated completion date of the work project is September 30,~~
 22 ~~2022.~~

23 Sec. 32d. (1) From the funds appropriated in section 11, there
 24 is allocated to eligible intermediate districts and consortia of
 25 intermediate districts for great start readiness programs an amount
 26 not to exceed ~~\$244,600,000.00 for 2018-2019. Funds~~ **\$242,600,000.00**
 27 **for 2019-2020. An intermediate district or consortium shall use**
 28 **funds** allocated under this section for great start readiness
 29 programs ~~shall be used to provide part-day, school-day, or~~



1 GSRP/Head Start blended comprehensive free compensatory classroom
2 programs designed to improve the readiness and subsequent
3 achievement of educationally disadvantaged children who meet the
4 participant eligibility and prioritization guidelines as defined by
5 the department. For a child to be eligible to participate in a
6 program under this section, the child ~~shall~~**must** be at least 4, but
7 less than 5, years of age as of September 1 of the school year in
8 which the program is offered and ~~shall~~**must** meet those eligibility
9 and prioritization guidelines. A child who is not 4 years of age as
10 of September 1, but who will be 4 years of age not later than
11 December 1, is eligible to participate if the child's parent or
12 legal guardian seeks a waiver from the September 1 eligibility date
13 by submitting a request for enrollment in a program to the
14 responsible intermediate district, if the program has capacity on
15 or after September 1 of the school year, and if the child meets
16 eligibility and prioritization guidelines.

17 (2) From the funds allocated under subsection (1), an amount
18 not to exceed \$242,600,000.00 is allocated to intermediate
19 districts or consortia of intermediate districts based on the
20 formula in section 39. An intermediate district or consortium of
21 intermediate districts receiving funding under this section shall
22 act as the fiduciary for the great start readiness programs. In
23 order to be eligible to receive funds allocated under this
24 subsection from an intermediate district or consortium of
25 intermediate districts, a district, a consortium of districts, or a
26 public or private for-profit or nonprofit legal entity or agency
27 shall comply with this section and section 39.

28 (3) In addition to the allocation under subsection (1), from
29 the general fund money appropriated under section 11, there is



1 allocated an amount not to exceed \$300,000.00 for ~~2018-2019-2019-~~
 2 **2020** for a competitive grant to continue a longitudinal evaluation
 3 of children who have participated in great start readiness
 4 programs.

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

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

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

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

20 (d) Physical and dental health and developmental screening
 21 services for all program participants.

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

25 (f) Active and continuous involvement of the parents or
 26 guardians of the program participants.

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



1 (h) Participation in a school readiness advisory committee
 2 convened as a workgroup of the great start collaborative that
 3 provides for the involvement of classroom teachers, parents or
 4 guardians of program participants, and community, volunteer, and
 5 social service agencies and organizations, as appropriate. The
 6 advisory committee annually shall review and make recommendations
 7 regarding the program components listed in this subsection. The
 8 advisory committee also shall make recommendations to the great
 9 start collaborative regarding other community services designed to
 10 improve all children's school readiness.

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

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

15 (5) An application for funding under this section ~~shall~~**must**
 16 provide for the following, in a form and manner determined by the
 17 department:

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

20 (b) Except as otherwise provided in this subdivision, ensure
 21 that at least 90% of the children participating in an eligible
 22 great start readiness program for whom the intermediate district is
 23 receiving funds under this section are children who live with
 24 families with a household income that is equal to or less than 250%
 25 of the federal poverty ~~level~~**guidelines**. If the intermediate
 26 district determines that all eligible children are being served and
 27 that there are no children on the waiting list who live with
 28 families with a household income that is equal to or less than 250%
 29 of the federal poverty ~~level~~**guidelines**, the intermediate district



1 may then enroll children who live with families with a household
 2 income that is equal to or less than 300% of the federal poverty
 3 ~~level.~~ **guidelines**. The enrollment process ~~shall~~ **must** consider
 4 income and risk factors, such that children determined with higher
 5 need are enrolled before children with lesser need. For purposes of
 6 this subdivision, all age-eligible children served in foster care
 7 or who are experiencing homelessness or who have individualized
 8 education ~~plans~~ **programs** recommending placement in an inclusive
 9 preschool setting ~~shall be~~ **are** considered to live with families
 10 with household income equal to or less than 250% of the federal
 11 poverty ~~level.~~ **guidelines** regardless of actual family income and
 12 ~~shall be~~ **are** prioritized for enrollment within the lowest quintile.

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

15 (i) Teachers possessing proper training. A lead teacher must
 16 have a valid teaching certificate with an early childhood (ZA or
 17 ZS) endorsement or a bachelor's or higher degree in child
 18 development or early childhood education with specialization in
 19 preschool teaching. However, if an applicant demonstrates to the
 20 department that it is unable to fully comply with this subparagraph
 21 after making reasonable efforts to comply, teachers who have
 22 significant but incomplete training in early childhood education or
 23 child development may be used if the applicant provides to the
 24 department, and the department approves, a plan for each teacher to
 25 come into compliance with the standards in this subparagraph. A
 26 teacher's compliance plan must be completed within 2 years of the
 27 date of employment. Progress toward completion of the compliance
 28 plan ~~shall consist~~ **consists** of at least 2 courses per calendar
 29 year.



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

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

27 (6) For a grant recipient that enrolls pupils in a school-day
 28 program funded under this section, each child enrolled in the
 29 school-day program ~~shall be~~ **is** counted as described in section 39



1 for purposes of determining the amount of the grant award.

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

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

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

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

24 (11) Each grant recipient shall enroll children identified
25 under subsection (5)(b) according to how far the child's household
26 income is below 250% of the federal poverty ~~level~~**guidelines** by
27 ranking each applicant child's household income from lowest to
28 highest and dividing the applicant children into quintiles based on
29 how far the child's household income is below 250% of the federal



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

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

28 (13) An intermediate district or consortium of intermediate
 29 districts receiving a grant under this section shall conduct a



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



1 or consortium took measures to contract for at least 30% of its
2 total allocation as required under this subsection, including, but
3 not limited to, at least all of the following measures:

4 (a) The intermediate district or consortium notified each
5 nonparticipating licensed child care center located in the service
6 area of the intermediate district or consortium regarding the
7 center's eligibility to participate, in a manner prescribed by the
8 department.

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

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

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

28 (15) In order to assist intermediate districts and consortia
29 in complying with the requirement to contract with community-based



1 providers for at least 30% of their total allocation, the
2 department shall do all of the following:

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

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

12 (c) Ensure that all intermediate district, district, community
13 college or university, Head Start grantee or delegate, private for-
14 profit, and private nonprofit providers are subject to a single
15 great start to quality rating system. The rating system ~~shall~~**must**
16 ensure that regulators process all prospective providers at the
17 same pace on a first-come, first-served basis and ~~shall~~**must** not
18 allow 1 type of provider to receive a great start to quality rating
19 ahead of any other type of provider.

20 (d) Not later than December 1 of each year, compile the
21 results of the information reported by each intermediate district
22 or consortium under subsection (13) and report to the legislature a
23 list by intermediate district or consortium with the number and
24 percentage of each intermediate district's or consortium's total
25 allocation allocated to community-based providers by provider type,
26 including private for-profit, private nonprofit, community college
27 or university, Head Start grantee or delegate, and district or
28 intermediate district.

29 (16) A recipient of funds under this section shall report to



1 the center in a form and manner prescribed by the center the
2 information necessary to derive the number of children
3 participating in the program who meet the program eligibility
4 criteria under subsection (5)(b), the number of eligible children
5 not participating in the program and on a waitlist, and the total
6 number of children participating in the program by various
7 demographic groups and eligibility factors necessary to analyze
8 equitable and priority access to services for the purposes of
9 subsection (3).

10 (17) As used in this section:

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

14 **(b) "Federal poverty guidelines" means the guidelines**
15 **published annually in the Federal Register by the United States**
16 **Department of Health and Human Services under its authority to**
17 **revise the poverty line under 42 USC 9902.**

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

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

27 (18) An intermediate district or consortium of intermediate
28 districts receiving funds under this section shall establish and
29 charge tuition according to a sliding scale of tuition rates based



1 upon household income for children participating in an eligible
 2 great start readiness program who live with families with a
 3 household income that is more than 250% of the federal poverty
 4 level ~~guidelines~~ to be used by all of its providers, as approved by
 5 the department.

6 (19) From the ~~amount appropriated in~~ **funds allocated under**
 7 subsection (1), there is allocated **for 2019-2020** an amount not to
 8 exceed \$10,000,000.00 for reimbursement of transportation costs for
 9 children attending great start readiness programs funded under this
 10 section. To receive reimbursement under this subsection, not later
 11 than November 1, ~~2018,~~ **2019**, a program funded under this section
 12 that provides transportation shall submit to the intermediate
 13 district that is the fiscal agent for the program a projected
 14 transportation budget. The amount of the reimbursement for
 15 transportation under this subsection ~~shall be~~ **is** no more than the
 16 projected transportation budget or \$300.00 multiplied by the number
 17 of children funded for the program under this section. If the
 18 amount allocated under this subsection is insufficient to fully
 19 reimburse the transportation costs for all programs that provide
 20 transportation and submit the required information, **the department**
 21 **shall prorate** the reimbursement ~~shall be prorated~~ in an equal
 22 amount per child funded. ~~Payments shall be made~~ **The department**
 23 **shall make payments** to the intermediate district that is the fiscal
 24 agent for each program, and the intermediate district shall then
 25 reimburse the program provider for transportation costs as
 26 prescribed under this subsection.

27 (20) Subject to, and from the funds allocated under,
 28 subsection (19), the department shall reimburse a program for
 29 transportation costs related to parent- or guardian-accompanied



1 transportation provided by transportation service companies, buses,
2 or other public transportation services. To be eligible for
3 reimbursement under this subsection, a program must submit to the
4 intermediate district or consortia of intermediate districts all of
5 the following:

6 (a) The names of families provided with transportation support
7 along with a documented reason for the need for transportation
8 support and the type of transportation provided.

9 (b) Financial documentation of actual transportation costs
10 incurred by the program, including, but not limited to, receipts
11 and mileage reports, as determined by the department.

12 (c) Any other documentation or information determined
13 necessary by the department.

14 (21) The department shall implement a process to review and
15 approve age-appropriate comprehensive classroom level quality
16 assessments for GSRP grantees that support the early childhood
17 standards of quality for prekindergarten children adopted by the
18 state board. The department shall make available to intermediate
19 districts at least 2 classroom level quality assessments that were
20 approved in 2018.

21 (22) An intermediate district that is a GSRP grantee may
22 approve the use of a supplemental curriculum that aligns with and
23 enhances the age-appropriate educational curriculum in the
24 classroom. If the department objects to the use of a supplemental
25 curriculum approved by an intermediate district, the superintendent
26 ~~of public instruction~~ shall establish a review committee
27 independent of the department. The review committee shall meet
28 within 60 days of the department registering its objection in
29 writing and provide a final determination on the validity of the



1 objection within 60 days of the review committee's first meeting.

2 (23) The department shall implement a process to evaluate and
3 approve age-appropriate educational curricula that are in
4 compliance with the early childhood standards of quality for
5 prekindergarten children adopted by the state board.

6 ~~(24) From the funds allocated under subsection (1), there is~~
7 ~~allocated an amount not to exceed \$2,000,000.00 for payments to~~
8 ~~intermediate districts or consortia of intermediate districts for~~
9 ~~professional development and training materials for educators in~~
10 ~~programs implementing new curricula in 2019-2020.~~

11 (24) ~~(25)~~A great start readiness program or a GSRP/Head Start
12 blended program funded under this section ~~shall be~~**is** permitted to
13 utilize AmeriCorps Pre-K Reading Corps members in classrooms
14 implementing research-based early literacy intervention strategies.

15 **Sec. 32e. (1) From the state school aid fund money**
16 **appropriated under section 11, there is allocated for 2019-2020 an**
17 **amount equal to \$100.00 for a grant to be awarded by the department**
18 **to an eligible intermediate district for the purposes of this**
19 **section. An intermediate district receiving a grant under this**
20 **section shall use the grant funding to conduct a pilot program to**
21 **evaluate the relative impact of publicly funded preschool education**
22 **for vulnerable 3-year-old children. All of the following apply to**
23 **the pilot program funded under this section:**

24 (a) An intermediate district is eligible for a grant under
25 this section if the intermediate district is located in a county
26 with a population as of the most recent federal decennial census
27 that was greater than 500,000 but fewer than 800,000.

28 (b) The funds must be used to pilot implementation of all
29 components of the department's "3-year-old model" for preschool



1 education.

2 (c) The intermediate district receiving the grant shall
3 implement the department's 3-year-old model pilot program under the
4 supervision of the office of great start.

5 (d) For a child to be eligible for participation in the pilot
6 program under this section, the child must be age 3 on September 1
7 of the school year of participation and must meet the participant
8 eligibility and prioritization guidelines as defined by the
9 department.

10 (e) The intermediate district receiving the grant shall
11 provide annual progress evaluations to the office of great start.

12 (f) By December 1, 2020, the intermediate district receiving
13 the grant shall provide a pilot program report and evaluation to
14 the office of great start. The office of great start shall review
15 the pilot program report and evaluation and, by February 15, 2021,
16 provide a report to the senate and house appropriations
17 subcommittees on state school aid and to the senate and house
18 fiscal agencies of its evaluation of the pilot program.

19 (2) It is the intent of the legislature that this is the first
20 of 3 years of funding, and that funding for the pilot program will
21 continue in 2020-2021.

22 (3) Notwithstanding section 17b, the department shall
23 distribute funds under this section not later than November 15 of
24 the fiscal year.

25 (4) The department may add the pilot program under this
26 section to the department's existing competitive grant under
27 section 32d(3).

28 Sec. 32p. (1) From the appropriation in section 11, there is
29 allocated an amount not to exceed \$13,400,000.00 to intermediate



1 districts for ~~2018-2019~~**2019-2020** for the purpose of providing
 2 early childhood funding to intermediate school districts to support
 3 the activities under subsection (2) and subsection (4), and to
 4 provide early childhood programs for children from birth through
 5 age 8. The funding provided to each intermediate district under
 6 this section ~~shall be~~**is** determined by the distribution formula
 7 established by the department's office of great start to provide
 8 equitable funding statewide. In order to receive funding under this
 9 section, each intermediate district shall provide an application to
 10 the office of great start not later than September 15 of the
 11 immediately preceding fiscal year indicating the activities planned
 12 to be provided.

13 (2) Each intermediate district or consortium of intermediate
 14 districts that receives funding under this section shall convene a
 15 local great start collaborative and a parent coalition. The goal of
 16 each great start collaborative and parent coalition ~~shall be~~**is** to
 17 ensure the coordination and expansion of local early childhood
 18 infrastructure and programs that allow every child in the community
 19 to achieve the following outcomes:

20 (a) Children born healthy.

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

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

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

27 (3) Each local great start collaborative and parent coalition
 28 shall convene workgroups to make recommendations about community
 29 services designed to achieve the outcomes described in subsection



1 (2) and to ensure that its local great start system includes the
2 following supports for children from birth through age 8:

3 (a) Physical health.

4 (b) Social-emotional health.

5 (c) Family supports and basic needs.

6 (d) Parent education.

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

9 (4) From the funds allocated in subsection (1), at least
10 \$2,500,000.00 ~~shall~~**must** be used for the purpose of providing home
11 visits to at-risk children and their families. The home visits
12 ~~shall~~**must** be conducted as part of a locally coordinated, family-
13 centered, evidence-based, data-driven home visit strategic plan
14 that is approved by the department. The goals of the home visits
15 funded under this subsection ~~shall be~~**are** to improve school
16 readiness using evidence-based methods, including a focus on
17 developmentally appropriate outcomes for early literacy, to reduce
18 the number of pupils retained in grade level, to reduce the number
19 of pupils requiring special education services, to improve positive
20 parenting practices, and to improve family economic self-
21 sufficiency while reducing the impact of high-risk factors through
22 community resources and referrals. The department shall coordinate
23 the goals of the home visit strategic plans approved under this
24 subsection with other state agency home visit programs in a way
25 that strengthens Michigan's home visiting infrastructure and
26 maximizes federal funds available for the purposes of at-risk
27 family home visits. The coordination among departments and agencies
28 is intended to avoid duplication of state services and spending,
29 and should emphasize efficient service delivery of home visiting



1 programs.

2 (5) Not later than December 1 of each year, each intermediate
 3 district shall provide a report to the department detailing the
 4 activities actually provided during the immediately preceding
 5 school year and the families and children actually served. At a
 6 minimum, the report ~~shall~~**must** include an evaluation of the
 7 services provided with additional funding under subsection (4) for
 8 home visits, using the goals identified in subsection (4) as the
 9 basis for the evaluation, including the degree to which school
 10 readiness was improved, any change in the number of pupils retained
 11 at grade level, and any change in the number of pupils receiving
 12 special education services. The department shall compile and
 13 summarize these reports and submit its summary to the house and
 14 senate appropriations subcommittees on school aid and to the house
 15 and senate fiscal agencies not later than February 15 of each year.

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

24 Sec. 35a. (1) From the appropriations in section 11, there is
 25 allocated for ~~2018-2019~~**2019-2020** for the purposes of this section
 26 an amount not to exceed ~~\$27,900,000.00~~**\$30,016,800.00** from the
 27 state school aid fund, **an amount not to exceed \$300,000.00 from the**
 28 **talent investment fund**, and an amount not to exceed \$3,500,000.00
 29 from the general fund. The superintendent shall designate staff or



1 contracted employees funded under this section as critical
2 shortage. Programs funded under this section are intended to ensure
3 that this state will be in the top 10 most improved states in grade
4 4 reading proficiency by the 2019 National Assessment of
5 Educational Progress (NAEP) and will be in the top 10 states
6 overall in grade 4 reading proficiency by 2025.

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

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



1 (a) Phonemic awareness - segmentation, blending, and sound
2 manipulation (deletion and substitution).

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

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

5 (d) Comprehension - making meaning of text.

6 (4) From the allocations under subsection (1), there is
7 allocated an amount not to exceed ~~\$7,000,000.00~~ **\$9,116,800.00** for
8 ~~2018-2019~~ **2019-2020** for the purpose of providing early literacy
9 coaches at intermediate districts to assist teachers in developing
10 and implementing instructional strategies for pupils in grades K to
11 3 so that pupils are reading at grade level by the end of grade 3.
12 All of the following apply to funding under this subsection:

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

17 (i) Current state literacy standards for pupils in grades K to
18 3.

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

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

28 (b) From the allocation under this subsection, the department
29 shall award grants to intermediate districts for the support of



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

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

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

22 (c) **If an intermediate district receiving funding under this**
 23 **subsection uses an assessment tool that screens for signs of**
 24 **dyslexia, the intermediate district shall use the assessment**
 25 **results from that assessment tool to identify pupils who**
 26 **demonstrate signs of dyslexia.**

27 (5) From the allocations under subsection (1), there is
 28 allocated an amount not to exceed \$19,900,000.00 for ~~2018-2019~~
 29 **2019-2020** to districts that provide additional instructional time



1 to those pupils in grades K to 3 who have been identified by using
2 department-approved screening and diagnostic tools as needing
3 additional supports and interventions in order to be reading at
4 grade level by the end of grade 3. Additional instructional time
5 may be provided before, during, and after regular school hours or
6 as part of a year-round balanced school calendar. All of the
7 following apply to funding under this subsection:

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

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

18 (A) Team-based leadership.

19 (B) A tiered delivery system.

20 (C) Selection and implementation of instruction,
21 interventions, and supports.

22 (D) A comprehensive screening and assessment system.

23 (E) Continuous data-based decision making.

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

27 (iii) Used a reading instruction method that focuses on the 5
28 fundamental building blocks of reading: phonics, phonemic
29 awareness, fluency, vocabulary, and comprehension and content



1 knowledge.

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

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

7 (b) ~~Funding~~ **The department shall distribute funding** allocated
8 under this subsection ~~shall be distributed~~ to eligible districts on
9 an equal per-first-grade-pupil basis.

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

14 (6) Not later than September 1 ~~, 2019,~~ **of each year,** a
15 district that receives funding under this section, in conjunction
16 with the Michigan data hub network, if possible, shall provide to
17 the department a report that includes at least both of the
18 following, in a form and manner prescribed by the department:

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

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

25 (i) School.

26 (ii) Grade level.

27 (iii) Gender.

28 (iv) Race.

29 (v) Ethnicity.



1 (vi) Economically disadvantaged status.

2 (vii) Disability.

3 (viii) Pupils identified as having reading deficiencies.

4 (7) From the general fund money allocated in subsection (1),
5 the department shall allocate the amount of \$3,000,000.00 for ~~2018-~~
6 ~~2019-2019-2020~~ to the Michigan Education Corps for the PreK Reading
7 Corps, the K3 Reading Corps, and the Math Corps. All of the
8 following apply to funding under this subsection:

9 (a) By September 1 of the current fiscal year, the Michigan
10 Education Corps shall provide a report concerning its use of the
11 funding to the senate and house appropriations subcommittees on
12 state school aid, the senate and house fiscal agencies, and the
13 senate and house caucus policy offices on outcomes and performance
14 measures of the Michigan Education Corps, including, but not
15 limited to, the degree to which the Michigan Education Corps's
16 replication of the Michigan PreK Reading Corps, K3 Reading Corps,
17 and Math Corps programs is demonstrating sufficient efficacy and
18 impact. The report must include data pertaining to at least all of
19 the following:

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

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

29 (iii) Whether the literacy or math improvement of children



1 participating in the programs is consistent with expectations. This
 2 portion of the report ~~shall~~**must** detail at least all of the
 3 following:

4 (A) Growth rate by grade or age level, in comparison to
 5 targeted growth rate.

6 (B) Average linear growth rates.

7 (C) Exit rates.

8 (D) Percentage of children who exit who also meet or exceed
 9 spring benchmarks.

10 (iv) The impact of the programs on organizations and
 11 stakeholders, including, but not limited to, school administrators,
 12 internal coaches, and AmeriCorps members.

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

17 (c) The department may not reserve any portion of the
 18 allocation provided under this subsection for an evaluation of the
 19 Michigan Education Corps, the Michigan Education Corps' funding, or
 20 the Michigan Education Corps' programming unless agreed to in
 21 writing by the Michigan Education Corps. The department shall award
 22 the entire \$3,000,000.00 allocated under this subsection to the
 23 Michigan Education Corps and shall not condition the awarding of
 24 this funding on the implementation of an independent evaluation.

25 (8) From the general fund money allocated under subsection
 26 (1), there is allocated an amount not to exceed \$500,000.00 for
 27 ~~2018-2019-2019-2020~~ for a grant to an eligible program that has a
 28 goal to slow or prevent the K to 4 summer reading slide among all
 29 pupils enrolled in grades K to 4, particularly those from



1 economically disadvantaged households. Funds allocated under this
2 subsection are grant funds and must be distributed by the
3 department. A program is eligible if it meets at least all of the
4 following:

5 (a) The program's objective is to deliver a bilingual, in-
6 home, individualized summer reading program consisting of self-
7 selected, independent reading level books to K to 4 pupils each
8 week during the summer.

9 (b) Is evaluated quantitatively and qualitatively using pre-
10 and post-standardized test score comparison and parent and school
11 surveys specific to each district.

12 (c) Incorporates at least weekly interactive parental and
13 family engagement during the summer.

14 (d) Builds on pedagogical and literacy principles to scaffold
15 fluency to improve reading comprehension with pupil exercises.

16 (e) Provides at least 4, and up to 9, student-selected new
17 books to read and keep.

18 (f) Collects, analyzes, and reports detailed data on parental
19 engagement, books read, and spring-to-fall reading scores.

20 (g) Follows the department's top 10 in 10 goals and
21 strategies, with an emphasis on goals 4 and 5.

22 (h) Focuses on in-home program delivery through weekly
23 mailings.

24 (i) Provides summary data to the legislature and to the
25 department for all pupils served by the program after each summer.

26 (9) From the state school aid fund money allocated under
27 subsection (1), there is allocated an amount not to exceed
28 \$1,000,000.00 for ~~2018-2019~~ **2019-2020** to an intermediate district
29 in which the combined total number of pupils in membership of all



1 of its constituent districts is the fewest among all intermediate
 2 districts. All of the following apply to the funding under this
 3 subsection:

4 (a) Funding under this subsection must be used by the
 5 intermediate district, in partnership with an association that
 6 represents intermediate district administrators in this state, to
 7 implement both of the following:

8 (i) Literacy essentials teacher and principal training modules.

9 (ii) Face-to-face and online professional learning of literacy
 10 essentials teacher and principal training modules for literacy
 11 coaches, principals, and teachers.

12 (b) Not later than September 1 of each year, the intermediate
 13 district described in this subsection, in consultation with grant
 14 recipients, shall submit a report to the chairs of the senate and
 15 house appropriations subcommittees on state school aid and the
 16 chairs of the senate and house standing committees responsible for
 17 education legislation. The report described under this subdivision
 18 must include student achievement results in English language arts
 19 and survey results with feedback from parents and teachers
 20 regarding the initiatives implemented under this subsection.

21 ~~(10) Notwithstanding section 17b, payments made under~~
 22 ~~subsection (9) shall be made not later than March 1, 2019.~~**The**
 23 **intermediate district described in subsection (9), in partnership**
 24 **with an association that represents intermediate district**
 25 **administrators in this state, shall use not more than \$300,000.00**
 26 **of the talent investment fund money allocated in subsection (1) for**
 27 **the purpose of providing literacy training, modeling, coaching, and**
 28 **feedback for district and public school academy principals. The**
 29 **training must use the pre-K and K-3 essential instructional**



1 practices in literacy created by the General Education Leadership
2 Network as the framework for all training. Training must be
3 provided in 5 regions in the state to provide easy access for all
4 principals. In addition, training must be competency-based and must
5 lead to both credit toward required continuing education hours and
6 a micro-credential in literacy instruction.

7 Sec. 35b. (1) From the general fund money appropriated in
8 section 11, there is allocated for ~~2018-2019~~ **2019-2020** an amount
9 not to exceed ~~\$250,000.00~~ **\$350,000.00** for a grant to be distributed
10 by the department to the Children's Choice Initiative to create a
11 pilot program to use a multisensory structured language education
12 method to improve reading proficiency rates and to comply with
13 section 1280f of the revised school code, MCL 380.1280f.

14 (2) Grant funds awarded under this section must be expended
15 for the following purposes:

16 (a) Professional development including training staff and
17 tutors in a multisensory, sequential, systematic education
18 approach.

19 (b) Additional instructional time before, during, or after
20 school for pupils in grades K to 3 identified as having an early
21 literacy delay or reading deficiency using a multisensory,
22 sequential, systematic education approach.

23 (3) Not later than December 1, 2020, an entity that receives
24 grant funds under this section shall report to the house and senate
25 appropriations subcommittees on school aid, the house and senate
26 fiscal agencies, and the state budget director on all of the
27 following for the grant funds awarded under this section:

28 (a) The number of staff and tutors trained.

29 (b) The number of pupils in grades K to 3 identified as having



1 an early literacy delay or reading deficiency served.

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

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

6 **Sec. 35c. (1) From the talent investment fund appropriation**
7 **under section 11, there is allocated an amount not to exceed**
8 **\$100.00 for a grant to be distributed by the department to an**
9 **eligible district to create a pilot program to use a multisensory**
10 **structured reading instruction professional development program to**
11 **improve reading proficiency rates.**

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

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

17 (i) Is based in Michigan.

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

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

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

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

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

28 (b) The district partners with the program described in
29 subdivision (a) to provide multisensory structured reading



1 instruction professional development for staff in grades K to 3
 2 general education or grades K to 12 special education, or both.

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

7 (a) Professional development, including training staff in the
 8 multisensory, sequential, systematic education approach used by the
 9 program.

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

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

18 (a) The number of staff trained.

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

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

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

26 Sec. 35d. (1) From the general fund money appropriated in
 27 section 11, there is allocated for 2019-2020 an amount not to
 28 exceed \$500,000.00 for a competitive grant for an intermediate
 29 district to implement a social-emotional learning pilot program.



1 The department shall determine the process for application and
2 criteria for awarding the grant.

3 (2) An intermediate district that is awarded a grant under
4 this section shall do all of the following in implementing the
5 pilot program:

6 (a) Conduct the pilot program in 5 districts, at least 1 of
7 which is an urban district, at least 1 of which is a suburban
8 district, and at least 1 of which is a rural district.

9 (b) Provide training to teachers and building-level
10 administrators on coaching and feedback techniques on the topic of
11 social-emotional learning experiences.

12 (3) The department shall conduct a survey of the districts in
13 the social-emotional learning pilot program before and after
14 implementation of the social-emotional learning pilot program in
15 order to measure the impact of the pilot program.

16 (4) The department shall provide to the house and senate
17 appropriations subcommittees on school aid and the house and senate
18 fiscal agencies a report that contains the results of the survey
19 under subsection (3) and an evaluation of the strengths,
20 weaknesses, and effectiveness of the pilot program.

21 (5) The department may withhold for the administration of this
22 section an amount not to exceed 5% of the funds allocated under
23 this section.

24 Sec. 35e. (1) From the general fund money appropriated under
25 section 11, there is allocated an amount not to exceed \$100.00 for
26 2019-2020 for a grant to be distributed by the department to an
27 organization to provide early literacy and academic support to
28 youth at-need in the state.

29 (2) To qualify for a grant under this section, an organization



1 must be exempt from federal income tax under section 501(c)(3) of
2 the internal revenue code, 26 USC 501, and must be affiliated and
3 in good standing with a national congressionally chartered
4 organization's standards under 36 USC 20101 to 240112, and must
5 meet all of the following:

6 (a) Is facility-based and provides proven and tested
7 recreational, educational, and character building programs for
8 children ages 6 to 18.

9 (b) Provides after-school and summer programs in at least 25
10 communities statewide, with youth development services available at
11 least 20 hours weekly during the school year and 30 hours weekly
12 during summer programming.

13 (3) A grant recipient under this section shall administer an
14 early learning literacy program targeted at students in grades K-3.
15 At least 60% of the participants in the program must qualify for
16 free or reduced-priced lunch. Each entity receiving funds to
17 implement the program shall report to the department on the number
18 of children served, the types of services, and the outcome of those
19 services.

20 (4) Notwithstanding section 17b, the department shall make
21 grant payments under this section on a schedule determined by the
22 department.

23 Sec. 39. (1) An eligible applicant receiving funds under
24 section 32d shall submit an application, in a form and manner
25 prescribed by the department, by a date specified by the department
26 in the immediately preceding state fiscal year. ~~The application~~
27 ~~shall not require an~~ **An eligible applicant is not required** to amend
28 the applicant's current accounting cycle or adopt this state's
29 fiscal year accounting cycle in accounting for financial



1 transactions under this section. The application ~~shall~~**must** include
 2 all of the following:

3 (a) For ~~2018-2019~~**2019-2020** calculations, the estimated total
 4 number of children in the community who meet the criteria of
 5 section 32d, as provided to the applicant by the department
 6 utilizing the most recent population data available from the
 7 American Community Survey conducted by the United States Census
 8 Bureau. ~~Beginning in 2018-2019, the~~**The** department shall ensure
 9 that it provides updated American Community Survey population data
 10 at least once every 3 years.

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

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

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

23 (3) The initial allocation to each eligible applicant under
 24 section 32d ~~shall be~~**is** the lesser of the following:

25 (a) The sum of the number of children served in a school-day
 26 program in the preceding school year multiplied by \$7,250.00 and
 27 the number of children served in a GSRP/Head Start blended program
 28 or a part-day program in the preceding school year multiplied by
 29 \$3,625.00.



1 (b) The sum of the number of children the applicant has the
 2 capacity to serve in ~~2018-2019-2019-2020~~ in a school-day program
 3 multiplied by \$7,250.00 and the number of children served in a
 4 GSRP/Head Start blended program or a part-day program the applicant
 5 has the capacity to serve in ~~2018-2019-2019-2020~~ multiplied by
 6 \$3,625.00.

7 (4) If funds remain after the allocations under subsection
 8 (3), the department shall distribute the remaining funds to each
 9 intermediate district or consortium of intermediate districts that
 10 serves less than the state percentage benchmark determined under
 11 subsection (5). ~~These~~ **The department shall distribute these**
 12 remaining funds ~~shall be distributed~~ to each eligible applicant
 13 based upon each applicant's proportionate share of the remaining
 14 unserved children necessary to meet the statewide percentage
 15 benchmark in intermediate districts or consortia of intermediate
 16 districts serving less than the statewide percentage benchmark.
 17 When all applicants have been given the opportunity to reach the
 18 statewide percentage benchmark, the statewide percentage benchmark
 19 may be reset, as determined by the department, until greater equity
 20 of opportunity to serve eligible children across all intermediate
 21 school districts has been achieved.

22 (5) For the purposes of subsection (4), for the ~~2018-2019~~
 23 **2019-2020** program year, the department shall calculate a percentage
 24 of children served by each intermediate district or consortium of
 25 intermediate districts by dividing the number of children served in
 26 the immediately preceding year by that intermediate district or
 27 consortium by the total number of children within the intermediate
 28 district or consortium of intermediate districts who meet the
 29 criteria of section 32d as determined by the department utilizing



1 the most recent population data available from the American
 2 Community Survey conducted by the United States Census Bureau. The
 3 department shall compare the resulting percentage of eligible
 4 children served to a statewide percentage benchmark to determine if
 5 the intermediate district or consortium is eligible for additional
 6 funds under subsection (4). For ~~2018-2019~~, **2019-2020**, the statewide
 7 percentage benchmark is 60%.

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

15 (7) The department shall review the program components under
 16 section 32d and under this section at least biennially. The
 17 department also shall convene a committee of internal and external
 18 stakeholders at least once every 5 years to ensure that the funding
 19 structure under this section reflects current system needs under
 20 section 32d.

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

24 Sec. 39a. (1) From the federal funds appropriated in section
 25 11, there is allocated for ~~2018-2019~~ **2019-2020** to districts,
 26 intermediate districts, and other eligible entities all available
 27 federal funding, estimated at ~~\$730,600,000.00~~ **\$725,600,000.00** for
 28 the federal programs under the no child left behind act of 2001,
 29 Public Law 107-110, or the every student succeeds act, Public Law



1 114-95. These funds are allocated as follows:

2 (a) An amount estimated at \$1,200,000.00 for ~~2018-2019-2019-~~
3 **2020** to provide students with drug- and violence-prevention
4 programs and to implement strategies to improve school safety,
5 funded from DED-OESE, drug-free schools and communities funds.

6 (b) An amount estimated at \$100,000,000.00 for ~~2018-2019-2019-~~
7 **2020** for the purpose of preparing, training, and recruiting high-
8 quality teachers and class size reduction, funded from DED-OESE,
9 improving teacher quality funds.

10 (c) An amount estimated at \$11,000,000.00 for ~~2018-2019-2019-~~
11 **2020** for programs to teach English to limited English proficient
12 (LEP) children, funded from DED-OESE, language acquisition state
13 grant funds.

14 (d) An amount estimated at \$2,800,000.00 for ~~2018-2019-2019-~~
15 **2020** for rural and low income schools, funded from DED-OESE, rural
16 and low income school funds.

17 (e) An amount estimated at \$535,000,000.00 for ~~2018-2019-2019-~~
18 **2020** to provide supplemental programs to enable educationally
19 disadvantaged children to meet challenging academic standards,
20 funded from DED-OESE, title I, disadvantaged children funds.

21 (f) An amount estimated at \$9,200,000.00 for ~~2018-2019-2019-~~
22 **2020** for the purpose of identifying and serving migrant children,
23 funded from DED-OESE, title I, migrant education funds.

24 (g) An amount estimated at \$39,000,000.00 for ~~2018-2019-2019-~~
25 **2020** for the purpose of providing high-quality extended learning
26 opportunities, after school and during the summer, for children in
27 low-performing schools, funded from DED-OESE, twenty-first century
28 community learning center funds.

29 (h) An amount estimated at \$12,000,000.00 for ~~2018-2019-2019-~~



1 **2020** to help support local school improvement efforts, funded from
2 DED-OESE, title I, local school improvement grants.

3 (i) An amount estimated at \$15,400,000.00 for ~~2018-2019-2019-~~
4 **2020** to improve the academic achievement of students, funded from
5 DED-OESE, title IV, student support and academic enrichment grants.

6 ~~(j) An amount estimated at \$5,000,000.00 for 2018-2019 for the~~
7 ~~remaining balance of the amount appropriated under the former~~
8 ~~section 32r, for federal funding awarded to this state under~~
9 ~~sections 14005, 14006, and 14013 of title XIV of the American~~
10 ~~recovery and reinvestment act of 2009, Public Law 111-5, for the~~
11 ~~race to the top early learning challenge grant.~~

12 (2) From the federal funds appropriated in section 11, there
13 is allocated for ~~2018-2019-2019-2020~~ to districts, intermediate
14 districts, and other eligible entities all available federal
15 funding, estimated at ~~\$51,200,000.00 for 2018-2019~~ **\$49,100,000.00**
16 **for 2019-2020** for the following programs that are funded by federal
17 grants:

18 (a) An amount estimated at \$100,000.00 for ~~2018-2019-2019-2020~~
19 for acquired immunodeficiency syndrome education grants, funded
20 from HHS - Centers for Disease Control and Prevention, AIDS
21 funding.

22 (b) An amount estimated at \$1,900,000.00 for ~~2018-2019-2019-~~
23 **2020** to provide services to homeless children and youth, funded
24 from DED-OVAE, homeless children and youth funds.

25 (c) An amount estimated at \$4,000,000.00 for ~~2018-2019-2019-~~
26 **2020** to provide mental health, substance abuse, or violence
27 prevention services to students, funded from HHS-SAMHSA.

28 (d) An amount estimated at \$24,000,000.00 for ~~2018-2019-2019-~~
29 **2020** for providing career and technical education services to



1 pupils, funded from DED-OVAE, basic grants to states.

2 (e) An amount estimated at \$14,000,000.00 for ~~2018-2019-2019-~~
3 **2020** for the Michigan charter school subgrant program, funded from
4 DED-OII, public charter schools program funds.

5 (f) An amount estimated at ~~\$7,200,000.00 for 2018-2019~~
6 **\$5,100,000.00 for 2019-2020** for the purpose of promoting and
7 expanding high-quality preschool services, funded from HHS-OCC,
8 preschool development funds.

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

17 (4) For the purposes of applying for federal grants
18 appropriated under this article, the department shall allow an
19 intermediate district to submit a consortium application on behalf
20 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
23 this article, in addition to any other federal grants for which a
24 **the** strict discipline academy is eligible, the department shall
25 allocate to **a** strict discipline ~~academies~~ **academy** out of title I,
26 part A ~~funds an amount~~ equal to what a ~~the~~ strict discipline
27 academy would have received if included and calculated under title
28 I, part D, or what it would receive under the formula allocation
29 under title I, part A, whichever is greater.



1 (6) As used in this section:

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

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

5 (c) "DED-OII" means the DED Office of Innovation and
6 Improvement.

7 (d) "DED-OVAE" means the DED Office of Vocational and Adult
8 Education.

9 (e) "HHS" means the United States Department of Health and
10 Human Services.

11 (f) "HHS-OCC" means the HHS Office of Child Care.

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

14 Sec. 41. (1) For a district or public school academy to be
15 eligible to receive funding under this section, the district or
16 public school academy must administer to English language learners
17 the English language proficiency assessment known as the "WIDA
18 ACCESS for English language learners" or the "WIDA Alternate
19 ACCESS". From the appropriation in section 11, there is allocated
20 an amount not to exceed \$6,000,000.00 for ~~2018-2019~~ **2019-2020** for
21 payments to eligible districts and eligible public school academies
22 for services for English language learners who have been
23 administered the WIDA ACCESS for English language learners.

24 (2) ~~Funding~~ **The department shall distribute funding** allocated
25 under this section ~~shall be distributed~~ to eligible districts and
26 eligible public school academies based on the number of full-time
27 equivalent English language learners as follows:

28 (a) \$620.00 per full-time equivalent English language learner
29 who has been assessed under the WIDA ACCESS for English language



1 learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA
2 Alternate ACCESS composite score between 1.0 and 1.9, or less, as
3 applicable to each assessment.

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

9 (3) If funds allocated under this section are insufficient to
10 fully fund the payments as prescribed under subsection (2), **the**
11 **department shall prorate** payments ~~shall be prorated~~ on an equal
12 percentage basis, with the same percentage proration applied to
13 both funding categories.

14 (4) Each district or public school academy receiving funds
15 under this section shall submit to the department by July 15 of
16 each fiscal year a report, not to exceed 10 pages, on the usage by
17 the district or public school academy of funds under this section,
18 in a form and manner determined by the department, ~~which shall~~
19 ~~include~~**including** a brief description of each program conducted or
20 services performed by the district or public school academy using
21 funds under this section and the amount of funds under this section
22 allocated to each of those programs or services. If a district or
23 public school academy does not comply with this section, the
24 department shall withhold an amount equal to the August payment due
25 under this section until the district or public school academy
26 complies with this subsection. If the district or public school
27 academy does not comply with this section by the end of the state
28 fiscal year, the withheld funds ~~shall be~~**are** forfeited to the
29 school aid fund.



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

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

12 Sec. 51a. (1) From the appropriation in section 11, there is
13 allocated ~~an amount not to exceed \$960,446,100.00 for 2017-2018 and~~
14 ~~there is allocated an amount not to exceed \$983,196,100.00~~
15 **\$1,045,396,100.00** for ~~2018-2019-2019-2020~~ from state sources and
16 all available federal funding under sections 611 to 619 of part B
17 of the individuals with disabilities education act, 20 USC 1411 to
18 1419, estimated at \$370,000,000.00 ~~each fiscal year for 2017-2018~~
19 ~~and for 2018-2019, for 2019-2020~~, plus any carryover federal funds
20 from previous year appropriations. ~~In addition, from the general~~
21 ~~fund appropriation in section 11, there is allocated to the~~
22 ~~department an amount not to exceed \$500,000.00 for each fiscal year~~
23 ~~for 2017-2018 and for 2018-2019 for the purpose of subsection (16).~~
24 The allocations under this subsection are for the purpose of
25 reimbursing districts and intermediate districts for special
26 education programs, services, and special education personnel as
27 prescribed in article 3 of the revised school code, MCL 380.1701 to
28 380.1761; net tuition payments made by intermediate districts to
29 the Michigan Schools for the Deaf and Blind; and special education



1 programs and services for pupils who are eligible for special
 2 education programs and services according to statute or rule. For
 3 meeting the costs of special education programs and services not
 4 reimbursed under this article, a district or intermediate district
 5 may use money in general funds or special education funds, not
 6 otherwise restricted, or contributions from districts to
 7 intermediate districts, tuition payments, gifts and contributions
 8 from individuals or other entities, or federal funds that may be
 9 available for this purpose, as determined by the intermediate
 10 district plan prepared ~~pursuant to~~ **under** article 3 of the revised
 11 school code, MCL 380.1701 to 380.1761. Notwithstanding section 17b,
 12 **the department shall make** payments of federal funds to districts,
 13 intermediate districts, and other eligible entities under this
 14 section ~~shall be paid~~ on a schedule determined by the department.

15 (2) From the funds allocated under subsection (1), there is
 16 allocated the amount necessary, ~~and estimated at \$266,900,000.00~~
 17 ~~for 2017-2018 and estimated at \$273,100,000.00 for 2018-2019,~~
 18 **\$297,800,000.00 for 2019-2020**, for payments toward reimbursing
 19 districts and intermediate districts for 28.6138% of total approved
 20 costs of special education, excluding costs reimbursed under
 21 section 53a, and 70.4165% of total approved costs of special
 22 education transportation. Allocations under this subsection ~~shall~~
 23 ~~be~~ **are** made as follows:

24 (a) The **department shall calculate the** initial amount
 25 allocated to a district under this subsection toward fulfilling the
 26 specified percentages ~~shall be calculated by~~ multiplying the
 27 district's special education pupil membership, excluding pupils
 28 described in subsection (11), times the foundation allowance under
 29 section 20 of the pupil's district of residence, ~~plus the amount of~~



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

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

21 (3) From the funds allocated under subsection (1), there is
 22 allocated ~~for 2017-2018 an amount not to exceed \$1,300,000.00 and~~
 23 ~~there is allocated an amount not to exceed \$1,300,000.00 for 2018-~~
 24 ~~2019~~ **\$1,000,000.00 for 2019-2020** to make payments to districts and
 25 intermediate districts under this subsection. If the amount
 26 allocated to a district or intermediate district for a fiscal year
 27 under subsection (2)(b) is less than the sum of the amounts
 28 allocated to the district or intermediate district for 1996-97
 29 under sections 52 and 58, there is allocated to the district or



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

12 (4) If the department determines that the sum of the amounts
 13 allocated for a fiscal year to a district or intermediate district
 14 under subsection (2) (a) and (b) is not sufficient to fulfill the
 15 specified percentages in subsection (2), then the **department shall**
 16 **pay the** shortfall ~~shall be paid~~ to the district or intermediate
 17 district during the fiscal year beginning on the October 1
 18 following the determination and **shall adjust** payments under
 19 subsection (3) ~~shall be adjusted~~ as necessary. If the department
 20 determines that the sum of the amounts allocated for a fiscal year
 21 to a district or intermediate district under subsection (2) (a) and
 22 (b) exceeds the sum of the amount necessary to fulfill the
 23 specified percentages in subsection (2), then the department shall
 24 deduct the amount of the excess from the district's or intermediate
 25 district's payments under this article for the fiscal year
 26 beginning on the October 1 following the determination and **shall**
 27 **adjust** payments under subsection (3) ~~shall be adjusted~~ as
 28 necessary. However, if the amount allocated under subsection (2) (a)
 29 in itself exceeds the amount necessary to fulfill the specified



1 percentages in subsection (2), there ~~shall be~~ **is** no deduction under
2 this subsection.

3 (5) State funds ~~shall be~~ **are** allocated on a total approved
4 cost basis. Federal funds ~~shall be~~ **are** allocated under applicable
5 federal requirements, except that an amount not to exceed
6 \$3,500,000.00 may be allocated by the department ~~each fiscal year~~
7 ~~for 2017-2018 and for 2018-2019~~ **for 2019-2020** to districts,
8 intermediate districts, or other eligible entities on a competitive
9 grant basis for programs, equipment, and services that the
10 department determines to be designed to benefit or improve special
11 education on a statewide scale.

12 (6) From the amount allocated in subsection (1), there is
13 allocated an amount not to exceed \$2,200,000.00 ~~each fiscal year~~
14 ~~for 2017-2018 and for 2018-2019~~ **for 2019-2020** to reimburse 100% of
15 the net increase in necessary costs incurred by a district or
16 intermediate district in implementing the revisions in the
17 administrative rules for special education that became effective on
18 July 1, 1987. As used in this subsection, "net increase in
19 necessary costs" means the necessary additional costs incurred
20 solely because of new or revised requirements in the administrative
21 rules minus cost savings permitted in implementing the revised
22 rules. ~~Net~~ **The department shall determine net** increase in necessary
23 costs ~~shall be determined~~ in a manner specified by the department.

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

26 (a) "Total approved costs of special education" ~~shall be~~ **are**
27 determined in a manner specified by the department and may include
28 indirect costs, but ~~shall~~ **must** not exceed 115% of approved direct
29 costs for section 52 and section 53a programs. The total approved



1 costs include salary and other compensation for all approved
2 special education personnel for the program, including payments for
3 social security and Medicare and public school employee retirement
4 system contributions. The total approved costs do not include
5 salaries or other compensation paid to administrative personnel who
6 are not special education personnel as defined in section 6 of the
7 revised school code, MCL 380.6. Costs reimbursed by federal funds,
8 other than those federal funds included in the allocation made
9 under this article, are not included. Special education approved
10 personnel not utilized full time in the evaluation of students or
11 in the delivery of special education programs, ancillary, and other
12 related services ~~shall be~~ **are** reimbursed under this section only
13 for that portion of time actually spent providing these programs
14 and services, with the exception of special education programs and
15 services provided to youth placed in child caring institutions or
16 juvenile detention programs approved by the department to provide
17 an on-grounds education program.

18 (b) Beginning with the 2004-2005 fiscal year, a district or
19 intermediate district that employed special education support
20 services staff to provide special education support services in
21 2003-2004 or in a subsequent fiscal year and that in a fiscal year
22 after 2003-2004 receives the same type of support services from
23 another district or intermediate district shall report the cost of
24 those support services for special education reimbursement purposes
25 under this article. This subdivision does not prohibit the transfer
26 of special education classroom teachers and special education
27 classroom aides if the pupils counted in membership associated with
28 those special education classroom teachers and special education
29 classroom aides are transferred and counted in membership in the



1 other district or intermediate district in conjunction with the
2 transfer of those teachers and aides.

3 (c) If the department determines before bookclosing for a
4 fiscal year that the amounts allocated for that fiscal year under
5 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
6 will exceed expenditures for that fiscal year under subsections
7 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
8 district or intermediate district whose reimbursement for that
9 fiscal year would otherwise be affected by subdivision (b),
10 subdivision (b) does not apply to the calculation of the
11 reimbursement for that district or intermediate district and **the**
12 **department shall calculate** reimbursement for that district or
13 intermediate district ~~shall be calculated~~ in the same manner as it
14 was for 2003-2004. If the amount of the excess allocations under
15 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56 is
16 not sufficient to fully fund the calculation of reimbursement to
17 those districts and intermediate districts under this subdivision,
18 then the **department shall prorate** calculations and resulting
19 reimbursement under this subdivision ~~shall be prorated~~ on an equal
20 percentage basis. Beginning in 2015-2016, the amount of
21 reimbursement under this subdivision for a fiscal year ~~shall~~ **must**
22 not exceed \$2,000,000.00 for any district or intermediate district.

23 (d) Reimbursement for ancillary and other related services, as
24 defined by R 340.1701c of the Michigan Administrative Code, ~~shall~~
25 ~~not be~~ **is not** provided when those services are covered by and
26 available through private group health insurance carriers or
27 federal reimbursed program sources unless the department and
28 district or intermediate district agree otherwise and that
29 agreement is approved by the state budget director. Expenses, other



1 than the incidental expense of filing, ~~shall~~**must** not be borne by
 2 the parent. In addition, the filing of claims ~~shall~~**must** not delay
 3 the education of a pupil. A district or intermediate district ~~shall~~
 4 ~~be~~**is** responsible for payment of a deductible amount and for an
 5 advance payment required until the time a claim is paid.

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

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

26 (9) Special education personnel transferred from 1 district to
 27 another to implement the revised school code ~~shall be~~**are** entitled
 28 to the rights, benefits, and tenure to which the person would
 29 otherwise be entitled had that person been employed by the



1 receiving district originally.

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

9 (11) From the funds allocated in subsection (1), there is
10 allocated the amount necessary, ~~estimated at \$3,200,000.00 for~~
11 ~~2017-2018, and estimated at \$3,400,000.00 for 2018-2019,~~
12 **\$2,800,000.00 for 2019-2020**, to pay the foundation allowances for
13 pupils described in this subsection. The **department shall calculate**
14 **the** allocation to a district under this subsection ~~shall be~~
15 ~~calculated~~ by multiplying the number of pupils described in this
16 subsection who are counted in membership in the district times the
17 ~~sum of the~~ foundation allowance under section 20 of the pupil's
18 district of residence, ~~plus the amount of the district's per-pupil~~
19 ~~allocation under section 20m,~~ not to exceed the basic foundation
20 allowance under section 20 for the current fiscal year, or, for a
21 pupil described in this subsection who is counted in membership in
22 a district that is a public school academy, times an amount equal
23 to the amount per membership pupil under section 20(6) or, for a
24 pupil described in this subsection who is counted in membership in
25 the education achievement system, times an amount equal to the
26 amount per membership pupil under section 20(7). The **department**
27 **shall calculate the** allocation to an intermediate district under
28 this subsection ~~shall be calculated~~ in the same manner as for a
29 district, using the foundation allowance under section 20 of the



1 pupil's district of residence, not to exceed the basic foundation
 2 allowance under section 20 for the current fiscal year. ~~and that~~
 3 ~~district's per-pupil allocation under section 20m.~~ This subsection
 4 applies to all of the following pupils:

5 (a) Pupils described in section 53a.

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

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

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

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

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

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

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

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

26 (13) The allocations under subsections (2), (3), and (11)
 27 ~~shall be~~ **are** allocations to intermediate districts only and ~~shall~~
 28 ~~not be~~ **are not** allocations to districts, but instead ~~shall be~~ **are**
 29 calculations used only to determine the state payments under



1 section 22b.

2 (14) If a public school academy that is not a cyber school, as
3 defined in section 551 of the revised school code, MCL 380.551,
4 enrolls under this section a pupil who resides outside of the
5 intermediate district in which the public school academy is located
6 and who is eligible for special education programs and services
7 according to statute or rule, or who is a child with disabilities,
8 as defined under the individuals with disabilities education act,
9 Public Law 108-446, the intermediate district in which the public
10 school academy is located and the public school academy shall enter
11 into a written agreement with the intermediate district in which
12 the pupil resides for the purpose of providing the pupil with a
13 free appropriate public education, and the written agreement ~~shall~~
14 **must** include at least an agreement on the responsibility for the
15 payment of the added costs of special education programs and
16 services for the pupil. If the public school academy that enrolls
17 the pupil does not enter into an agreement under this subsection,
18 the public school academy shall not charge the pupil's resident
19 intermediate district or the intermediate district in which the
20 public school academy is located the added costs of special
21 education programs and services for the pupil, and the public
22 school academy is not eligible for any payouts based on the funding
23 formula outlined in the resident or nonresident intermediate
24 district's plan. If a pupil is not enrolled in a public school
25 academy under this subsection, the provision of special education
26 programs and services and the payment of the added costs of special
27 education programs and services for a pupil described in this
28 subsection are the responsibility of the district and intermediate
29 district in which the pupil resides.



1 (15) For the purpose of receiving its federal allocation under
 2 part B of the individuals with disabilities education act, Public
 3 Law 108-446, a public school academy that is a cyber school, as
 4 defined in section 551 of the revised school code, MCL 380.551, and
 5 is in compliance with section 553a of the revised school code, MCL
 6 380.553a, ~~shall directly receive~~ **receives** the federal allocation
 7 under part B of the individuals with disabilities education act,
 8 Public Law 108-446, from the intermediate district in which the
 9 cyber school is located, as the subrecipient. If the intermediate
 10 district does not distribute the funds described in this subsection
 11 to the cyber school by the part B application due date of July 1,
 12 the department may distribute the funds described in this
 13 subsection directly to the cyber school according to the formula
 14 prescribed in 34 CFR 300.705 and 34 CFR 300.816.

15 ~~(16) For a public school academy that is a cyber school, as~~
 16 ~~defined in section 551 of the revised school code, MCL 380.551, and~~
 17 ~~is in compliance with section 553a of the revised school code, MCL~~
 18 ~~380.553a, that enrolls a pupil under this section, the intermediate~~
 19 ~~district in which the cyber school is located shall ensure that the~~
 20 ~~cyber school complies with sections 1701a, 1703, 1704, 1751, 1752,~~
 21 ~~1756, and 1757 of the revised school code, MCL 380.1701a, 380.1703,~~
 22 ~~380.1704, 380.1751, 380.1752, 380.1756, and 380.1757; applicable~~
 23 ~~rules; and the individuals with disabilities education act, Public~~
 24 ~~Law 108-446. From the general fund appropriation under subsection~~
 25 ~~(1), the department shall provide appropriate administrative~~
 26 ~~funding to the intermediate district in which that cyber school is~~
 27 ~~located for the purpose of ensuring that compliance.~~

28 **(16)** ~~(17)~~ For the purposes of this section, the department or
 29 the center shall only require a district or intermediate district



1 to report information that is not already available from the
2 financial information database maintained by the center.

3 Sec. 51c. As required by the court in the consolidated cases
4 known as *Durant* v. State of Michigan, 456
5 Mich 175 (1997), from the allocation under section 51a(1), there is
6 allocated ~~each fiscal year for 2017-2018 and for 2018-2019~~ **for**
7 **2019-2020** the amount necessary, estimated at ~~\$636,900,000.00 for~~
8 ~~2017-2018 and \$651,000,000.00 for 2018-2019,~~ **\$689,400,000.00 for**
9 **2019-2020**, for payments to reimburse districts for 28.6138% of
10 total approved costs of special education excluding costs
11 reimbursed under section 53a, and 70.4165% of total approved costs
12 of special education transportation. Funds allocated under this
13 section that are not expended in the state fiscal year for which
14 they were allocated, as determined by the department, may be used
15 to supplement the allocations under sections 22a and 22b in order
16 to fully fund those calculated allocations for the same fiscal
17 year.

18 Sec. 51d. (1) From the federal funds appropriated in section
19 11, there is allocated for ~~2018-2019~~ **2019-2020** all available
20 federal funding, estimated at \$61,000,000.00, for special education
21 programs and services that are funded by federal grants. ~~All~~ **The**
22 **department shall distribute all** federal funds allocated under this
23 section ~~shall be distributed~~ in accordance with federal law.
24 Notwithstanding section 17b, **the department shall make** payments of
25 federal funds to districts, intermediate districts, and other
26 eligible entities under this section ~~shall be paid~~ on a schedule
27 determined by the department.

28 (2) From the federal funds allocated under subsection (1), the
29 following amounts are allocated for ~~2018-2019~~ **2019-2020**:



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

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

7 (c) An amount estimated at \$35,000,000.00 for special
 8 education programs funded by DED-OSERS, handicapped program,
 9 individuals with disabilities act funds.

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

13 Sec. 53a. (1) For districts, reimbursement for pupils
 14 described in subsection (2) ~~shall be~~ **is** 100% of the total approved
 15 costs of operating special education programs and services approved
 16 by the department and included in the intermediate district plan
 17 adopted pursuant to article 3 of the revised school code, MCL
 18 380.1701 to 380.1761, minus the district's foundation allowance
 19 calculated under section 20. ~~and minus the district's per-pupil~~
 20 ~~allocation under section 20m.~~ For intermediate districts, **the**
 21 **department shall calculate** reimbursement for pupils described in
 22 subsection (2) ~~shall be calculated~~ in the same manner as for a
 23 district, using the foundation allowance under section 20 of the
 24 pupil's district of residence, not to exceed the basic foundation
 25 allowance under section 20 for the current fiscal year. ~~and that~~
 26 ~~district's per-pupil allocation under section 20m.~~

27 (2) Reimbursement under subsection (1) is for the following
 28 special education pupils:

29 (a) Pupils assigned to a district or intermediate district



1 through the community placement program of the courts or a state
 2 agency, if the pupil was a resident of another intermediate
 3 district at the time the pupil came under the jurisdiction of the
 4 court or a state agency.

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

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

10 (d) Pupils enrolled in a department-approved on-grounds
 11 educational program longer than 180 days, but not longer than 233
 12 days, at a residential child care institution, if the child care
 13 institution offered in 1991-92 an on-grounds educational program
 14 longer than 180 days but not longer than 233 days.

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

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

23 (4) The costs of transportation ~~shall be~~**are** funded under this
 24 section and ~~shall not be~~**are not** reimbursed under section 58.

25 (5) ~~Not~~**The department shall not allocate** more than
 26 \$10,500,000.00 of the allocation for ~~2018-2019~~**2019-2020** in section
 27 51a(1) ~~shall be allocated~~ under this section.

28 Sec. 54. Each intermediate district ~~shall receive~~**receives** an
 29 amount ~~per pupil~~**per pupil** for each pupil in attendance at the



1 Michigan schools for the deaf and blind. The amount ~~shall be~~ **is**
 2 proportionate to the total instructional cost at each school. ~~Not~~
 3 **The department shall not allocate** more than \$1,688,000.00 of the
 4 allocation for ~~2018-2019-2019-2020~~ in section 51a(1) ~~shall be~~
 5 ~~allocated~~ under this section.

6 Sec. 54b. (1) From the general fund appropriation in section
 7 11, there is allocated an amount not to exceed \$1,600,000.00 for
 8 ~~2018-2019-2019-2020~~ to continue the implementation of the
 9 recommendations of the special education reform task force
 10 published in January 2016.

11 (2) The department shall use funds allocated under this
 12 section for the purpose of piloting statewide implementation of the
 13 Michigan Integrated Behavior and Learning Support Initiative
 14 (MiBLSI), a nationally recognized program that includes positive
 15 behavioral intervention and supports and provides a statewide
 16 structure to support local initiatives for an integrated behavior
 17 and reading program. With the assistance of the intermediate
 18 districts involved in MiBLSI, the department shall identify a
 19 number of intermediate districts to participate in the pilot that
 20 is sufficient to ensure that MiBLSI can be implemented statewide
 21 with fidelity and sustainability. In addition, the department shall
 22 identify an intermediate district to act as a fiscal agent for
 23 these funds.

24 Sec. 54d. (1) From the appropriations in section 11, there is
 25 allocated an amount not to exceed \$5,000,000.00 for ~~2018-2019-2019-~~
 26 **2020** to intermediate districts for the purpose of providing state
 27 early on services pilot programs for children from birth to 3 years
 28 of age with a developmental delay or a disability, or both, and
 29 their families, as described in the early on Michigan state plan,



1 as approved by the department.

2 (2) To be eligible to receive grant funding under this
3 section, each intermediate district shall apply in a form and
4 manner determined by the department.

5 (3) The grant funding allocated under this section ~~shall~~**must**
6 be used to increase early on services and resources available to
7 children that demonstrate developmental delays to help prepare them
8 for success as they enter school. State early on services include
9 evaluating and providing early intervention services for eligible
10 infants and toddlers and their families to address developmental
11 delays, including those affecting physical, cognitive,
12 communication, adaptive, social, or emotional development. Grant
13 funds must not be used to supplant existing services that are
14 currently being provided.

15 (4) The **department shall distribute the** funds allocated under
16 subsection (1) ~~shall be distributed~~ to intermediate districts
17 according to the department's early on funding formula utilized to
18 distribute the federal award to Michigan under part C of the
19 individuals with disabilities education act. Funds received under
20 this section must not supplant existing funds or resources
21 allocated for early on early intervention services. An intermediate
22 district receiving funds under this section shall maximize the
23 capture of Medicaid funds to support early on early intervention
24 services to the extent possible.

25 (5) Each intermediate district that receives funds under this
26 section shall report data and other information to the department
27 in a form, manner, and frequency prescribed by the department to
28 allow for monitoring and evaluation of the pilot projects and to
29 ensure that the children described in subsection (1) received



1 appropriate levels and types of services delivered by qualified
2 personnel, based on the individual needs of the children and their
3 families.

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

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

20 (2) The department shall conduct an outcome study and report
21 the data findings to the legislature. The department may use
22 existing vendors to conduct this data collection. The department
23 may use not more than 10% of the allocation under this section for
24 administration and management of the pilot program.

25 (3) As used in this section, "parent-implemented model of
26 intervention" means a model in which parents directly use
27 individualized intervention practices with their children to
28 increase positive learning opportunities and the acquisition of
29 important skills, and in which parents learn to implement these



1 practices in their home or community, or both, through a structured
2 parent training program.

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

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

7 (a) "Membership" means for a particular fiscal year the total
8 membership for the immediately preceding fiscal year of the
9 intermediate district and the districts constituent to the
10 intermediate district.

11 (b) "Millage levied" means the millage levied for special
12 education pursuant to part 30 of the revised school code, MCL
13 380.1711 to 380.1741, including a levy for debt service
14 obligations.

15 (c) "Taxable value" means the total taxable value of the
16 districts constituent to an intermediate district, except that if a
17 district has elected not to come under part 30 of the revised
18 school code, MCL 380.1711 to 380.1741, membership and taxable value
19 of the district ~~shall not be~~ **are not** included in the membership and
20 taxable value of the intermediate district.

21 (2) From the allocation under section 51a(1), there is
22 ~~allocated an amount not to exceed \$37,758,100.00 for 2017-2018 and~~
23 ~~an amount not to exceed \$40,008,100.00 for 2018-2019~~ **2019-2020** to
24 reimburse intermediate districts levying millages for special
25 education pursuant to part 30 of the revised school code, MCL
26 380.1711 to 380.1741. The purpose, use, and expenditure of the
27 reimbursement ~~shall be~~ **are** limited as if the funds were generated
28 by these millages and governed by the intermediate district plan
29 adopted pursuant to article 3 of the revised school code, MCL



1 380.1701 to 380.1761. As a condition of receiving funds under this
 2 section, an intermediate district distributing any portion of
 3 special education millage funds to its constituent districts shall
 4 submit for departmental approval and implement a distribution plan.

5 ~~(3) Reimbursement for those millages levied in 2016-2017 shall~~
 6 ~~be made in 2017-2018 at an amount per 2016-2017 membership pupil~~
 7 ~~computed by subtracting from \$185,000.00 the 2016-2017 taxable~~
 8 ~~value behind each membership pupil and multiplying the resulting~~
 9 ~~difference by the 2016-2017 millage levied, and then subtracting~~
 10 ~~from that amount the 2016-2017 local community stabilization share~~
 11 ~~revenue for special education purposes behind each membership pupil~~
 12 ~~for reimbursement of personal property exemption loss under the~~
 13 ~~local community stabilization authority act, 2014 PA 86, MCL~~
 14 ~~123.1341 to 123.1362.~~

15 **(3)** ~~(4)~~ Except as otherwise provided in this subsection,
 16 reimbursement for those millages levied in ~~2017-2018 shall be 2018-~~
 17 **2019 is** made in ~~2018-2019 2019-2020~~ at an amount per ~~2017-2018~~
 18 **2018-2019** membership pupil computed by subtracting from ~~\$193,700.00~~
 19 **\$197,700.00** the ~~2017-2018 2018-2019~~ taxable value behind each
 20 membership pupil and multiplying the resulting difference by the
 21 ~~2017-2018 2018-2019~~ millage levied, and then subtracting from that
 22 amount the ~~2017-2018 2018-2019~~ local community stabilization share
 23 revenue for special education purposes behind each membership pupil
 24 for reimbursement of personal property exemption loss under the
 25 local community stabilization authority act, 2014 PA 86, MCL
 26 123.1341 to 123.1362. Reimbursement in ~~2018-2019 2019-2020~~ for an
 27 intermediate district whose 2017-2018 allocation was affected by
 28 the operation of subsection ~~(5) shall be (4) is~~ an amount equal to
 29 102.5% of the 2017-2018 allocation to that intermediate district.



1 (4) ~~(5)~~—The **department shall ensure that the** amount paid to a
 2 single intermediate district under this section ~~shall does~~ not
 3 exceed 62.9% of the total amount allocated under subsection (2).

4 (5) ~~(6)~~—The **department shall ensure that the** amount paid to a
 5 single intermediate district under this section ~~shall not be~~ **is not**
 6 less than 75% of the amount allocated to the intermediate district
 7 under this section for the immediately preceding fiscal year.

8 Sec. 61a. (1) From the appropriation in section 11, there is
 9 allocated an amount not to exceed \$36,611,300.00 for ~~2018-2019~~
 10 **2019-2020** to reimburse on an added cost basis districts, except for
 11 a district that served as the fiscal agent for a vocational
 12 education consortium in the 1993-94 school year and that has a
 13 foundation allowance as calculated under section 20 greater than
 14 the minimum foundation allowance under that section, and secondary
 15 area vocational-technical education centers for secondary-level
 16 career and technical education programs according to rules approved
 17 by the superintendent. Applications for participation in the
 18 programs ~~shall must~~ be submitted in the form prescribed by the
 19 department. The department shall determine the added cost for each
 20 career and technical education program area. The **department shall**
 21 **prioritize the** allocation of added cost funds ~~shall be prioritized~~
 22 based on the capital and program expenditures needed to operate the
 23 career and technical education programs provided; the number of
 24 pupils enrolled; the advancement of pupils through the
 25 instructional program; the existence of an articulation agreement
 26 with at least 1 postsecondary institution that provides pupils with
 27 opportunities to earn postsecondary credit during the pupil's
 28 participation in the career and technical education program and
 29 transfers those credits to the postsecondary institution upon



1 completion of the career and technical education program; and the
 2 program rank in student placement, job openings, and wages, and
 3 shall **ensure that the allocation does** not exceed 75% of the added
 4 cost of any program. Notwithstanding any rule or department
 5 determination to the contrary, when determining a district's
 6 allocation or the formula for making allocations under this
 7 section, the department shall include the participation of pupils
 8 in grade 9 in all of those determinations and in all portions of
 9 the formula. With the approval of the department, the board of a
 10 district maintaining a secondary career and technical education
 11 program may offer the program for the period from the close of the
 12 school year until September 1. The program shall use existing
 13 facilities and ~~shall~~**must** be operated as prescribed by rules
 14 promulgated by the superintendent.

15 (2) Except for a district that served as the fiscal agent for
 16 a vocational education consortium in the 1993-94 school year, **the**
 17 **department shall reimburse** districts and intermediate districts
 18 ~~shall be reimbursed~~ for local career and technical education
 19 administration, shared time career and technical education
 20 administration, and career education planning district career and
 21 technical education administration. The **superintendent shall adopt**
 22 **guidelines for the** definition of what constitutes administration
 23 and **shall make** reimbursement ~~shall be~~ pursuant to **those** guidelines.
 24 ~~adopted by the superintendent. Not~~ **The department shall not**
 25 **distribute** more than \$800,000.00 of the allocation in subsection
 26 (1) ~~shall be distributed~~ under this subsection.

27 (3) A career and technical education program funded under this
 28 section may provide an opportunity for participants who are
 29 eligible to be funded under section 107 to enroll in the career and



1 technical education program funded under this section if the
2 participation does not occur during regular school hours.

3 (4) In addition to the money allocated under subsections (1)
4 and (5), from the ~~general fund money~~ **funds** appropriated in section
5 11, there is allocated for ~~2018-2019~~ **2019-2020** an amount not to
6 exceed \$100,000.00 **from the general fund and an amount not to**
7 **exceed \$150,000.00 from the talent investment fund** to an eligible
8 Michigan-approved 501(c)(3) organization for the purposes of
9 teaching or training restaurant management and culinary arts for
10 career and professional development. The department shall oversee
11 funds distributed to an eligible grantee under this section. As
12 used in this subsection, "eligible Michigan-approved 501(c)(3)
13 organization" means an organization that is exempt from taxation
14 under section 501(c)(3) of the internal revenue code of 1986, 26
15 USC 501, that provides the ProStart curriculum and training to
16 state-approved career and technical education programs with
17 classification of instructional programs (CIP) codes in the 12.05xx
18 category, and that administers national certification for the
19 purpose of restaurant management and culinary arts for career and
20 professional development.

21 ~~(5) In addition to the funds allocated under subsections (1)~~
22 ~~and (4), from the funds appropriated in section 11, there is~~
23 ~~allocated for 2018-2019 an amount not to exceed \$1,000,000.00 for~~
24 ~~competitive grants to intermediate districts to hire career and~~
25 ~~technical education counselors. All of the following apply to this~~
26 ~~funding:~~

27 ~~(a) An intermediate district seeking a grant under this~~
28 ~~subsection shall apply to the department in a form and manner~~
29 ~~specified by the department.~~



1 ~~(b) The department shall award grants under this subsection to~~
2 ~~no more than 3 intermediate districts that received funding under~~
3 ~~this subsection in 2017-2018.~~

4 ~~(c) To be eligible for funding under this subsection, an~~
5 ~~intermediate district shall do all of the following:~~

6 ~~(i) Catalog all available K-12 and other workforce development~~
7 ~~programs and services, including job search, job training, pre-~~
8 ~~employment certifications, career awareness programs, career and~~
9 ~~technical education programs, and other related programs and~~
10 ~~services offered by districts or intermediate districts,~~
11 ~~postsecondary institutions, and other private or public service~~
12 ~~organizations.~~

13 ~~(ii) Develop an outreach program that educates students about~~
14 ~~career and technical education options and connects students to the~~
15 ~~services cataloged under subparagraph (i).~~

16 ~~(iii) Track student placement and report on student placement to~~
17 ~~the house and senate appropriations subcommittees on school aid no~~
18 ~~later than June 30, 2019 in the form and manner prescribed by the~~
19 ~~department.~~

20 Sec. 61b. (1) From the ~~appropriation in~~ **funds appropriated**
21 **under** section 11, there is allocated **for 2019-2020** an amount not to
22 exceed \$8,000,000.00 ~~each fiscal year for 2017-2018 and for 2018-~~
23 ~~2019~~ **from the state school aid fund appropriation and an amount not**
24 **to exceed \$2,000,000.00 from the talent investment fund**
25 **appropriation** for CTE early/middle college and CTE dual enrollment
26 programs authorized under this section and for planning grants for
27 the development or expansion of CTE early/middle college programs.
28 The purpose of these programs is to increase the number of Michigan
29 residents with high-quality degrees or credentials, and to increase



1 the number of students who are college and career ready upon high
2 school graduation.

3 (2) From the funds allocated under subsection (1), **the**
4 **department shall allocate** an amount as determined under this
5 subsection ~~shall be allocated~~ to each intermediate district serving
6 as a fiscal agent for state-approved CTE early/middle college and
7 CTE dual enrollment programs in each of the prosperity regions and
8 subregions identified by the department. An intermediate district
9 shall not use more than 5% of the funds allocated under this
10 subsection for administrative costs for serving as the fiscal
11 agent.

12 (3) To be an eligible fiscal agent, an intermediate district
13 must agree to do all of the following in a form and manner
14 determined by the department:

15 (a) Distribute funds to eligible CTE early/middle college and
16 CTE dual enrollment programs in a prosperity region or subregion as
17 described in this section.

18 (b) Collaborate with the career and educational advisory
19 council that is located in the prosperity region or subregion to
20 develop a regional strategic plan under subsection (4) that aligns
21 CTE programs and services into an efficient and effective delivery
22 system for high school students.

23 (c) Implement a regional process to rank career clusters in
24 the prosperity region or subregion as described under subsection
25 (4). Regional processes ~~shall~~ **must** be approved by the department
26 before the ranking of career clusters.

27 (d) Report CTE early/middle college and CTE dual enrollment
28 program and student data and information as prescribed by the
29 department and the center.



1 (4) A regional strategic plan must be approved by the career
2 and educational advisory council before submission to the
3 department. A regional strategic plan ~~shall~~**must** include, but **is**
4 not ~~be~~-limited to, the following:

5 (a) An identification of regional employer need based on a
6 ranking of all career clusters in the prosperity region or
7 subregion ranked by 10-year job openings projections and median
8 wage for each standard occupational code in each career cluster as
9 obtained from the United States Bureau of Labor Statistics.
10 Standard occupational codes within high-ranking clusters also may
11 be further ranked by median wage. The ~~rankings shall be reviewed by~~
12 ~~the~~-career and educational advisory council located in the
13 prosperity region or subregion **shall review the rankings** and
14 ~~modified~~**modify them** if necessary to accurately reflect employer
15 demand for talent in the prosperity region or subregion. A career
16 and educational advisory council shall document that it has
17 conducted this review and certify that it is accurate. These career
18 cluster rankings ~~shall~~**must** be determined and updated once every 4
19 years.

20 (b) An identification of educational entities in the
21 prosperity region or subregion that will provide eligible CTE
22 early/middle college and CTE dual enrollment programs including
23 districts, intermediate districts, postsecondary institutions, and
24 noncredit occupational training programs leading to an industry-
25 recognized credential.

26 (c) A strategy to inform parents and students of CTE
27 early/middle college and CTE dual enrollment programs in the
28 prosperity region or subregion.

29 (d) Any other requirements as defined by the department.



1 (5) An eligible CTE program is a program that meets all of the
2 following:

3 (a) Has been identified in the highest 5 career cluster
4 rankings in any of the 10 regional strategic plans jointly approved
5 by the Michigan talent investment agency in the department of
6 talent and economic development and the department.

7 (b) Has a coherent sequence of courses that will allow a
8 student to earn a high school diploma and achieve at least 1 of the
9 following in a specific career cluster:

10 (i) An associate degree.

11 (ii) An industry-recognized technical certification approved by
12 the Michigan talent investment agency in the department of talent
13 and economic development.

14 (iii) Up to 60 transferable college credits.

15 (iv) Participation in a registered apprenticeship, pre-
16 apprenticeship, or apprentice readiness program.

17 (c) Is aligned with the Michigan merit curriculum.

18 (d) Has an articulation agreement with at least 1
19 postsecondary institution that provides students with opportunities
20 to receive postsecondary credits during the student's participation
21 in the CTE early/middle college or CTE dual enrollment program and
22 transfers those credits to the postsecondary institution upon
23 completion of the CTE early/middle college or CTE dual enrollment
24 program.

25 (e) Provides instruction that is supervised, directed, or
26 coordinated by an appropriately certificated CTE teacher or, for
27 concurrent enrollment courses, a postsecondary faculty member.

28 (f) Provides for highly integrated student support services
29 that include at least the following:



1 (i) Teachers as academic advisors.

2 (ii) Supervised course selection.

3 (iii) Monitoring of student progress and completion.

4 (iv) Career planning services provided by a local one-stop
5 service center as described in the Michigan Works! one-stop service
6 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
7 high school counselor or advisor.

8 (g) Has courses that are taught on a college campus, are
9 college courses offered at the high school and taught by college
10 faculty, or are courses taught in combination with online
11 instruction.

12 (6) ~~Funds~~ **The department shall distribute funds** to eligible
13 CTE early/middle college and CTE dual enrollment programs ~~shall be~~
14 ~~distributed~~ as follows:

15 (a) The department shall determine statewide average CTE costs
16 per pupil for each CIP code program by calculating statewide
17 average costs for each CIP code program for the 3 most recent
18 fiscal years.

19 (b) ~~Distribution~~ **The distribution** to each eligible CTE
20 early/middle college or CTE dual enrollment program ~~shall be~~ **is** the
21 product of 50% of CTE costs per pupil times the current year pupil
22 enrollment of each eligible CTE early/middle college or CTE dual
23 enrollment program.

24 (7) In order to receive funds under this section, a CTE
25 early/middle college or CTE dual enrollment program shall furnish
26 to the intermediate district that is the fiscal agent identified in
27 subsection (2), in a form and manner determined by the department,
28 all information needed to administer this program and meet federal
29 reporting requirements; shall allow the department or the



1 department's designee to review all records related to the program
 2 for which it receives funds; and shall reimburse the state for all
 3 disallowances found in the review, as determined by the department.

4 (8) There is allocated **for 2019-2020** from the funds under
 5 subsection (1) an amount not to exceed \$500,000.00 ~~each fiscal year~~
 6 ~~for 2017-2018 and for 2018-2019~~ **from the state school aid fund**
 7 **allocation and an amount not to exceed \$2,000,000.00 from the**
 8 **talent investment fund allocation** for grants to intermediate
 9 districts or consortia of intermediate districts for the purpose of
 10 planning for new or expanded early middle college programs.
 11 Applications for grants ~~shall~~ **must** be submitted in a form and
 12 manner determined by the department. The amount of a grant under
 13 this subsection ~~shall~~ **must** not exceed ~~\$50,000.00.~~ **\$150,000.00.** To
 14 be eligible for a grant under this subsection, an intermediate
 15 district or consortia of intermediate districts must provide
 16 matching funds equal to the grant received under this subsection.
 17 Notwithstanding section 17b, **the department shall make** payments
 18 under this subsection ~~may be made as~~ **in the manner** determined by
 19 the department.

20 (9) Funds distributed under this section may be used to fund
 21 program expenditures that would otherwise be paid from foundation
 22 allowances. A program receiving funding under section 61a may
 23 receive funding under this section for allowable costs that exceed
 24 the reimbursement the program received under section 61a. The
 25 combined payments received by a program under section 61a and this
 26 section ~~shall~~ **must** not exceed the total allowable costs of the
 27 program. A program provider shall not use more than 5% of the funds
 28 allocated under this section to the program for administrative
 29 costs.



1 (10) If the allocation under subsection (1) is insufficient to
2 fully fund payments as otherwise calculated under this section, the
3 department shall prorate payments under this section on an equal
4 percentage basis.

5 (11) If pupils enrolled in a career cluster in an eligible CTE
6 early/middle college or CTE dual enrollment program qualify to be
7 reimbursed under this section, those pupils continue to qualify for
8 reimbursement until graduation, even if the career cluster is no
9 longer identified as being in the highest 5 career cluster
10 rankings.

11 (12) As used in this section:

12 (a) "Allowable costs" means those costs directly attributable
13 to the program as jointly determined by the Michigan talent
14 investment agency and the department.

15 (b) "Career and educational advisory council" means an
16 advisory council to the local workforce development boards located
17 in a prosperity region consisting of educational, employer, labor,
18 and parent representatives.

19 (c) "CIP" means classification of instructional programs.

20 (d) "CTE" means career and technical education programs.

21 (e) "CTE dual enrollment program" means a 4-year high school
22 program of postsecondary courses offered by eligible postsecondary
23 educational institutions that leads to an industry-recognized
24 certification or degree.

25 (f) "Early/middle college program" means a 5-year high school
26 program.

27 (g) "Eligible postsecondary educational institution" means
28 that term as defined in section 3 of the career and technical
29 preparation act, 2000 PA 258, MCL 388.1903.



1 (13) The funds allocated under subsection (8) for 2019-2020
2 are a work project appropriation, and any unexpended funds for
3 2019-2020 are carried forward into 2020-2021. The purpose of the
4 work project is to continue providing CTE opportunities described
5 in subsection (8). The estimated completion date of the work
6 project is September 30, 2021.

7 Sec. 61c. (1) From the ~~general fund~~ **talent investment fund**
8 appropriation in section 11, there is allocated for ~~2018-2019-2019-~~
9 **2020** an amount not to exceed ~~\$2,500,000.00~~ **\$26,849,800.00 for the**
10 **purposes of this section.**

11 (2) From the money allocated under subsection (1), there is
12 allocated an amount not to exceed \$20,000,000.00 to eligible career
13 education planning districts for the CTE skilled trades initiative
14 described in **this subsection and** subsections ~~(2)-(3)~~ to (5). To be
15 eligible to receive funding under this ~~section,~~ **subsection,** at
16 least 50% of the area served by a CEPD must be located in an
17 intermediate district that did not levy a vocational education
18 millage in 2018.

19 ~~(2)~~ To receive funding under **this** subsection, ~~(1),~~ each
20 eligible CEPD shall apply in a form and manner determined by the
21 department. Funding to each eligible CEPD ~~shall be~~ **is an amount**
22 equal to the quotient of the allocation under **this** subsection ~~(1)~~
23 and the sum of the number of career education planning districts
24 applying for funding under **this** subsection ~~(1)~~ that are located in
25 an intermediate district that did not levy a vocational education
26 millage in 2018.

27 (3) ~~At least 50% of the funding allocated to each~~ **Each**
28 eligible CEPD **receiving funding under subsection (2) and each**
29 **intermediate district receiving funding under subsection (6)** shall



1 ~~be used~~**use at least 50% of the funding** to update equipment in
 2 current CTE programs that have been identified in the highest 5
 3 career cluster rankings in any of the 10 regional strategic plans
 4 jointly approved by the Michigan talent investment agency in the
 5 department of talent and economic development and the department,
 6 for training on new equipment, for professional development
 7 relating to computer science or coding, or for new and emerging
 8 certified CTE programs to allow CEPD administrators to provide
 9 programming in communities that will enhance economic development.
 10 The funding for equipment should be used to support and enhance
 11 community areas that have sustained job growth, and act as a
 12 commitment to build a more qualified and skilled workforce. In
 13 addition, each CEPD **or intermediate district** is encouraged to
 14 explore the option of leasing equipment from local private industry
 15 to encourage the use of the most advanced equipment.

16 (4) The **CEPD administrators shall determine the** allocation of
 17 funds **received under subsection (2)** at the local level ~~shall be~~
 18 ~~determined by CEPD administrators~~ using data from the state,
 19 region, and local sources to make well-informed decisions on
 20 program equipment improvements. Grants awarded by CEPD
 21 administrators for capital infrastructure ~~shall~~**must** be used to
 22 ensure that CTE programs can deliver educational programs in high-
 23 wage, high-skill, and high-demand occupations. Each CEPD shall
 24 continue to ensure that program advisory boards make
 25 recommendations on needed improvements for equipment that support
 26 job growth and job skill development and retention for both the
 27 present and the future.

28 (5) Not later than September 15 of each fiscal year, each CEPD
 29 receiving funding **under subsection (2) and each intermediate**



1 district receiving funding under subsection (6) shall annually
2 report to the department, the senate and house appropriations
3 subcommittees on state school aid, and the senate and house fiscal
4 agencies and legislature on equipment purchased under subsection
5 ~~(1)~~. **this section**. In addition, the report shall ~~shall~~ **must** identify
6 growth data on program involvement, retention, and development of
7 student skills.

8 (6) From the money allocated under subsection (1), there is
9 allocated an amount not to exceed \$5,849,800.00 for competitive
10 grants to intermediate districts that operate a career and
11 technical education program to use for the career and technical
12 education program. An intermediate district shall apply for funding
13 under this subsection in a form and manner prescribed by the
14 department. The department shall select intermediate districts for
15 funding under this subsection by December 1, 2019 and shall make
16 payments under this subsection on a schedule determined by the
17 department. An intermediate district receiving funding under this
18 subsection shall comply with subsections (3) and (5).

19 (7) From the money allocated under subsection (1), there is
20 allocated an amount not to exceed \$1,000,000.00 for competitive
21 grants to districts and intermediate districts for STEM equipment
22 for grades K to 6 to provide pupils in grades K to 6 with expanded
23 opportunities to improve mathematics, science, and technology
24 skills with STEM equipment. The department shall determine the
25 process for application and criteria for awarding the grants. The
26 amount of a grant under this subsection must not exceed \$10,000.00.
27 Notwithstanding section 17b, the department shall make grant
28 payments under this subsection on a schedule determined by the
29 department.



1 (8) ~~(6)~~—As used in this section:

2 (a) "Career and technical education program" means a state-
3 approved career and technical education program, as determined by
4 the department.

5 (b) ~~(a)~~—"CEPD" means a career education planning district
6 described in this section.

7 (c) ~~(b)~~—"CTE" means career and technical education.

8 Sec. 61d. (1) From the ~~appropriation in~~ **funds appropriated**
9 **under** section 11, there is allocated **for 2019-2020** an amount not to
10 exceed ~~\$5,000,000.00 for 2018-2019~~ **\$10,000,000.00 from the state**
11 **school aid fund appropriation and an amount not to exceed**
12 **\$5,000,000.00 from the talent investment fund appropriation** for
13 additional payments to districts for career and technical education
14 programs for the purpose of increasing the number of Michigan
15 residents with high-quality degrees or credentials, and to increase
16 the number of pupils who are college- and career-ready upon high
17 school graduation.

18 (2) Payments to districts under this section must be
19 calculated in the following manner:

20 (a) A payment of ~~\$25.00~~ **\$75.00** multiplied by the number of
21 pupils in grades 9 to 12 who are counted in membership in the
22 district and are enrolled in at least 1 career and technical
23 education program.

24 (b) An additional payment of ~~\$25.00~~ **\$75.00** multiplied by the
25 number of pupils in grades 9 to 12 who are counted in membership in
26 the district and are enrolled in at least 1 career and technical
27 education program that provides instruction in critical skills and
28 high-demand career fields.

29 (3) If the allocation under subsection (1) is insufficient to



1 fully fund payments under subsection (2), the department shall
 2 prorate payments under this section on an equal per-pupil basis.

3 (4) As used in this section:

4 (a) "Career and technical education program" means a state-
 5 approved career and technical education program, as determined by
 6 the department.

7 (b) "Career and technical education program that provides
 8 instruction in critical skills and high-demand career field" means
 9 a career and technical education program classified under any of
 10 the following 2-digit classification of instructional programs
 11 (CIP) codes:

12 (i) 01, which refers to "agriculture, agriculture operations,
 13 and related sciences".

14 (ii) 03, which refers to "natural resources and conservation".

15 (iii) 10 through 11, which refers to "communications
 16 technologies/technicians and support services" and "computer and
 17 information sciences and support services".

18 (iv) 14 through 15, which refers to "engineering" and
 19 "engineering technologies and engineering-related fields".

20 (v) 26, which refers to "biological and biomedical sciences".

21 (vi) 46 through 48, which refers to "construction trades",
 22 "mechanic and repair technologies/technicians", and "precision
 23 production".

24 (vii) 51, which refers to "health professions and related
 25 programs".

26 **Sec. 61j. (1) From the talent investment fund money**
 27 **appropriated under section 11, there is allocated for 2019-2020 an**
 28 **amount not to exceed \$100.00 for a grant to be distributed by the**
 29 **department to an entity to create a continuous improvement system**



1 for Michigan's K to 12 education system. The continuous improvement
2 system under this section must provide for all of the following:

3 (a) Ongoing thought leadership and support for the development
4 and implementation of the continuous improvement system, including
5 communication and transition plans.

6 (b) Support for ongoing partnership engagement and work with
7 various Michigan education associations and organizations.

8 (c) A statewide solution for continuous improvement planning
9 and reporting for the 2019-2020 school year that imposes minimal
10 lift, training requirements, and burden upon schools and districts
11 and that includes continued access to historical data, plans, and
12 reports in a statewide school improvement platform.

13 (d) Statewide training in support of continuous improvement
14 and state priorities.

15 (e) The exploration of and pilot projects for the integration
16 between the continuous improvement system and Michigan data hubs.

17 (f) Access to valuable statewide data on student engagement,
18 climate, culture, and school quality to inform decision making and
19 support services.

20 (2) Notwithstanding section 17b, the department shall make
21 grant payments under this section on a schedule determined by the
22 department.

23 Sec. 62. (1) For the purposes of this section:

24 (a) "Membership" means for a particular fiscal year the total
25 membership for the immediately preceding fiscal year of the
26 intermediate district and the districts constituent to the
27 intermediate district or the total membership for the immediately
28 preceding fiscal year of the area vocational-technical program.

29 (b) "Millage levied" means the millage levied for area



1 vocational-technical education pursuant to sections 681 to 690 of
 2 the revised school code, MCL 380.681 to 380.690, including a levy
 3 for debt service obligations incurred as the result of borrowing
 4 for capital outlay projects and in meeting capital projects fund
 5 requirements of area vocational-technical education.

6 (c) "Taxable value" means the total taxable value of the
 7 districts constituent to an intermediate district or area
 8 vocational-technical education program, except that if a district
 9 has elected not to come under sections 681 to 690 of the revised
 10 school code, MCL 380.681 to 380.690, the membership and taxable
 11 value of that district ~~shall not be~~ **are not** included in the
 12 membership and taxable value of the intermediate district. However,
 13 the membership and taxable value of a district that has elected not
 14 to come under sections 681 to 690 of the revised school code, MCL
 15 380.681 to 380.690, ~~shall be~~ **are** included in the membership and
 16 taxable value of the intermediate district if the district meets
 17 both of the following:

18 (i) The district operates the area vocational-technical
 19 education program pursuant to a contract with the intermediate
 20 district.

21 (ii) The district contributes an annual amount to the operation
 22 of the program that is commensurate with the revenue that would
 23 have been raised for operation of the program if millage were
 24 levied in the district for the program under sections 681 to 690 of
 25 the revised school code, MCL 380.681 to 380.690.

26 (2) From the appropriation in section 11, there is allocated
 27 an amount not to exceed \$9,190,000.00 ~~each fiscal year for 2017-~~
 28 ~~2018 and for 2018-2019~~ **for 2019-2020** to reimburse intermediate
 29 districts and area vocational-technical education programs



1 established under section 690(3) of the revised school code, MCL
 2 380.690, levying millages for area vocational-technical education
 3 pursuant to sections 681 to 690 of the revised school code, MCL
 4 380.681 to 380.690. The purpose, use, and expenditure of the
 5 reimbursement ~~shall be~~ **are** limited as if the funds were generated
 6 by those millages.

7 ~~(3) Reimbursement for those millages levied in 2016-2017 shall~~
 8 ~~be made in 2017-2018 at an amount per 2016-2017 membership pupil~~
 9 ~~computed by subtracting from \$200,800.00 the 2016-2017 taxable~~
 10 ~~value behind each membership pupil and multiplying the resulting~~
 11 ~~difference by the 2016-2017 millage levied, and then subtracting~~
 12 ~~from that amount the 2016-2017 local community stabilization share~~
 13 ~~revenue for area vocational technical education behind each~~
 14 ~~membership pupil for reimbursement of personal property exemption~~
 15 ~~loss under the local community stabilization authority act, 2014 PA~~
 16 ~~86, MCL 123.1341 to 123.1362.~~

17 **(3)** ~~(4)~~ Reimbursement for those millages levied in ~~2017-2018~~
 18 ~~shall be~~ **2018-2019 is** made in ~~2018-2019~~ **2019-2020** at an amount per
 19 ~~2017-2018~~ **2018-2019** membership pupil computed by subtracting from
 20 ~~\$205,700.00~~ **\$210,600.00** the ~~2017-2018~~ **2018-2019** taxable value
 21 behind each membership pupil and multiplying the resulting
 22 difference by the ~~2017-2018~~ **2018-2019** millage levied, and then
 23 subtracting from that amount the ~~2017-2018~~ **2018-2019** local
 24 community stabilization share revenue for area vocational technical
 25 education behind each membership pupil for reimbursement of
 26 personal property exemption loss under the local community
 27 stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

28 **(4)** ~~(5)~~ The **department shall ensure that the** amount paid to a
 29 single intermediate district under this section ~~shall not~~ **does not**



1 exceed 38.4% of the total amount allocated under subsection (2).

2 (5) ~~(6)~~—The **department shall ensure that the** amount paid to a
3 single intermediate district under this section ~~shall not be~~ **is not**
4 less than 75% of the amount allocated to the intermediate district
5 under this section for the immediately preceding fiscal year.

6 Sec. 64d. (1) From the ~~general fund~~ **talent investment fund**
7 appropriation under section 11, there is allocated an amount not to
8 exceed \$2,300,000.00 for ~~2018-2019~~ **2019-2020** for a grant to provide
9 information technology education opportunities to students
10 attending schools operating grades K-12, career and technical
11 centers and career academies, and community colleges and
12 universities. It is the intent of the legislature that ~~2018-2019~~
13 **2019-2020** is the ~~second~~ **third** of 3 years of funding for the grant
14 program. Funds allocated under this section shall be used for
15 instruction in information technology skills and competencies that
16 are essential for the workplace and requested by employers and
17 shall allow participating students and faculties to secure broad-
18 based information technology certifications and, if applicable,
19 college credit.

20 (2) The department shall select the provider that received
21 funding under this section in ~~2017-2018~~ **2018-2019**. A program
22 funded under this section must include at least the following
23 components:

24 (a) Research- and skill-development-based and information
25 technology curriculum.

26 (b) Online access to the curriculum.

27 (c) Instructional software for classroom and student use.

28 (d) A program that includes coding curriculum and material
29 that are aligned to the CS AP exam and grants a certificate upon



1 completion of the program.

2 (e) Components for all grade levels on computational thinking
3 skills development using the latest gaming software.

4 (f) A process for students to obtain certifications of skills
5 and competencies in a broad base of information technology-related
6 skill areas.

7 (g) Professional development for faculty.

8 (h) Implementation and program support, including, but not
9 limited to, integration with current curriculum standards.

10 (i) Methods for students to earn college credit.

11 (3) The funds allocated under this section for 2018-2019 are a
12 work project appropriation, and any unexpended funds for 2018-2019
13 are to be carried forward into 2019-2020. The purpose of the work
14 project is to continue to provide information technology education
15 opportunities described in this section. The estimated completion
16 date of the work project is September 30, 2020.

17 **(4) The funds allocated under this section for 2019-2020 are a**
18 **work project appropriation, and any unexpended funds for 2019-2020**
19 **are to be carried forward into 2020-2021. The purpose of the work**
20 **project is to continue to provide information technology education**
21 **opportunities described in this section. The estimated completion**
22 **date of the work project is September 30, 2021.**

23 Sec. 65. (1) From the appropriation under section 11, there is
24 allocated an amount not to exceed \$400,000.00 for ~~2018-2019-2019-~~
25 **2020** for a pre-college engineering K-12 educational program that is
26 focused on the development of a diverse future Michigan workforce,
27 that serves multiple communities within southeast Michigan, that
28 enrolls pupils from multiple districts, and that received funds
29 appropriated for this purpose in the appropriations act that



1 provided the Michigan strategic fund budget for 2014-2015.

2 (2) To be eligible for funding under this section, a program
3 must have the ability to expose pupils to, and motivate and prepare
4 pupils for, science, technology, engineering, and mathematics
5 careers and postsecondary education with special attention given to
6 groups of pupils who are at-risk and underrepresented in technical
7 professions and careers.

8 Sec. 67. (1) From the general fund amount appropriated in
9 section 11, there is allocated an amount not to exceed
10 \$3,000,000.00 for ~~2018-2019~~**2019-2020** for college access programs.
11 The programs funded under this section are intended to inform
12 students of college and career options and to provide resources
13 intended to increase the number of pupils who are adequately
14 prepared with the information needed to make informed decisions on
15 college and career. The funds appropriated under this section are
16 intended to be used to increase the number of Michigan residents
17 with high-quality degrees or credentials. Funds appropriated under
18 this section ~~shall~~**must** not be used to supplant funding for
19 counselors already funded by districts.

20 (2) The talent investment agency of the department of talent
21 and economic development shall administer funds allocated under
22 this section in collaboration with the Michigan college access
23 network. These funds may be used for any of the following purposes:

24 (a) Michigan college access network operations, programming,
25 and services to local college access networks.

26 (b) Local college access networks, which are community-based
27 college access/success partnerships committed to increasing the
28 college participation and completion rates within geographically
29 defined communities through a coordinated strategy.



1 (c) The Michigan college advising program, a program intended
2 to place trained, recently graduated college advisors in high
3 schools that serve significant numbers of low-income and first-
4 generation college-going pupils. State funds used for this purpose
5 may not exceed 33% of the total funds available under this
6 subsection.

7 (d) Subgrants of up to \$5,000.00 to districts with
8 comprehensive high schools that establish a college access team and
9 implement specific strategies to create a college-going culture in
10 a high school in a form and manner approved by the Michigan college
11 access network and the Michigan talent investment agency.

12 (e) The Michigan college access portal, an online one-stop
13 portal to help pupils and families plan and apply for college.

14 (f) Public awareness and outreach campaigns to encourage low-
15 income and first-generation college-going pupils to take necessary
16 steps toward college and to assist pupils and families in
17 completing a timely and accurate free application for federal
18 student aid.

19 (g) Subgrants to postsecondary institutions to recruit, hire,
20 and train college student mentors and college advisors to assist
21 high school pupils in navigating the postsecondary planning and
22 enrollment process.

23 (3) For the purposes of this section, "college" means any
24 postsecondary educational opportunity that leads to a career,
25 including, but not limited to, a postsecondary degree, industry-
26 recognized technical certification, or registered apprenticeship.

27 **Sec. 67a. (1) From the general fund appropriation under**
28 **section 11, there is allocated an amount not to exceed \$80,000.00**
29 **for 2019-2020 for a grant to be distributed by the department to a**



1 provider for a career exploration pilot program. The provider
2 selected by the department must provide a career exploration system
3 that provides pupils with at least all of the following:

4 (a) Integration with statewide accountability assessments and
5 associated skills so that career exploration begins with an
6 understanding of current student abilities.

7 (b) An opportunity to explore careers specific to a pupil's
8 interest and connected to the local job market, with information on
9 potential salaries and projections of future workforce needs.

10 (c) Information on what the appropriate educational path is to
11 reach each career, with specific steps that a pupil can take in
12 high school to reach the chosen career or careers.

13 (d) Ability for pupils to share career exploration plans,
14 skill-building activities, and course recommendations with
15 teachers, parents or guardians, and other caring individuals.

16 (e) Career exploration tool that includes a video component to
17 engage pupils.

18 (f) A mobile-friendly platform.

19 (g) If a career requires a college degree, recommendations for
20 associated majors and integration with a college planning program.

21 (2) The department shall make the career exploration system
22 under subsection (1) available to districts and intermediate
23 districts for use during the 2019-2020 school year.

24 (3) The department shall ensure that the career exploration
25 program under this section does not require additional testing
26 beyond the statewide accountability assessments.

27 (4) Notwithstanding section 17b, the department shall make
28 grant payments under this section on a schedule determined by the
29 department.



1 **Sec. 67b. (1) From the general fund money appropriated under**
 2 **section 11, there is allocated an amount not to exceed \$50,000.00**
 3 **for 2019-2020 for a grant to be distributed by the department to an**
 4 **organization to provide industrial and technological education and**
 5 **workforce preparation for students and professional development**
 6 **opportunities and support for teachers.**

7 **(2) Notwithstanding section 17b, the department shall make**
 8 **grant payments under this section on a schedule determined by the**
 9 **department.**

10 Sec. 74. (1) From the amount appropriated in section 11, there
 11 is allocated an amount not to exceed ~~\$3,754,900.00 for 2018-2019~~
 12 **\$3,772,900.00 for 2019-2020** for the purposes of this section.

13 (2) From the allocation in subsection (1), there is allocated
 14 for each fiscal year the amount necessary for payments to state
 15 supported colleges or universities and intermediate districts
 16 providing school bus driver safety instruction ~~pursuant to~~**under**
 17 section 51 of the pupil transportation act, 1990 PA 187, MCL
 18 257.1851. The **department shall make** payments ~~shall be~~ in an amount
 19 determined by the department not to exceed the actual cost of
 20 instruction and driver compensation for each public or nonpublic
 21 school bus driver attending a course of instruction. For the
 22 purpose of computing compensation, the hourly rate allowed each
 23 school bus driver ~~shall~~**must** not exceed the hourly rate received
 24 for driving a school bus. ~~Reimbursement~~**The department shall make**
 25 **reimbursement** compensating the driver during the course of
 26 instruction ~~shall be made by the department to the college or~~
 27 university or intermediate district providing the course of
 28 instruction.

29 (3) From the allocation in subsection (1), there is allocated



1 for ~~2018-2019~~ **2019-2020** the amount necessary to pay the reasonable
 2 costs of nonspecial education auxiliary services transportation
 3 provided pursuant to ~~under~~ section 1323 of the revised school code,
 4 MCL 380.1323. Districts funded under this subsection ~~shall not do~~
 5 **not** receive funding under any other section of this article for
 6 nonspecial education auxiliary services transportation.

7 (4) From the funds allocated in subsection (1), there is
 8 allocated an amount not to exceed ~~\$1,729,900.00 for 2018-2019~~
 9 **\$1,747,900.00 for 2019-2020** for reimbursement to districts and
 10 intermediate districts for costs associated with the inspection of
 11 school buses and pupil transportation vehicles by the department of
 12 state police as required under section 715a of the Michigan vehicle
 13 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
 14 transportation act, 1990 PA 187, MCL 257.1839. The department of
 15 state police shall prepare a statement of costs attributable to
 16 each district for which bus inspections are provided and submit it
 17 to the department and to an intermediate district serving as
 18 fiduciary in a time and manner determined jointly by the department
 19 and the department of state police. Upon review and approval of the
 20 statement of cost, the department shall forward to the designated
 21 intermediate district serving as fiduciary the amount of the
 22 reimbursement on behalf of each district and intermediate district
 23 for costs detailed on the statement within 45 days after receipt of
 24 the statement. The designated intermediate district shall make
 25 payment in the amount specified on the statement to the department
 26 of state police within 45 days after receipt of the statement. The
 27 total reimbursement of costs under this subsection ~~shall must~~ not
 28 exceed the amount allocated under this subsection. Notwithstanding
 29 section 17b, **the department shall make** payments to eligible



1 entities under this subsection ~~shall be paid~~ on a schedule
2 prescribed by the department.

3 Sec. 81. (1) From the appropriation in section 11, there is
4 allocated for ~~2018-2019~~ **2019-2020** to the intermediate districts the
5 sum necessary, but not to exceed ~~\$68,453,000.00~~ **\$69,137,600.00**, to
6 provide state aid to intermediate districts under this section.

7 (2) The amount allocated under this section to each
8 intermediate district is an amount equal to ~~102%~~ **101%** of the amount
9 allocated to the intermediate district under this section for ~~2017-~~
10 ~~2018. Funding~~ **2018-2019. An intermediate district shall use funding**
11 provided under this section ~~shall be used~~ to comply with
12 requirements of this article and the revised school code that are
13 applicable to intermediate districts, and for which funding is not
14 provided elsewhere in this article, and to provide technical
15 assistance to districts as authorized by the intermediate school
16 board.

17 (3) Intermediate districts receiving funds under this section
18 ~~shall~~ collaborate with the department to develop expanded
19 professional development opportunities for teachers to update and
20 expand their knowledge and skills needed to support the Michigan
21 merit curriculum.

22 (4) From the allocation in subsection (1), there is allocated
23 to an intermediate district, formed by the consolidation or
24 annexation of 2 or more intermediate districts or the attachment of
25 a total intermediate district to another intermediate school
26 district or the annexation of all of the constituent K-12 districts
27 of a previously existing intermediate school district which has
28 disorganized, an additional allotment of \$3,500.00 each fiscal year
29 for each intermediate district included in the new intermediate



1 district for 3 years following consolidation, annexation, or
2 attachment.

3 (5) In order to receive funding under this section, an
4 intermediate district shall do all of the following:

5 (a) Demonstrate to the satisfaction of the department that the
6 intermediate district employs at least 1 person who is trained in
7 pupil accounting and auditing procedures, rules, and regulations.

8 (b) Demonstrate to the satisfaction of the department that the
9 intermediate district employs at least 1 person who is trained in
10 rules, regulations, and district reporting procedures for the
11 individual-level student data that serves as the basis for the
12 calculation of the district and high school graduation and dropout
13 rates.

14 (c) Comply with sections 1278a and 1278b of the revised school
15 code, MCL 380.1278a and 380.1278b.

16 (d) Furnish data and other information required by state and
17 federal law to the center and the department in the form and manner
18 specified by the center or the department, as applicable.

19 (e) Comply with section 1230g of the revised school code, MCL
20 380.1230g.

21 Sec. 94. (1) From the general fund appropriation in section
22 11, there is allocated to the department for ~~2017-2018~~ an amount
23 ~~not to exceed \$750,000.00 and there is allocated to the department~~
24 ~~for 2018-2019~~ **2019-2020** an amount not to exceed \$1,000,000.00 for
25 efforts to increase the number of pupils who participate and
26 succeed in advanced placement and international baccalaureate
27 programs, and ~~, beginning in 2018-2019,~~ to support the college-
28 level examination program (CLEP).

29 (2) From the funds allocated under this section, the



1 department shall award funds to cover all or part of the costs of
 2 advanced placement test fees or international baccalaureate test
 3 fees and international baccalaureate registration fees for low-
 4 income pupils who take an advanced placement or an international
 5 baccalaureate test ~~, and, beginning in 2018-2019,~~ **and** CLEP fees for
 6 low-income pupils who take a CLEP test.

7 (3) The department shall only award funds under this section
 8 if the department determines that all of the following criteria are
 9 met:

10 (a) Each pupil for whom payment is made meets eligibility
 11 requirements of the federal advanced placement test fee program
 12 under section 1701 of the no child left behind act of 2001, Public
 13 Law 107-110, or under a corresponding provision of the every
 14 student succeeds act, Public Law 114-95.

15 (b) The tests are administered by the college board, the
 16 international baccalaureate organization, or another test provider
 17 approved by the department.

18 (c) The pupil for whom payment is made pays at least \$5.00
 19 toward the cost of each test for which payment is made.

20 (4) The department shall establish procedures for awarding
 21 funds under this section.

22 (5) Notwithstanding section 17b, **the department shall make**
 23 payments under this section ~~shall be made~~ on a schedule determined
 24 by the department.

25 Sec. 94a. (1) There is created within the state budget office
 26 in the department of technology, management, and budget the center
 27 for educational performance and information. The center shall do
 28 all of the following:

29 (a) Coordinate the collection of all data required by state



1 and federal law from districts, intermediate districts, and
2 postsecondary institutions.

3 (b) Create, maintain, and enhance this state's P-20
4 longitudinal data system and ensure that it meets the requirements
5 of subsection (4).

6 (c) Collect data in the most efficient manner possible in
7 order to reduce the administrative burden on reporting entities,
8 including, but not limited to, electronic transcript services.

9 (d) Create, maintain, and enhance this state's web-based
10 educational portal to provide information to school leaders,
11 teachers, researchers, and the public in compliance with all
12 federal and state privacy laws. Data ~~shall~~**must** include, but are
13 not limited to, all of the following:

14 (i) Data sets that link teachers to student information,
15 allowing districts to assess individual teacher impact on student
16 performance and consider student growth factors in teacher and
17 principal evaluation systems.

18 (ii) Data access or, if practical, data sets, provided for
19 regional data hubs that, in combination with local data, can
20 improve teaching and learning in the classroom.

21 (iii) Research-ready data sets for researchers to perform
22 research that advances this state's educational performance.

23 (e) Provide data in a useful manner to allow state and local
24 policymakers to make informed policy decisions.

25 (f) Provide public reports to the ~~citizens~~**residents** of this
26 state to allow them to assess allocation of resources and the
27 return on their investment in the education system of this state.

28 (g) Other functions as assigned by the state budget director.

29 (2) Each state department, officer, or agency that collects



1 information from districts, intermediate districts, or
2 postsecondary institutions as required under state or federal law
3 shall make arrangements with the center to ensure that the state
4 department, officer, or agency is in compliance with subsection
5 (1). This subsection does not apply to information collected by the
6 department of treasury under the uniform budgeting and accounting
7 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
8 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
9 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
10 388.1939; or section 1351a of the revised school code, MCL
11 380.1351a.

12 (3) The center may enter into any interlocal agreements
13 necessary to fulfill its functions.

14 (4) The center shall ensure that the P-20 longitudinal data
15 system required under subsection (1)(b) meets all of the following:

16 (a) Includes data at the individual student level from
17 preschool through postsecondary education and into the workforce.

18 (b) Supports interoperability by using standard data
19 structures, data formats, and data definitions to ensure linkage
20 and connectivity in a manner that facilitates the exchange of data
21 among agencies and institutions within the state and between
22 states.

23 (c) Enables the matching of individual teacher and student
24 records so that an individual student may be matched with those
25 teachers providing instruction to that student.

26 (d) Enables the matching of individual teachers with
27 information about their certification and the institutions that
28 prepared and recommended those teachers for state certification.

29 (e) Enables data to be easily generated for continuous



1 improvement and decision-making, including timely reporting to
 2 parents, teachers, and school leaders on student achievement.

3 (f) Ensures the reasonable quality, validity, and reliability
 4 of data contained in the system.

5 (g) Provides this state with the ability to meet federal and
 6 state reporting requirements.

7 (h) For data elements related to preschool through grade 12
 8 and postsecondary, meets all of the following:

9 (i) Contains a unique statewide student identifier that does
 10 not permit a student to be individually identified by users of the
 11 system, except as allowed by federal and state law.

12 (ii) Contains student-level enrollment, demographic, and
 13 program participation information.

14 (iii) Contains student-level information about the points at
 15 which students exit, transfer in, transfer out, drop out, or
 16 complete education programs.

17 (iv) Has the capacity to communicate with higher education data
 18 systems.

19 (i) For data elements related to preschool through grade 12
 20 only, meets all of the following:

21 (i) Contains yearly test records of individual students for
 22 assessments approved by DED-OESE for accountability purposes under
 23 section 1111(b) of the elementary and secondary education act of
 24 1965, 20 USC 6311, including information on individual students not
 25 tested, by grade and subject.

26 (ii) Contains student-level transcript information, including
 27 information on courses completed and grades earned.

28 (iii) Contains student-level college readiness test scores.

29 (j) For data elements related to postsecondary education only:



1 (i) Contains data that provide information regarding the extent
 2 to which individual students transition successfully from secondary
 3 school to postsecondary education, including, but not limited to,
 4 all of the following:

5 (A) Enrollment in remedial coursework.

6 (B) Completion of 1 year's worth of college credit applicable
 7 to a degree within 2 years of enrollment.

8 (ii) Contains data that provide other information determined
 9 necessary to address alignment and adequate preparation for success
 10 in postsecondary education.

11 (5) From the general fund appropriation in section 11, there
 12 is allocated an amount not to exceed ~~\$16,356,700.00 for 2018-2019~~
 13 **\$16,457,200.00 for 2019-2020** to the department of technology,
 14 management, and budget to support the operations of the center. In
 15 addition, from the federal funds appropriated in section 11, there
 16 is allocated for ~~2018-2019-2019-2020~~ the amount necessary,
 17 estimated at \$193,500.00, to support the operations of the center
 18 and to establish a P-20 longitudinal data system necessary for
 19 state and federal reporting purposes. The center shall cooperate
 20 with the department to ensure that this state is in compliance with
 21 federal law and is maximizing opportunities for increased federal
 22 funding to improve education in this state.

23 (6) From the funds allocated in subsection (5), the center may
 24 use an amount determined by the center for competitive grants for
 25 ~~2018-2019-2019-2020~~ to support collaborative efforts on the P-20
 26 longitudinal data system. All of the following apply to grants
 27 awarded under this subsection:

28 (a) The center shall award competitive grants to eligible
 29 intermediate districts or a consortium of intermediate districts



1 based on criteria established by the center.

2 (b) Activities funded under the grant ~~shall~~**must** support the
3 P-20 longitudinal data system portal and may include portal
4 hosting, hardware and software acquisition, maintenance,
5 enhancements, user support and related materials, and professional
6 learning tools and activities aimed at improving the utility of the
7 P-20 longitudinal data system.

8 (c) An applicant that received a grant under this subsection
9 for the immediately preceding fiscal year ~~shall receive~~**has**
10 priority for funding under this section. However, after 3 fiscal
11 years of continuous funding, an applicant is required to compete
12 openly with new applicants.

13 (7) Funds allocated under this section that are not expended
14 in the fiscal year in which they were allocated may be carried
15 forward to a subsequent fiscal year and are appropriated for the
16 purposes for which the funds were originally allocated.

17 (8) The center may bill departments as necessary in order to
18 fulfill reporting requirements of state and federal law. The center
19 may also enter into agreements to supply custom data, analysis, and
20 reporting to other principal executive departments, state agencies,
21 local units of government, and other individuals and organizations.
22 The center may receive and expend funds in addition to those
23 authorized in subsection (5) to cover the costs associated with
24 salaries, benefits, supplies, materials, and equipment necessary to
25 provide such data, analysis, and reporting services.

26 (9) As used in this section:

27 (a) "DED-OESE" means the United States Department of Education
28 Office of Elementary and Secondary Education.

29 (b) "State education agency" means the department.



1 Sec. 95a. (1) The educator evaluation reserve fund is created
2 as a separate account within the state school aid fund.

3 (2) The state treasurer may receive money or other assets from
4 any source for deposit into the educator evaluation reserve fund.
5 The state treasurer shall direct the investment of the educator
6 evaluation reserve fund. The state treasurer shall credit to the
7 educator evaluation reserve fund interest and earnings from the
8 educator evaluation reserve fund.

9 (3) Money in the educator evaluation reserve fund at the close
10 of the fiscal year ~~shall remain in the educator evaluation reserve~~
11 ~~fund and shall not lapse~~ **lapses** to the state school aid fund. ~~or to~~
12 ~~the general fund.~~ The department of treasury ~~shall be~~ **is** the
13 administrator of the educator evaluation reserve fund for auditing
14 purposes.

15 (4) From the appropriations in section 11, there is allocated
16 to the educator evaluation reserve fund for ~~2014-2015~~ **2019-2020** an
17 amount not to exceed \$12,100,000.00 from the state school aid fund
18 and an amount not to exceed \$2,700,000.00 from the general fund.
19 Subject to ~~subsections (5) and (6),~~ **subsection (5)**, the department
20 shall expend the money in the educator evaluation reserve fund for
21 implementing evaluation systems for public school teachers and
22 school administrators.

23 (5) ~~Funds~~ **The department shall not expend funds** in the
24 educator evaluation reserve fund ~~shall not be expended~~ unless the
25 state budget office has approved the department's spending plan.

26 Sec. 95b. (1) From the general fund appropriation under
27 section 11, there is allocated to the department an amount not to
28 exceed ~~\$2,500,000.00 for 2018-2019~~ **\$100.00 for 2019-2020** for the
29 department to ~~adopt~~ **continue to incorporate** a model value-added



1 growth and projection analytics system ~~and to incorporate that~~
2 ~~model~~ into its reporting requirements under the every student
3 succeeds act, Public Law 114-95. The adopted model ~~shall~~**must** do at
4 least all of the following:

5 (a) Utilize existing assessments and any future assessments
6 that are suitable for measuring student growth.

7 (b) Report student growth measures at the district, school,
8 teacher, and subgroup levels.

9 (c) Recognize the growth of tested students, including those
10 who may have missing assessment data.

11 (d) Include all available prior standardized assessment data
12 that meet inclusion criteria across grades, subjects, and state and
13 local assessments.

14 (e) Allow student growth results to be disaggregated.

15 (f) Provide individual student projections showing the
16 probability of a student reaching specific performance levels on
17 future assessments.

18 (g) Demonstrate any prior success with this state's
19 assessments through the Michigan council of educator effectiveness
20 teacher evaluation pilot.

21 (h) Demonstrate prior statewide implementation in at least 2
22 other states for at least 10 years.

23 (i) Have a native roster verification system built into the
24 value-added reporting platform that has been implemented statewide
25 in at least 2 other states.

26 (j) Have a "Help/Contact Us" ticketing system built into the
27 value-added reporting platform.

28 (2) The department shall provide internet-based electronic
29 student growth and projection reporting based on the model adopted



1 under subsection (1) to educators at the school, district, and
2 state levels. The model ~~shall~~**must** include role-based permissions
3 that allow educators to access information about the performance of
4 the students within their immediate responsibility in accordance
5 with applicable privacy laws.

6 (3) The model adopted under subsection (1) must not be a
7 mandatory part of teacher evaluation or educator pay-for-
8 performance systems.

9 (4) The model adopted under subsection (1) must be a model
10 that received funding under this section in ~~2017-2018~~**2018-2019**.

11 **Sec. 97. (1) From the general fund appropriation in section**
12 **11, there is allocated to the department an amount not to exceed**
13 **\$3,800,000.00 for 2019-2020 to expand an existing advanced 911**
14 **state contract for the sole purpose of implementing a statewide**
15 **pilot Secure Schools Program and Panic Button App phone application**
16 **system in public and nonpublic schools that operate any of grades K**
17 **to 12.**

18 (2) The Panic Button App phone application system funded under
19 this section must be able to do all of the following
20 simultaneously:

21 (a) Allow authorized users to place a voice call to 911.

22 (b) Provide intelligent notifications via text and electronic
23 mail.

24 (c) Provide push notifications that contain information
25 regarding the identity and location of the reporting party,
26 response type required based on incident type, and additional
27 location details to relevant communities to which users belong
28 including, but not limited to, both of the following, as applicable
29 based on the location and category of the emergency event:



1 (i) Key stakeholders.

2 (ii) Authorized users, including, but not limited to, all of
3 the following:

4 (A) School staff.

5 (B) School resource officers.

6 (C) 911.

7 (D) First responder agencies.

8 (d) Allow 911, school officials, and first responder agencies
9 to send messages to Panic Button App users both during and after
10 emergency events in order to facilitate ongoing communications and
11 coordination.

12 (3) The Secure Schools Program funded under this section must
13 integrate with this state's current supplemental 911 database to
14 maintain information voluntarily provided by individuals and
15 facility managers via a secure web application. Any information
16 submitted by a district under the Secure Schools Program,
17 including, but not limited to, floorplans, automated external
18 defibrillator information, school safety plans, reunification
19 plans, and entry or exit points must automatically appear to 911
20 whenever the Panic Button App is activated.

21 (4) Funds allocated under this section may be used to defray
22 the initial costs associated with the implementation of the Secure
23 Schools Program, including installation, training, and maintenance
24 costs. A grant recipient may carry a portion of a grant payment
25 under this section into 2020-2021 to support ongoing costs. After
26 2020-2021, any ongoing costs must be supported solely by the grant
27 recipient.

28 (5) The department shall distribute funds under this section
29 in 2 payments. The first payment must be made by October 1, 2019



1 and the second payment must be made by December 30, 2019.

2 Sec. 97a. (1) From the talent investment fund appropriation in
3 section 11, there is allocated to the department an amount not to
4 exceed \$300,000.00 for 2019-2020 to be used to contract for a study
5 to determine the nature of any teacher shortage in this state, in
6 order to improve educational opportunities. Not later than November
7 15, 2019, the department shall enter into a contract for this study
8 with a qualified provider using a request for proposals process.
9 The contract must provide for the study to be completed by January
10 31, 2020 and the department shall include this deadline in the
11 request for proposals.

12 (2) The teacher shortage study funded under this section must
13 include at least all of the following:

14 (a) Identification of specific geographic regions in this
15 state in which there is a shortage of teachers.

16 (b) Identification of specific subject areas for which there
17 is a shortage of teachers in this state.

18 (c) Identification of specific grade levels for which there is
19 a shortage of teachers in this state.

20 (d) A review of the demographic characteristics of current K
21 to 12 teachers in this state, including at least gender, race, and
22 socioeconomic status, to determine if there is a teacher shortage
23 in this state among 1 or more specific demographic groups, and
24 identification of those specific demographic groups.

25 (e) Recommendations on legislation and other policy
26 initiatives that should be initiated or encouraged to alleviate any
27 identified teacher shortages.

28 (3) The department shall submit the results and
29 recommendations from the study to the senate and house fiscal



1 agencies, the standing committees of the senate and house of
2 representatives having jurisdiction over education legislation, and
3 the appropriations subcommittees of the senate and house of
4 representatives having jurisdiction over K to 12 school aid
5 appropriations.

6 Sec. 97b. (1) From the talent investment fund money
7 appropriated under section 11, there is allocated to the department
8 for 2019-2020 only an amount not to exceed \$2,100,000.00 to be used
9 to contract with a provider to develop and maintain a school
10 employee job bank. Not later than November 15, 2019, the department
11 shall enter into a contract for the school employee job bank with a
12 qualified provider using a request for proposals process. The
13 contract must provide for the school employee job bank to be
14 completed by May 15, 2021, and the department shall include this
15 deadline in the request for proposals.

16 (2) The online job bank developed under subsection (1) must
17 meet all of the following:

18 (a) Is made available at no cost to all districts and
19 intermediate districts.

20 (b) Is housed within the Michigan Online Educator
21 Certification System (MOECS) and allows data from MOECS to be
22 imported into the job bank.

23 (c) Provides a centralized pool of job-seeking candidates and
24 open positions.

25 (d) Matches an educator's credentials to available positions,
26 allowing districts and intermediate districts to search for
27 applicants with specific training.

28 (e) Provides the option for applicants to include other
29 critical information about employment history to prospective



1 employers, including evaluation ratings.

2 (f) Offers districts and intermediate districts customization
3 options to emphasize marketable points of pride to inform and
4 attract applicants.

5 (g) Links to a larger national database.

6 (3) Not later than December 1, 2021, and annually thereafter,
7 the provider described under subsection (1) shall provide a report
8 on the school employee job bank to the house and senate
9 appropriations subcommittees on school aid, the house and senate
10 fiscal agencies, and the state budget director. The report must
11 provide at least the following information:

12 (a) The number of participating districts and intermediate
13 districts.

14 (b) Measurement of outcomes and performance based on the
15 requirements under subsection (2).

16 (c) Feedback from participating districts on whether the
17 school employee job bank accomplished each of the following:

18 (i) Increased the pool of both in-state and out-of-state
19 candidates for districts, especially districts that could not
20 otherwise afford large-scale candidate searches.

21 (ii) Introduced cost savings for candidate searches.

22 (d) Analytics that help identify trends in the education job
23 market in this state.

24 (4) From the money allocated under this section for 2019-2020,
25 \$600,000.00 is a work project appropriation, and any unexpended
26 funds for 2019-2020 are carried forward into 2020-2021. The purpose
27 of the work project is to continue development and maintenance of
28 the school employee job bank. The estimated completion date of the
29 work project is May 15, 2023.



1 Sec. 98. (1) From the general fund money appropriated in
2 section 11, there is allocated an amount not to exceed
3 \$7,387,500.00 for ~~2018-2019~~**2019-2020** for the purposes described in
4 this section. The Michigan Virtual University shall provide a
5 report to the legislature not later than November 1 of each year
6 that includes its mission, its plans, and proposed benchmarks it
7 must meet, ~~which shall include~~**including** a plan to achieve the
8 organizational priorities identified in this section, in order to
9 receive full funding for ~~2019-2020~~**2020-2021**. Not later than March
10 1 of each year, the Michigan Virtual University shall provide an
11 update to the house and senate appropriations subcommittees on
12 school aid to show the progress being made to meet the benchmarks
13 identified.

14 (2) The Michigan Virtual University shall operate the Michigan
15 Virtual Learning Research Institute. The Michigan Virtual Learning
16 Research Institute shall do all of the following:

17 (a) Support and accelerate innovation in education through the
18 following activities:

19 (i) Test, evaluate, and recommend as appropriate new
20 technology-based instructional tools and resources.

21 (ii) Research, design, and recommend virtual education delivery
22 models for use by pupils and teachers that include age-appropriate
23 multimedia instructional content.

24 (iii) Research, develop, and recommend annually to the
25 department criteria by which cyber schools and virtual course
26 providers should be monitored and evaluated to ensure a quality
27 education for their pupils.

28 (iv) Based on pupil completion and performance data reported to
29 the department or the center ~~for educational performance and~~



1 ~~information~~ from cyber schools and other virtual course providers
 2 operating in this state, analyze the effectiveness of virtual
 3 learning delivery models in preparing pupils to be college- and
 4 career-ready and publish a report that highlights enrollment
 5 totals, completion rates, and the overall impact on pupils. The
 6 ~~report shall be submitted~~ **Michigan Virtual Learning Research**
 7 **Institute shall submit the report** to the house and senate
 8 appropriations subcommittees on state school aid, the state budget
 9 director, the house and senate fiscal agencies, the department,
 10 districts, and intermediate districts not later than March 31 of
 11 each year.

12 (v) Provide an extensive professional development program to
 13 at least 30,000 educational personnel, including teachers, school
 14 administrators, and school board members, that focuses on the
 15 effective integration of virtual learning into curricula and
 16 instruction. The Michigan Virtual Learning Research Institute is
 17 encouraged to work with the MiSTEM advisory council created under
 18 section 99s to coordinate professional development of teachers in
 19 applicable fields. In addition, the Michigan Virtual Learning
 20 Research Institute and external stakeholders are encouraged to
 21 coordinate with the department for professional development in this
 22 state. Not later than December 1 of each year, the Michigan Virtual
 23 Learning Research Institute shall submit a report to the house and
 24 senate appropriations subcommittees on state school aid, the state
 25 budget director, the house and senate fiscal agencies, and the
 26 department on the number of teachers, school administrators, and
 27 school board members who have received professional development
 28 services from the Michigan Virtual University. The report ~~shall~~
 29 **must** also identify barriers and other opportunities to encourage



1 the adoption of virtual learning in the public education system.

2 (vi) Identify and share best practices for planning,
3 implementing, and evaluating virtual and blended education delivery
4 models with intermediate districts, districts, and public school
5 academies to accelerate the adoption of innovative education
6 delivery models statewide.

7 (b) Provide leadership for this state's system of virtual
8 learning education by doing the following activities:

9 (i) Develop and report policy recommendations to the governor
10 and the legislature that accelerate the expansion of effective
11 virtual learning in this state's schools.

12 (ii) Provide a clearinghouse for research reports, academic
13 studies, evaluations, and other information related to virtual
14 learning.

15 (iii) Promote and distribute the most current instructional
16 design standards and guidelines for virtual teaching.

17 (iv) In collaboration with the department and interested
18 colleges and universities in this state, support implementation and
19 improvements related to effective virtual learning instruction.

20 (v) Pursue public/private partnerships that include districts
21 to study and implement competency-based technology-rich virtual
22 learning models.

23 (vi) Create a statewide network of school-based mentors serving
24 as liaisons between pupils, virtual instructors, parents, and
25 school staff, as provided by the department or the center, and
26 provide mentors with research-based training and technical
27 assistance designed to help more pupils be successful virtual
28 learners.

29 (vii) Convene focus groups and conduct annual surveys of



1 teachers, administrators, pupils, parents, and others to identify
2 barriers and opportunities related to virtual learning.

3 (viii) Produce an annual consumer awareness report for schools
4 and parents about effective virtual education providers and
5 education delivery models, performance data, cost structures, and
6 research trends.

7 (ix) Provide an internet-based platform that educators can use
8 to create student-centric learning tools and resources for sharing
9 in the state's open educational resource repository and facilitate
10 a user network that assists educators in using the content creation
11 platform and state repository for open educational resources. As
12 part of this initiative, the Michigan Virtual University shall work
13 collaboratively with districts and intermediate districts to
14 establish a plan to make available virtual resources that align to
15 Michigan's K-12 curriculum standards for use by students,
16 educators, and parents.

17 (x) Create and maintain a public statewide catalog of virtual
18 learning courses being offered by all public schools and community
19 colleges in this state. The Michigan Virtual Learning Research
20 Institute shall identify and develop a list of nationally
21 recognized best practices for virtual learning and use this list to
22 support reviews of virtual course vendors, courses, and
23 instructional practices. The Michigan Virtual Learning Research
24 Institute shall also provide a mechanism for intermediate districts
25 to use the identified best practices to review content offered by
26 constituent districts. The Michigan Virtual Learning Research
27 Institute shall review the virtual course offerings of the Michigan
28 Virtual University, and make the results from these reviews
29 available to the public as part of the statewide catalog. The



1 Michigan Virtual Learning Research Institute shall ensure that the
2 statewide catalog is made available to the public on the Michigan
3 Virtual University website and shall allow the ability to link it
4 to each district's website as provided for in section 21f. The
5 statewide catalog ~~shall~~**must** also contain all of the following:

6 (A) The number of enrollments in each virtual course in the
7 immediately preceding school year.

8 (B) The number of enrollments that earned 60% or more of the
9 total course points for each virtual course in the immediately
10 preceding school year.

11 (C) The pass rate for each virtual course.

12 (xi) Support registration, payment services, and transcript
13 functionality for the statewide catalog and train key stakeholders
14 on how to use new features.

15 (xii) Collaborate with key stakeholders to examine district
16 level accountability and teacher effectiveness issues related to
17 virtual learning under section 21f and make findings and
18 recommendations publicly available.

19 (xiii) Provide a report on the activities of the Michigan
20 Virtual Learning Research Institute.

21 (3) To further enhance its expertise and leadership in virtual
22 learning, the Michigan Virtual University shall continue to operate
23 the Michigan Virtual School as a statewide laboratory and quality
24 model of instruction by implementing virtual and blended learning
25 solutions for Michigan schools in accordance with the following
26 parameters:

27 (a) The Michigan Virtual School must maintain its
28 accreditation status from recognized national and international
29 accrediting entities.



1 (b) The Michigan Virtual University shall use no more than
2 \$1,000,000.00 of the amount allocated under this section to
3 subsidize the cost paid by districts for virtual courses.

4 (c) In providing educators responsible for the teaching of
5 virtual courses as provided for in this section, the Michigan
6 Virtual School shall follow the requirements to request and assess,
7 and the department of state police shall provide, a criminal
8 history check and criminal records check under sections 1230 and
9 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
10 the same manner as if the Michigan Virtual School were a school
11 district under those sections.

12 (4) From the funds allocated under subsection (1), the
13 Michigan Virtual University shall allocate up to \$500,000.00 to
14 support the expansion of new online and blended educator
15 professional development programs.

16 (5) If the course offerings are included in the statewide
17 catalog of virtual courses under subsection (2)(b)(x), the Michigan
18 Virtual School operated by the Michigan Virtual University may
19 offer virtual course offerings, including, but not limited to, all
20 of the following:

21 (a) Information technology courses.

22 (b) College level equivalent courses, as defined in section
23 1471 of the revised school code, MCL 380.1471.

24 (c) Courses and dual enrollment opportunities.

25 (d) Programs and services for at-risk pupils.

26 (e) High school equivalency test preparation courses for
27 adjudicated youth.

28 (f) Special interest courses.

29 (g) Professional development programs for teachers, school



1 administrators, other school employees, and school board members.

2 (6) If a home-schooled or nonpublic school student is a
3 resident of a district that subscribes to services provided by the
4 Michigan Virtual School, the student may use the services provided
5 by the Michigan Virtual School to the district without charge to
6 the student beyond what is charged to a district pupil using the
7 same services.

8 (7) Not later than December 1 of each fiscal year, the
9 Michigan Virtual University shall provide a report to the house and
10 senate appropriations subcommittees on state school aid, the state
11 budget director, the house and senate fiscal agencies, and the
12 department that includes at least all of the following information
13 related to the Michigan Virtual School for the preceding state
14 fiscal year:

15 (a) A list of the districts served by the Michigan Virtual
16 School.

17 (b) A list of virtual course titles available to districts.

18 (c) The total number of virtual course enrollments and
19 information on registrations and completions by course.

20 (d) The overall course completion rate percentage.

21 (8) In addition to the information listed in subsection (7),
22 the report under subsection (7) ~~shall~~**must** also include a plan to
23 serve at least 600 schools with courses from the Michigan Virtual
24 School or with content available through the internet-based
25 platform identified in subsection (2) (b) (ix).

26 (9) The governor may appoint an advisory group for the
27 Michigan Virtual Learning Research Institute established under
28 subsection (2). The members of the advisory group ~~shall~~ serve at
29 the pleasure of the governor and ~~shall serve~~ without compensation.



1 The purpose of the advisory group is to make recommendations to the
2 governor, the legislature, and the president and board of the
3 Michigan Virtual University that will accelerate innovation in this
4 state's education system in a manner that will prepare elementary
5 and secondary students to be career and college ready and that will
6 promote the goal of increasing the percentage of ~~citizens~~**residents**
7 of this state with high-quality degrees and credentials to at least
8 60% by 2025.

9 (10) Not later than November 1 of each year, the Michigan
10 Virtual University shall submit to the house and senate
11 appropriations subcommittees on state school aid, the state budget
12 director, and the house and senate fiscal agencies a detailed
13 budget for that fiscal year that includes a breakdown on its
14 projected costs to deliver virtual educational services to
15 districts and a summary of the anticipated fees to be paid by
16 districts for those services. Not later than March 1 each year, the
17 Michigan Virtual University shall submit to the house and senate
18 appropriations subcommittees on state school aid, the state budget
19 director, and the house and senate fiscal agencies a breakdown on
20 its actual costs to deliver virtual educational services to
21 districts and a summary of the actual fees paid by districts for
22 those services based on audited financial statements for the
23 immediately preceding fiscal year.

24 (11) As used in this section:

25 (a) "Blended learning" means a hybrid instructional delivery
26 model where pupils are provided content, instruction, and
27 assessment, in part at a supervised educational facility away from
28 home where the pupil and a teacher with a valid Michigan teaching
29 certificate are in the same physical location and in part through



1 internet-connected learning environments with some degree of pupil
2 control over time, location, and pace of instruction.

3 (b) "Cyber school" means a full-time instructional program of
4 virtual courses for pupils that may or may not require attendance
5 at a physical school location.

6 (c) "Virtual course" means a course of study that is capable
7 of generating a credit or a grade and that is provided in an
8 interactive learning environment in which the majority of the
9 curriculum is delivered using the internet and in which pupils are
10 separated from their instructor or teacher of record by time or
11 location, or both.

12 **Sec. 99a. (1) From the general fund money appropriated under**
13 **section 11, there is allocated for 2019-2020 an amount equal to**
14 **\$100.00 for a grant to be distributed by the department to a**
15 **community licensed public television station in this state to**
16 **provide direct services to educators, parents, and informal and**
17 **formal caregivers to improve school readiness. These direct**
18 **services and supports must include, but are not limited to, reading**
19 **and literacy, community education camps, and professional**
20 **development training programs.**

21 (2) Notwithstanding section 17b, the department shall make
22 grant payments under this section on a schedule determined by the
23 department.

24 ~~Sec. 99h. (1) From the state school aid fund appropriation in~~
25 ~~section 11, there is allocated an amount not to exceed~~
26 ~~\$3,000,000.00 for 2017-2018 and an amount not to exceed~~
27 ~~\$4,500,000.00 for 2018-2019 for competitive grants to districts and~~
28 ~~intermediate districts, and from the general fund appropriation in~~
29 ~~section 11, there is allocated an amount not to exceed \$300,000.00~~



1 ~~each fiscal year for 2017-2018 and for 2018-2019~~ **\$800,000.00 for**
 2 **2019-2020** for competitive grants to nonpublic schools that provide
 3 pupils in grades K to 12 with expanded **extracurricular**
 4 opportunities to improve mathematics, science, and technology
 5 skills by participating in events hosted by a science and
 6 technology development program known as FIRST (for inspiration and
 7 recognition of science and technology) Robotics, including JR FIRST
 8 Lego League, FIRST Lego League, FIRST Tech challenge, and FIRST
 9 Robotics competition, ~~or , beginning in 2018-2019, other~~
 10 competitive robotics programs, including those hosted by the
 11 Robotics Education and Competition (REC) Foundation. ~~Programs~~
 12 ~~funded under this section are intended to increase the number of~~
 13 ~~pupils demonstrating proficiency in science and mathematics on the~~
 14 ~~state assessments and to increase the number of pupils who are~~
 15 ~~college and career ready upon high school graduation.~~
 16 Notwithstanding section 17b, **the department shall make** grant
 17 payments to ~~districts,~~ nonpublic schools ~~, and intermediate~~
 18 ~~districts~~ under this section ~~shall be paid~~ on a schedule determined
 19 by the department. The department shall set maximum grant awards
 20 for each different level of competition in a manner that both
 21 maximizes the number of teams that will be able to receive funds
 22 and expands the geographical distribution of teams.

23 (2) A ~~district,~~ nonpublic school ~~, or intermediate district~~
 24 applying for a grant under this section shall submit an application
 25 in a form and manner determined by the department. To be eligible
 26 for a grant, a ~~district,~~ nonpublic school ~~, or intermediate~~
 27 ~~district~~ shall demonstrate in its application that the ~~district,~~
 28 nonpublic school ~~, or intermediate district~~ has established a
 29 partnership for the purposes of the robotics program with at least



1 1 sponsor, business entity, higher education institution, or
 2 technical school, shall submit a spending plan, and shall pay at
 3 least 25% of the cost of the robotics program.

4 (3) The department shall distribute the grant funding under
 5 this section for the following purposes:

6 (a) Grants to ~~districts, nonpublic schools, or intermediate~~
 7 ~~districts~~ to pay for stipends not to exceed \$1,500.00 for 1 coach
 8 per team.

9 (b) Grants to ~~districts, nonpublic schools, or intermediate~~
 10 ~~districts~~ for event registrations, materials, travel costs, and
 11 other expenses associated with the preparation for and attendance
 12 at robotics events and competitions. Each grant recipient shall
 13 provide a local match from other private or local funds for the
 14 funds received under this subdivision equal to at least 50% of the
 15 costs of participating in an event.

16 (c) Grants to ~~districts, nonpublic schools, or intermediate~~
 17 ~~districts~~ for awards to teams that advance to the state and world
 18 championship competitions. The department shall determine an equal
 19 amount per team for those teams that advance to the state
 20 championship and a second equal award amount to those teams that
 21 advance to the world championship.

22 (4) A nonpublic school that receives a grant under this
 23 section may use the funds for ~~either robotics, or Science Olympiad,~~
 24 ~~programs.~~ **or STEM extracurricular activities.**

25 (5) To be eligible to receive funds under this section, a
 26 nonpublic school must be a nonpublic school registered with the
 27 department and must meet all applicable state reporting
 28 requirements for nonpublic schools.

29 (6) The funds allocated under this section for ~~2017-2018-2018-~~



1 **2019** are a work project appropriation, and any unexpended funds for
 2 ~~2017-2018-2018-2019~~ are carried forward into ~~2018-2019-2019-2020~~.
 3 The purpose of the work project is to continue support of FIRST
 4 Robotics and must not be used to support other robotics
 5 competitions. The estimated completion date of the work project is
 6 September 30, 2020.

7 Sec. 99s. (1) From the funds appropriated under section 11,
 8 there is allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
 9 ~~\$7,634,300.00~~ **\$11,634,300.00** from the state school aid fund
 10 appropriation and an amount not to exceed \$300,000.00 from the
 11 general fund appropriation for Michigan science, technology,
 12 engineering, and mathematics (MiSTEM) programs. **In addition, from**
 13 **the talent investment fund appropriation under section 11, there is**
 14 **allocated an amount not to exceed \$1,000,000.00 for 2019-2020 for**
 15 **MiSTEM programs.** In addition, from the federal funds appropriated
 16 in section 11, there is allocated for ~~2018-2019-an-2019-2020~~ the
 17 amount **available**, estimated at ~~\$3,500,000.00~~ **\$235,000.00**, from DED-
 18 OESE, title II, mathematics and science partnership grants. **The**
 19 **MiSTEM network also may receive private funds and shall expend**
 20 **these private funds in alignment with the statewide STEM strategy.**
 21 Programs funded under this section are intended to increase the
 22 number of pupils demonstrating proficiency in science and
 23 mathematics on the state assessments and to increase the number of
 24 pupils who are college- and career-ready upon high school
 25 graduation. Notwithstanding section 17b, **the department shall make**
 26 payments under this section ~~shall be paid on~~ a schedule determined
 27 by the department.

28 (2) All of the following apply to the MiSTEM advisory council:

29 (a) The MiSTEM advisory council is created. The MiSTEM



1 advisory council shall provide to the governor, legislature,
2 department of talent and economic development, and department
3 recommendations designed to improve and promote innovation in STEM
4 education and to prepare students for careers in science,
5 technology, engineering, and mathematics.

6 (b) The MiSTEM advisory council created under subdivision (a)
7 ~~shall consist~~ **consists** of the following members:

8 (i) The governor shall appoint 11 voting members who are
9 representative of business sectors that are important to Michigan's
10 economy and rely on a STEM-educated workforce, nonprofit
11 organizations and associations that promote STEM education, K-12
12 and postsecondary education entities involved in STEM-related
13 career education, or other sectors as considered appropriate by the
14 governor. Each of these members ~~shall~~ serve at the pleasure of the
15 governor and for a term determined by the governor.

16 (ii) The senate majority leader shall appoint 2 members of the
17 senate to serve as nonvoting, ex-officio members of the MiSTEM
18 advisory council, including 1 majority party member and 1 minority
19 party member.

20 (iii) The speaker of the house of representatives shall appoint
21 2 members of the house of representatives to serve as nonvoting,
22 ex-officio members of the MiSTEM advisory council, including 1
23 majority party member and 1 minority party member.

24 (c) Each member of the MiSTEM advisory council ~~shall serve~~
25 **serves** without compensation.

26 (d) The MiSTEM advisory council annually shall review and make
27 recommendations to the governor, the legislature, and the
28 department concerning changes to the statewide strategy adopted by
29 the council for delivering STEM education-related opportunities to



1 pupils. The MiSTEM advisory council shall use funds received under
2 this subsection to ensure that its members or their designees are
3 trained in the Change the Equation STEMworks rating system program
4 for the purpose of rating STEM programs.

5 (e) The MiSTEM advisory council shall make specific funding
6 recommendations for the funds allocated under subsection (3) by
7 December 15 of each fiscal year. Each specific funding
8 recommendation ~~shall~~**must** be for a program approved by the MiSTEM
9 advisory council. To be eligible for MiSTEM advisory council
10 approval, a program must satisfy all of the following:

11 (i) Align with this state's academic standards.

12 (ii) Have STEMworks certification.

13 (iii) Provide project-based experiential learning, student
14 programming, or educator professional learning experiences.

15 (iv) Focus predominantly on classroom-based STEM experiences or
16 professional learning experiences.

17 (f) The MiSTEM advisory council shall approve programs that
18 represent all network regions and include a diverse array of
19 options for students and educators and at least 1 program in each
20 of the following areas:

21 (i) Robotics.

22 (ii) Computer science or coding.

23 (iii) Engineering or bioscience.

24 (g) The MiSTEM advisory council is encouraged to work with the
25 MiSTEM network to develop locally and regionally developed programs
26 and professional development experiences for the programs on the
27 list of approved programs.

28 (h) If the MiSTEM advisory council is unable to make specific
29 funding recommendations by December 15 of a fiscal year, the



1 department shall award and distribute the funds allocated under
 2 subsection (3) on a competitive grant basis that at least follows
 3 the statewide STEM strategy plan and rating system recommended by
 4 the MiSTEM advisory council. Each grant must provide STEM
 5 education-related opportunities for pupils.

6 (i) The MiSTEM advisory council shall work with the executive
 7 director of the MiSTEM network to implement the statewide STEM
 8 strategy adopted by the MiSTEM advisory council.

9 (3) From the state school aid fund money allocated under
 10 subsection (1), there is allocated for ~~2018-2019-2019-2020~~ an
 11 amount not to exceed ~~\$3,050,000.00~~ **\$7,050,000.00, and from the**
 12 **talent investment fund money allocated under subsection (1), there**
 13 **is allocated \$1,000,000.00,** for the purpose of funding programs
 14 under this section for ~~2018-2019, 2019-2020~~, as recommended by the
 15 MiSTEM advisory council.

16 (4) From the school aid fund allocation under subsection (1),
 17 there is allocated an amount not to exceed \$3,834,300.00 for ~~2018-~~
 18 ~~2019-2019-2020~~ to support the activities and programs of the MiSTEM
 19 network regions. In addition, from the federal funds allocated
 20 under subsection (1), there is allocated for ~~2018-2019-2019-2020~~ an
 21 amount estimated at ~~\$3,500,000.00~~ **\$235,000.00** from DED-OESE, title
 22 II, mathematics and science partnership grants, for the purposes of
 23 this subsection. ~~Beginning in 2018-2019, the~~ **From the money**
 24 **allocated under this subsection, the department shall award the**
 25 fiscal agent for each MiSTEM network region ~~shall receive~~
 26 \$200,000.00 for the base operations of each region. The **department**
 27 **shall distribute the** remaining funds ~~will be distributed to~~ each
 28 fiscal agent in an equal amount per pupil, based on the number of K
 29 to 12 pupils enrolled in districts within each region in the ~~prior~~



1 **immediately preceding** fiscal year.

2 (5) A MiSTEM network region shall do all of the following:

3 (a) Collaborate with the career and educational advisory
4 council that is located in the MiSTEM region to develop a regional
5 strategic plan for STEM education that creates a robust regional
6 STEM culture, that empowers STEM teachers, that integrates business
7 and education into the STEM network, and that ensures high-quality
8 STEM experiences for pupils. At a minimum, a regional STEM
9 strategic plan should do all of the following:

10 (i) Identify regional employer need for STEM.

11 (ii) Identify processes for regional employers and educators to
12 create guided pathways for STEM careers that include internships or
13 externships, apprenticeships, and other experiential engagements
14 for pupils.

15 (iii) Identify educator professional development opportunities,
16 including internships or externships and apprenticeships, that
17 integrate this state's science standards into high-quality STEM
18 experiences that engage pupils.

19 (b) Facilitate regional STEM events such as educator and
20 employer networking and STEM career fairs to raise STEM awareness.

21 (c) Contribute to the MiSTEM website and engage in other
22 MiSTEM network functions to further the mission of STEM in this
23 state in coordination with the MiSTEM advisory council and its
24 executive director.

25 (d) Facilitate application and implementation of state and
26 federal funds under this subsection and any other grants or funds
27 for the MiSTEM network region.

28 (e) Work with districts to provide STEM programming and
29 professional development.



1 (f) Coordinate recurring discussions and work with the career
 2 and educational advisory council to ensure that feedback and best
 3 practices are being shared, including funding, program,
 4 professional learning opportunities, and regional strategic plans.

5 (6) From the school aid funds allocated under subsection (1),
 6 the department shall distribute for ~~2018-2019~~ **2019-2020** an amount
 7 not to exceed \$750,000.00, in a form and manner determined by the
 8 department, to those network regions able to provide curriculum and
 9 professional development support to assist districts in
 10 implementing the Michigan merit curriculum components for
 11 mathematics and science.

12 (7) In order to receive state or federal funds under
 13 subsection (4) or (6), **or to receive private funds received by the**
 14 **MiSTEM network as authorized under subsection (1)**, a grant
 15 recipient ~~shall~~ **must** allow access for the department or the
 16 department's designee to audit all records related to the program
 17 for which it receives those funds. The grant recipient shall
 18 reimburse the state for all disallowances found in the audit.

19 (8) In order to receive state funds under subsection (4) or
 20 (6), a grant recipient ~~shall~~ **must** provide at least a 10% local
 21 match from local public or private resources for the funds received
 22 under this subsection.

23 (9) Not later than July 1, 2019 and July 1 of each year
 24 thereafter, a MiSTEM network region that receives funds under
 25 subsection (4) shall report to the executive director of the MiSTEM
 26 network in a form and manner prescribed by the executive director
 27 on performance measures developed by the MiSTEM network regions and
 28 approved by the executive director. The performance measures ~~shall~~
 29 **must** be designed to ensure that the activities of the MiSTEM



1 network are improving student academic outcomes.

2 (10) Not more than ~~5%~~**4%** of a MiSTEM network region grant
3 under subsection (4) or (6) may be retained by a fiscal agent for
4 serving as the fiscal agent of a MiSTEM network region.

5 (11) From the general fund allocation under subsection (1),
6 there is allocated an amount not to exceed \$300,000.00 to the
7 department of ~~technology, management, and budget~~**talent and**
8 **economic development** to support the functions of the executive
9 director and executive assistant for the MiSTEM network, and for
10 administrative, training, and travel costs related to the MiSTEM
11 advisory council. The executive director and executive assistant
12 for the MiSTEM network shall do all of the following:

13 (a) Serve as a liaison among and between the department, the
14 department of ~~technology, management, and budget~~**talent and**
15 **economic development**, the MiSTEM advisory council, ~~the Michigan~~
16 ~~mathematics and science centers network~~, the governor's **future**
17 ~~talent investment board~~, ~~the general education leadership network~~,
18 ~~and council~~, the MiSTEM regions, **and any other relevant**
19 **organizations or entities** in a manner that creates a robust
20 statewide STEM culture, that empowers STEM teachers, that
21 integrates business and education into the STEM network, and that
22 ensures high-quality STEM experiences for pupils.

23 (b) Coordinate the implementation of a marketing campaign,
24 including, but not limited to, a website that includes dashboards
25 of outcomes, to build STEM awareness and communicate STEM needs and
26 opportunities to pupils, parents, educators, and the business
27 community.

28 (c) Work with the department and the MiSTEM advisory council
29 to coordinate, award, and monitor MiSTEM state and federal grants



1 to the MiSTEM network regions and conduct reviews of grant
2 recipients, including, but not limited to, pupil experience and
3 feedback.

4 (d) Report to the governor, the legislature, the department,
5 and the MiSTEM advisory council annually on the activities and
6 performance of the MiSTEM network regions.

7 (e) Coordinate recurring discussions and work with regional
8 staff to ensure that a network or loop of feedback and best
9 practices are shared, including funding, programming, professional
10 learning opportunities, discussion of MiSTEM strategic vision, and
11 regional objectives.

12 (f) Coordinate major grant application efforts with the MiSTEM
13 advisory council to assist regional staff with grant applications
14 on a local level. The MiSTEM advisory council shall leverage
15 private and nonprofit relationships to coordinate and align private
16 funds in addition to funds appropriated under this section.

17 (g) Train state and regional staff in the STEMworks rating
18 system, in collaboration with the MiSTEM advisory council and the
19 department.

20 (h) Collaborate with the MiSTEM network to hire MiSTEM network
21 region staff.

22 (12) As used in this section:

23 (a) "Career and educational advisory council" means an
24 advisory council to the local workforce development boards located
25 in a prosperity region consisting of educational, employer, labor,
26 and parent representatives.

27 (b) "DED" means the United States Department of Education.

28 (c) "DED-OESE" means the DED Office of Elementary and
29 Secondary Education.



1 (d) "STEM" means science, technology, engineering, and
2 mathematics delivered in an integrated fashion using cross-
3 disciplinary learning experiences that can include language arts,
4 performing and fine arts, and career and technical education.

5 Sec. 99t. (1) From the general fund appropriation under
6 section 11, there is allocated an amount not to exceed
7 \$1,500,000.00 for ~~2018-2019~~**2019-2020** to purchase statewide access
8 to an online algebra tool that meets all of the following:

9 (a) Provides students statewide with complete access to videos
10 aligned with state standards including study guides and workbooks
11 that are aligned with the videos.

12 (b) Provides students statewide with access to a personalized
13 online algebra learning tool including adaptive diagnostics.

14 (c) Provides students statewide with dynamic algebra practice
15 assessments that emulate the state assessment with immediate
16 feedback and help solving problems.

17 (d) Provides students statewide with online access to algebra
18 help 24 hours a day and 7 days a week from study experts, teachers,
19 and peers on a moderated social networking platform.

20 (e) Provides an online algebra professional development
21 network for teachers.

22 (f) Is already provided under a statewide contract in at least
23 1 other state that has a population of at least 18,000,000 but not
24 more than 19,000,000 according to the most recent decennial census
25 and is offered in that state in partnership with a public
26 university.

27 (2) The department shall purchase the online algebra tool that
28 was chosen under this section in 2016-2017.

29 (3) A grantee receiving funding under this section shall



1 comply with the requirements of section 19b.

2 Sec. 99u. (1) From the general fund appropriation under
3 section 11, there is allocated for ~~2018-2019~~ **2019-2020** an amount
4 not to exceed \$1,500,000.00 to purchase statewide access to ~~a~~
5 ~~online mathematics tool that meets~~ **1 or more online mathematics**
6 **tools. The department shall select 1 or more vendors for the**
7 **purposes of this subsection using a competitive proposal process.**
8 **An online mathematics tool purchased under this subsection must**
9 **meet at least** all of the following:

10 (a) Provides students statewide with complete access to
11 mathematics support aligned with state standards through a program
12 that has all of the following elements:

13 (i) Student motivation.

14 (ii) Valid and reliable assessments.

15 (iii) Personalized learning pathways.

16 (iv) Highly qualified, live teachers available all day and all
17 year.

18 (v) Twenty-four-hour reporting.

19 (vi) Content built for rigorous mathematics.

20 (b) Has a record of improving student mathematics scores in at
21 least 5 other states.

22 ~~(c) Received funding under this section in 2017-2018.~~

23 (2) A grantee that receives funding under this section shall
24 comply with the requirements of section 19b.

25 (3) In addition to the funds allocated under subsection (1),
26 from the general fund appropriation in section 11, there is
27 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
28 \$500,000.00 for **a grant for** a software-based solution designed to
29 teach Spanish language literacy to students in pre-kindergarten



1 through first grade. A program funded under this subsection ~~shall~~
 2 ~~be~~ **is** a grant to the eligible provider that promotes bilingualism
 3 and biliteracy, and is based on research that shows how students
 4 who become proficient readers in their first language have an
 5 easier time making the transition to reading proficiency in a
 6 second language. A provider of programming under subsection (1) is
 7 the eligible provider of programming under this subsection.

8 (4) In addition to the funds allocated under subsection (1),
 9 from the general fund money appropriated in section 11, there is
 10 allocated for 2018-2019 **and for 2019-2020** an amount not to exceed
 11 \$1,000,000.00 **each fiscal year for a grant for** a pilot program to
 12 provide explicit, targeted literacy instruction within an
 13 individualized learning path that continually adjusts to a pupil's
 14 needs. A program funded under this subsection ~~shall be~~ **is** a grant
 15 to the eligible provider that promotes literacy by teaching
 16 critical language and literacy concepts such as reading and
 17 listening comprehension, basic vocabulary, academic language,
 18 grammar, phonological awareness, phonics, and fluency. A pilot
 19 program funded under this subsection shall cover both the remainder
 20 of 2018-2019 and also the entire 2019-2020 school year. A provider
 21 of programming under subsection (1) is the eligible provider of
 22 programming under this subsection.

23 (5) Notwithstanding section 17b, **the department shall make**
 24 payments ~~made~~ under this section ~~shall be made~~ not later than ~~March~~
 25 ~~1,~~ **December 1, 2019.**

26 Sec. 99w. (1) From the general fund money appropriated under
 27 section 11, there is allocated an amount not to exceed ~~\$500,000.00~~
 28 ~~for 2018-2019~~ **\$100.00 for 2019-2020** to facilitate a culture of
 29 health and physical activity as part of daily life. ~~Funding~~ **The**



1 **department shall use the funding** under this section ~~shall be for~~ a
 2 grant to the Michigan Fitness Foundation to work with the
 3 department to invest in a physical education curriculum. Funding
 4 under this section may support staff, evaluation, assessment,
 5 technology, meetings, training, travel, materials, and other
 6 administrative expenses in support of an updated physical education
 7 curriculum. Funding under this section may be used as matching
 8 dollars to qualify for federal and private resources to support
 9 physical education.

10 (2) Notwithstanding section 17b, **the department shall make**
 11 payments made under this section ~~shall be made not later than March~~
 12 ~~1, 2019.~~ **December 1, 2020.**

13 Sec. 99x. (1) From the general fund money appropriated under
 14 section 11, there is allocated for ~~2018-2019~~ **2019-2020** an amount
 15 not to exceed ~~\$300,000.00~~ **\$800,000.00** for Teach for America to host
 16 a summer training institute in the city of Detroit, recruit
 17 teachers into a master teacher fellowship, and retain a committed
 18 alumni community. A program funded under this section must provide
 19 coaching and professional development, with the goal to produce
 20 highly effective teachers that move pupils beyond their growth
 21 benchmarks.

22 (2) Notwithstanding section 17b, **the department shall make**
 23 payments ~~made under this section shall be made not later than March~~
 24 **December 1, 2019.**

25 Sec. 101. (1) To be eligible to receive state aid under this
 26 article, not later than the fifth Wednesday after the pupil
 27 membership count day and not later than the fifth Wednesday after
 28 the supplemental count day, each district superintendent shall
 29 submit **and certify** to the center and the intermediate



1 superintendent, in the form and manner prescribed by the center,
 2 the number of pupils enrolled and in regular daily attendance in
 3 the district as of the pupil membership count day and as of the
 4 supplemental count day, as applicable, for the current school year.
 5 In addition, a district maintaining school during the entire year,
 6 ~~as provided under section 1561 of the revised school code, MCL~~
 7 ~~380.1561,~~ shall submit **and certify** to the center and the
 8 intermediate superintendent, in the form and manner prescribed by
 9 the center, the number of pupils enrolled and in regular daily
 10 attendance in the district for the current school year pursuant to
 11 rules promulgated by the superintendent. Not later than the sixth
 12 Wednesday after the pupil membership count day and not later than
 13 the sixth Wednesday after the supplemental count day, the district
 14 shall ~~certify~~ **resolve any pupil membership conflict with another**
 15 **district, correct any data issues, and recertify** the data in a form
 16 and manner prescribed by the center and file the certified data
 17 with the intermediate superintendent. If a district fails to submit
 18 and certify the attendance data, as required under this subsection,
 19 the center shall notify the department and **the department shall**
 20 **withhold** state aid due to be distributed under this article ~~shall~~
 21 ~~be withheld~~ from the defaulting district immediately, beginning
 22 with the next payment after the failure and continuing with each
 23 payment until the district complies with this subsection. If a
 24 district does not comply with this subsection by the end of the
 25 fiscal year, the district forfeits the amount withheld. A person
 26 who willfully falsifies a figure or statement in the certified and
 27 sworn copy of enrollment ~~shall be punished in the manner~~ **is subject**
 28 **to penalty as** prescribed by section 161.

29 (2) To be eligible to receive state aid under this article,



1 not later than the twenty-fourth Wednesday after the pupil
 2 membership count day and not later than the twenty-fourth Wednesday
 3 after the supplemental count day, an intermediate district shall
 4 submit to the center, in a form and manner prescribed by the
 5 center, the audited enrollment and attendance data for the pupils
 6 of its constituent districts and of the intermediate district. If
 7 an intermediate district fails to submit the audited data as
 8 required under this subsection, **the department shall withhold** state
 9 aid due to be distributed under this article ~~shall be withheld~~ from
 10 the defaulting intermediate district immediately, beginning with
 11 the next payment after the failure and continuing with each payment
 12 until the intermediate district complies with this subsection. If
 13 an intermediate district does not comply with this subsection by
 14 the end of the fiscal year, the intermediate district forfeits the
 15 amount withheld.

16 (3) Except as otherwise provided in subsections (11) and (12),
 17 all of the following apply to the provision of pupil instruction:

18 (a) Except as otherwise provided in this section, each
 19 district shall provide at least 1,098 hours and ~~, beginning in~~
 20 ~~2010-2011, the required minimum number of 180~~ days of pupil
 21 instruction. ~~Beginning in 2014-2015, the required minimum number of~~
 22 ~~days of pupil instruction is 175. However, all of the following~~
 23 ~~apply to these requirements:~~

24 ~~(i) If a collective bargaining agreement that provides a~~
 25 ~~complete school calendar was in effect for employees of a district~~
 26 ~~as of July 1, 2013, and if that school calendar is not in~~
 27 ~~compliance with this subsection, then this subsection does not~~
 28 ~~apply to that district until after the expiration of that~~
 29 ~~collective bargaining agreement. If a district entered into a~~



1 ~~collective bargaining agreement on or after July 1, 2013 and if~~
 2 ~~that collective bargaining agreement did not provide for at least~~
 3 ~~175 days of pupil instruction beginning in 2014-2015, then the~~
 4 ~~department shall withhold from the district's total state school~~
 5 ~~aid an amount equal to 5% of the funding the district receives in~~
 6 ~~2014-2015 under sections 22a and 22b.~~

7 ~~(ii) A district may apply for a waiver under subsection (9)~~
 8 ~~from the requirements of this subdivision.~~

9 ~~(b) Beginning in 2016-2017, the required minimum number of~~
 10 ~~days of pupil instruction is 180. If a collective bargaining~~
 11 ~~agreement that provides a complete school calendar was in effect~~
 12 ~~for employees of a district as of June 24, 2014, and if that school~~
 13 ~~calendar is not in compliance with this subdivision, then this~~
 14 ~~subdivision does not apply to that district until after the~~
 15 ~~expiration of that collective bargaining agreement. A district may~~
 16 ~~apply for a waiver under subsection (9) from the requirements of~~
 17 ~~this subdivision.~~

18 ~~(b) (e)~~ Except as otherwise provided in this article, a
 19 district failing to comply with the required minimum hours and days
 20 of pupil instruction under this subsection ~~shall forfeit~~ **forfeits**
 21 from its total state aid allocation an amount determined by
 22 applying a ratio of the number of hours or days the district was in
 23 noncompliance in relation to the required minimum number of hours
 24 and days under this subsection. Not later than August 1, the board
 25 of each district shall either certify to the department that the
 26 district was in full compliance with this section regarding the
 27 number of hours and days of pupil instruction in the previous
 28 school year, or report to the department, in a form and manner
 29 prescribed by the center, each instance of noncompliance. If the



1 district did not provide at least the required minimum number of
2 hours and days of pupil instruction under this subsection, **the**
3 **department shall make** the deduction of state aid ~~shall be made in~~
4 the following fiscal year from the first payment of state school
5 aid. A district is not subject to forfeiture of funds under this
6 subsection for a fiscal year in which a forfeiture was already
7 imposed under subsection (6).

8 (c) ~~(d)~~ Hours or days lost because of strikes or teachers'
9 conferences ~~shall not be~~ **are not** counted as hours or days of pupil
10 instruction.

11 ~~(e) If a collective bargaining agreement that provides a~~
12 ~~complete school calendar is in effect for employees of a district~~
13 ~~as of October 19, 2009, and if that school calendar is not in~~
14 ~~compliance with this subsection, then this subsection does not~~
15 ~~apply to that district until after the expiration of that~~
16 ~~collective bargaining agreement.~~

17 (d) ~~(f)~~ Except as otherwise provided in subdivisions ~~(g) and~~
18 ~~(h),~~ **(e) and (f), if** a district ~~not having~~ **does not have** at least
19 75% of the district's membership in attendance on any day of pupil
20 instruction, ~~shall receive~~ **the department shall pay the district**
21 state aid in that proportion of 1/180 that the actual percent of
22 attendance bears to ~~the specified percentage.~~ **75%.**

23 (e) ~~(g)~~ If a district adds 1 or more days of pupil instruction
24 to the end of its instructional calendar for a school year to
25 comply with subdivision (a) because the district otherwise would
26 fail to provide the required minimum number of days of pupil
27 instruction even after the operation of subsection (4) due to
28 conditions not within the control of school authorities, then
29 subdivision ~~(f)~~ **(d)** does not apply for any day of pupil instruction



1 that is added to the end of the instructional calendar. Instead,
 2 for any of those days, if the district does not have at least 60%
 3 of the district's membership in attendance on that day, **the**
 4 **department shall pay** the district ~~shall receive~~ state aid in that
 5 proportion of 1/180 that the actual percentage of attendance bears
 6 to ~~the specified percentage. 60%~~. For any day of pupil instruction
 7 added to the instructional calendar as described in this
 8 subdivision, the district shall report to the department the
 9 percentage of the district's membership that is in attendance, in
 10 the form and manner prescribed by the department.

11 **(f)** ~~(h)~~ At the request of a district that operates a
 12 department-approved alternative education program and that does not
 13 provide instruction for pupils in all of grades K to 12, the
 14 superintendent shall grant a waiver from the requirements of
 15 subdivision ~~(f)~~ **(d)**. The waiver ~~shall indicate~~ **must provide** that
 16 an eligible district is subject to the proration provisions of
 17 subdivision ~~(f)~~ **(d)** only if the district does not have at least 50%
 18 of the district's membership in attendance on any day of pupil
 19 instruction. In order to be eligible for this waiver, a district
 20 must maintain records to substantiate its compliance with the
 21 following requirements:

22 **(i)** The district offers the minimum hours of pupil instruction
 23 as required under this section.

24 **(ii)** For each enrolled pupil, the district uses appropriate
 25 academic assessments to develop an individual education plan that
 26 leads to a high school diploma.

27 **(iii)** The district tests each pupil to determine academic
 28 progress at regular intervals and records the results of those
 29 tests in that pupil's individual education plan.



1 **(g)** ~~(i)~~—All of the following apply to a waiver granted under
2 subdivision ~~(h)~~: **(f)** :

3 **(i)** If the waiver is for a blended model of delivery, a waiver
4 that is granted for the 2011-2012 fiscal year or a subsequent
5 fiscal year remains in effect unless it is revoked by the
6 superintendent.

7 **(ii)** If the waiver is for a 100% online model of delivery and
8 the educational program for which the waiver is granted makes
9 educational services available to pupils for a minimum of at least
10 1,098 hours during a school year and ensures that each pupil
11 participates in the educational program for at least 1,098 hours
12 during a school year, a waiver that is granted for the 2011-2012
13 fiscal year or a subsequent fiscal year remains in effect unless it
14 is revoked by the superintendent.

15 **(iii)** A waiver that is not a waiver described in subparagraph
16 **(i)** or **(ii)** is valid for 1 fiscal year and must be renewed annually
17 to remain in effect.

18 **(h)** ~~(j)~~—The superintendent shall promulgate rules for the
19 implementation of this subsection.

20 **(4)** Except as otherwise provided in this subsection, the first
21 6 days or the equivalent number of hours for which pupil
22 instruction is not provided because of conditions not within the
23 control of school authorities, such as severe storms, fires,
24 epidemics, utility power unavailability, water or sewer failure, or
25 health conditions as defined by the city, county, or state health
26 authorities, are counted as hours and days of pupil instruction.
27 For 2018-2019 only, in addition to these 6 days, if pupil
28 instruction is not provided on 1 or more days that are included in
29 a period for which the governor has issued an executive order



1 declaring a state of emergency across this state, upon request by a
 2 district to the superintendent of public instruction, in a form and
 3 manner prescribed by the department, that 1 or more of those days
 4 and the equivalent number of hours count as days and hours of pupil
 5 instruction, the department shall count those requested days and
 6 the equivalent number of hours as days and hours of pupil
 7 instruction for the purposes of this section. For 2018-2019, the
 8 days included in the executive order are January 29, 2019 to
 9 February 2, 2019. With the approval of the superintendent of public
 10 instruction, the department shall count as hours and days of pupil
 11 instruction for a fiscal year not more than 3 additional days or
 12 the equivalent number of additional hours for which pupil
 13 instruction is not provided in a district due to unusual and
 14 extenuating occurrences resulting from conditions not within the
 15 control of school authorities such as those conditions described in
 16 this subsection. Subsequent such hours or days ~~shall not be~~ **are not**
 17 counted as hours or days of pupil instruction.

18 (5) A district ~~shall~~ **does** not forfeit part of its state aid
 19 appropriation because it adopts or has in existence an alternative
 20 scheduling program for pupils in kindergarten if the program
 21 provides at least the number of hours required under subsection (3)
 22 for a full-time equated membership for a pupil in kindergarten as
 23 provided under section 6(4).

24 (6) In addition to any other penalty or forfeiture under this
 25 section, if at any time the department determines that 1 or more of
 26 the following have occurred in a district, the district ~~shall~~
 27 ~~forfeit~~ **forfeits** in the current fiscal year beginning in the next
 28 payment to be calculated by the department a proportion of the
 29 funds due to the district under this article that is equal to the



1 proportion below the required minimum number of hours and days of
2 pupil instruction under subsection (3), as specified in the
3 following:

4 (a) The district fails to operate its schools for at least the
5 required minimum number of hours and days of pupil instruction
6 under subsection (3) in a school year, including hours and days
7 counted under subsection (4).

8 (b) The board of the district takes formal action not to
9 operate its schools for at least the required minimum number of
10 hours and days of pupil instruction under subsection (3) in a
11 school year, including hours and days counted under subsection (4).

12 (7) In providing the minimum number of hours and days of pupil
13 instruction required under subsection (3), a district shall use the
14 following guidelines, and a district shall maintain records to
15 substantiate its compliance with the following guidelines:

16 (a) Except as otherwise provided in this subsection, a pupil
17 must be scheduled for at least the required minimum number of hours
18 of instruction, excluding study halls, or at least the sum of 90
19 hours plus the required minimum number of hours of instruction,
20 including up to 2 study halls.

21 (b) The time a pupil is assigned to any tutorial activity in a
22 block schedule may be considered instructional time, unless that
23 time is determined in an audit to be a study hall period.

24 (c) Except as otherwise provided in this subdivision, a pupil
25 in grades 9 to 12 for whom a reduced schedule is determined to be
26 in the individual pupil's best educational interest must be
27 scheduled for a number of hours equal to at least 80% of the
28 required minimum number of hours of pupil instruction to be
29 considered a full-time equivalent pupil. A pupil in grades 9 to 12



1 who is scheduled in a 4-block schedule may receive a reduced
2 schedule under this subsection if the pupil is scheduled for a
3 number of hours equal to at least 75% of the required minimum
4 number of hours of pupil instruction to be considered a full-time
5 equivalent pupil.

6 (d) If a pupil in grades 9 to 12 who is enrolled in a
7 cooperative education program or a special education pupil cannot
8 receive the required minimum number of hours of pupil instruction
9 solely because of travel time between instructional sites during
10 the school day, that travel time, up to a maximum of 3 hours per
11 school week, ~~shall be~~ **is** considered to be pupil instruction time
12 for the purpose of determining whether the pupil is receiving the
13 required minimum number of hours of pupil instruction. However, if
14 a district demonstrates to the satisfaction of the department that
15 the travel time limitation under this subdivision would create
16 undue costs or hardship to the district, the department may
17 consider more travel time to be pupil instruction time for this
18 purpose.

19 (e) In grades 7 through 12, instructional time that is part of
20 a Junior Reserve Officer Training Corps (JROTC) program ~~shall be~~ **is**
21 considered to be pupil instruction time regardless of whether the
22 instructor is a certificated teacher if all of the following are
23 met:

24 (i) The instructor has met all of the requirements established
25 by the United States Department of Defense and the applicable
26 branch of the armed services for serving as an instructor in the
27 Junior Reserve Officer Training Corps program.

28 (ii) The board of the district or intermediate district
29 employing or assigning the instructor complies with the



1 requirements of sections 1230 and 1230a of the revised school code,
2 MCL 380.1230 and 380.1230a, with respect to the instructor to the
3 same extent as if employing the instructor as a regular classroom
4 teacher.

5 (8) Except as otherwise provided in subsections (11) and (12),
6 the department shall apply the guidelines under subsection (7) in
7 calculating the full-time equivalency of pupils.

8 (9) Upon application by the district for a particular fiscal
9 year, the superintendent shall waive for a district the minimum
10 number of hours and days of pupil instruction requirement of
11 subsection (3) for a department-approved alternative education
12 program or another innovative program approved by the department,
13 including a 4-day school week. If a district applies for and
14 receives a waiver under this subsection and complies with the terms
15 of the waiver, the district is not subject to forfeiture under this
16 section for the specific program covered by the waiver. If the
17 district does not comply with the terms of the waiver, the amount
18 of the forfeiture ~~shall be~~ **is** calculated based upon a comparison of
19 the number of hours and days of pupil instruction actually provided
20 to the minimum number of hours and days of pupil instruction
21 required under subsection (3). ~~Pupils~~ **A district shall report**
22 **pupils** enrolled in a department-approved alternative education
23 program under this subsection ~~shall be reported~~ to the center in a
24 form and manner determined by the center. All of the following
25 apply to a waiver granted under this subsection:

26 (a) If the waiver is for a blended model of delivery, a waiver
27 that is granted for the 2011-2012 fiscal year or a subsequent
28 fiscal year remains in effect unless it is revoked by the
29 superintendent.



1 (b) If the waiver is for a 100% online model of delivery and
2 the educational program for which the waiver is granted makes
3 educational services available to pupils for a minimum of at least
4 1,098 hours during a school year and ensures that each pupil is on
5 track for course completion at proficiency level, a waiver that is
6 granted for the 2011-2012 fiscal year or a subsequent fiscal year
7 remains in effect unless it is revoked by the superintendent.

8 (c) A waiver that is not a waiver described in subdivision (a)
9 or (b) is valid for 1 fiscal year and must be renewed annually to
10 remain in effect.

11 ~~(d) For 2018-2019 only, the department shall grant a waiver to~~
12 ~~a district that applies for a waiver for a blended model of~~
13 ~~delivery after the department's application deadline if the~~
14 ~~district meets the other requirements for a waiver under this~~
15 ~~subsection.~~

16 (10) ~~Until 2014-2015, a~~ **A** district may count up to 38 hours of
17 qualifying professional development for teachers as hours of pupil
18 instruction. ~~However, if a collective bargaining agreement that~~
19 ~~provides for the counting of up to 38 hours of qualifying~~
20 ~~professional development for teachers as pupil instruction is in~~
21 ~~effect for employees of a district as of July 1, 2013, then until~~
22 ~~the school year that begins after the expiration of that collective~~
23 ~~bargaining agreement a district may count up to the contractually~~
24 ~~specified number of hours of qualifying professional development~~
25 ~~for teachers as hours of pupil instruction. Professional~~
26 ~~development provided online is allowable and encouraged, as long as~~
27 ~~the instruction has been approved by the district. The department~~
28 ~~shall issue a list of approved online professional development~~
29 ~~providers, which shall include the Michigan Virtual School. As used~~



1 ~~in this subsection, "qualifying professional development" means~~
 2 ~~professional development that is focused on 1 or more of the~~
 3 ~~following:~~

4 ~~(a) Achieving or improving adequate yearly progress as defined~~
 5 ~~under the no child left behind act of 2001, Public Law 107-110.~~

6 ~~(b) Achieving accreditation or improving a school's~~
 7 ~~accreditation status under section 1280 of the revised school code,~~
 8 ~~MCL 380.1280.~~

9 ~~(c) Achieving highly qualified teacher status as defined under~~
 10 ~~the no child left behind act of 2001, Public Law 107-110.~~

11 ~~(d) Integrating technology into classroom instruction.~~

12 ~~(e) Maintaining teacher certification.~~ **All of the following**
 13 **apply to the counting of qualifying professional development as**
 14 **pupil instruction under this subsection:**

15 (a) If qualifying professional development exceeds 6 hours in
 16 a single day, that day may be counted as a day of pupil
 17 instruction.

18 (b) At least 8 hours of the qualifying professional
 19 development counted as hours of pupil instruction under this
 20 subsection must be recommended by a districtwide professional
 21 development advisory committee appointed by the district board. The
 22 advisory committee must be composed of teachers employed by the
 23 district who represent a variety of grades and subject matter
 24 specializations, including special education; nonteaching staff;
 25 parents; and administrators. The majority membership of the
 26 committee shall be composed of teaching staff.

27 (c) Professional development provided online is allowable and
 28 encouraged, as long as the instruction has been approved by the
 29 district. The department shall issue a list of approved online



1 professional development providers, which must include the Michigan
2 Virtual School.

3 (d) Qualifying professional development may only be counted as
4 hours of pupil instruction for the pupils of those teachers
5 scheduled to participate in the qualifying professional
6 development.

7 (e) For professional development to be considered qualifying
8 professional development under this subsection, the professional
9 development must meet all of the following:

10 (i) Is aligned to the school or district improvement plan for
11 the school or district in which the professional development is
12 being provided.

13 (ii) Is linked to 1 or more criteria in the evaluation tool
14 developed or adopted by the district or intermediate district under
15 section 1249 of the revised school code, MCL 380.1249.

16 (iii) Has been approved by the department as counting for state
17 continuing education clock hours. The number of hours of
18 professional development counted as hours of pupil instruction may
19 not exceed the number of state continuing education clock hours for
20 which the qualifying professional development was approved.

21 (iv) Not more than 4 hours take place before the first
22 scheduled day of school for the school year ending in the fiscal
23 year and not more than 4 hours take place after the last scheduled
24 day of school for that school year.

25 (v) No more than 10 hours of qualifying professional
26 development may be delivered in a single month.

27 (vi) At least 75% of teachers scheduled to participate in the
28 professional development are in attendance.

29 (11) Subsections (3) and (8) do not apply to a school of



1 excellence that is a cyber school, as defined in section 551 of the
2 revised school code, MCL 380.551, and is in compliance with section
3 553a of the revised school code, MCL 380.553a.

4 (12) Subsections (3) and (8) do not apply to eligible pupils
5 enrolled in a dropout recovery program that meets the requirements
6 of section 23a. As used in this subsection, "eligible pupil" means
7 that term as defined in section 23a.

8 (13) ~~Beginning in 2013, at~~ **At** least every 2 years the
9 superintendent shall review the waiver standards set forth in the
10 pupil accounting and auditing manuals to ensure that the waiver
11 standards and waiver process continue to be appropriate and
12 responsive to changing trends in online learning. The
13 superintendent shall solicit and consider input from stakeholders
14 as part of this review.

15 Sec. 102d. (1) From the funds appropriated in section 11,
16 there is allocated an amount not to exceed \$1,500,000.00 for ~~2018-~~
17 ~~2019-~~ **2019-2020** for reimbursements to districts, intermediate
18 districts, and authorizing bodies of public school academies for
19 the licensing of school data analytical tools as described under
20 this section. The reimbursement is for districts, intermediate
21 districts, and authorizing bodies of public school academies that
22 choose to use a school data analytical tool to assist the district,
23 intermediate district, or authorizing body of a public school
24 academy and that enter into a licensing agreement for a school data
25 analytical tool with 1 of the vendors approved by the department of
26 technology, management, and budget under subsection (2). Funds
27 allocated under this section are intended to provide districts,
28 intermediate districts, and authorizing bodies of public school
29 academies with financial forecasting and transparency reporting



1 tools to help improve the financial health of districts and to
 2 improve communication with the public, resulting in increased fund
 3 balances for districts and intermediate districts.

4 (2) A vendor approved under this section for ~~2017-2018-2018-~~
 5 **2019** is approved for use by a district, intermediate district, or
 6 authorizing body of a public school academy and for reimbursement
 7 for ~~2018-2019-2019-2020~~.

8 (3) ~~Funds~~ **The department shall pay funds** allocated under this
 9 section ~~shall be paid~~ to districts, intermediate districts, and
 10 authorizing bodies of public school academies as a reimbursement
 11 for already having a licensing agreement or for entering into a
 12 licensing agreement not later than December 1, ~~2018-2019~~ with a
 13 vendor approved under subsection (2) to implement a school data
 14 analytical tool. Reimbursement ~~will be~~ **is** prorated for the portion
 15 of the state fiscal year not covered by the licensing agreement.
 16 However, a licensing agreement that takes effect after October 1,
 17 ~~2018-2019~~ and before December 1, ~~2018~~ **will not be 2019 is not**
 18 prorated if the term of the agreement is at least 1 year.
 19 ~~Reimbursement~~ **The department shall make reimbursement** under this
 20 section ~~shall be made~~ as follows:

21 (a) All districts, intermediate districts, and authorizing
 22 bodies of public school academies seeking reimbursement shall
 23 submit requests not later than December 1, ~~2018-2019~~ indicating the
 24 cost paid for the school data analytical tool.

25 (b) The department shall determine the sum of the funding
 26 requests under subdivision (a) and, if there are sufficient funds,
 27 shall pay 1/2 of the costs submitted under subdivision (a). If
 28 there are insufficient funds to pay 1/2 of the costs submitted
 29 under (a), then **the department shall make** reimbursement ~~shall be~~



1 ~~made~~ on an equal percentage basis.

2 (c) ~~Funds~~ **The department shall distribute funds** remaining
 3 after the calculation and payment under subdivision (b) ~~shall be~~
 4 ~~distributed~~ on an equal per-pupil basis, with an intermediate
 5 district's pupils considered to be the sum of the pupil memberships
 6 of the constituent districts for which the intermediate district is
 7 purchasing the school data analytical tool, and with an authorizing
 8 body's pupils considered to be the sum of the pupil memberships of
 9 the public school academies authorized by the authorizing body for
 10 which the authorizing body is purchasing the school data analytical
 11 tool.

12 (d) The reimbursement to a district, intermediate district, or
 13 authorizing body of a public school academy ~~shall~~ **must** not be
 14 greater than the amount paid for a data analytics application.

15 (e) ~~A~~ **The department shall not reimburse a** district,
 16 intermediate district, or authorizing body of a public school
 17 academy ~~shall not be reimbursed~~ for the purchase of more than 1
 18 software application.

19 (4) If an intermediate district purchases both a school data
 20 analytical tool specifically for intermediate district finances and
 21 a school data analytical tool for those constituent districts that
 22 opt in, **the department shall reimburse** the intermediate district
 23 ~~shall be reimbursed~~ for both purchases under this section.

24 (5) If an intermediate district makes available to 1 or more
 25 of its constituent districts a school data analytical tool funded
 26 under this section, **the department shall not reimburse** that
 27 constituent district ~~shall not be reimbursed~~ under this section for
 28 the purchase of that school data analytical tool if the constituent
 29 district has opted in for that tool.



1 (6) If an authorizing body of a public school academy makes
 2 available to 1 or more public school academies a school data
 3 analytical tool funded under this section, **the department shall not**
 4 **reimburse** the public school academy ~~shall not be reimbursed~~ under
 5 this section for the purchase of a school data analytical tool if
 6 the public school academy opted in for that tool.

7 (7) Notwithstanding section 17b, **the department shall make**
 8 payments under this section ~~shall be made~~ on a schedule determined
 9 by the department.

10 Sec. 104. (1) In order to receive state aid under this
 11 article, a district shall comply with sections 1249, 1278a, 1278b,
 12 ~~1279,~~ 1279g, and 1280b of the revised school code, MCL 380.1249,
 13 380.1278a, 380.1278b, ~~380.1279,~~ 380.1279g, and 380.1280b, and 1970
 14 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
 15 the state school aid fund money appropriated in section 11, there
 16 is allocated for ~~2017-2018 an amount not to exceed \$29,709,400.00~~
 17 ~~and there is allocated for 2018-2019~~ **2019-2020** an amount not to
 18 exceed ~~\$32,509,400.00~~ **\$28,009,400.00** for payments on behalf of
 19 districts for costs associated with complying with those provisions
 20 of law. In addition, from the federal funds appropriated in section
 21 11, there is allocated ~~each fiscal year for 2017-2018 and for 2018-~~
 22 ~~2019~~ **for 2019-2020** an amount estimated at \$6,250,000.00, funded
 23 from DED-OESE, title VI, state assessment funds, and from DED-
 24 OSERS, section 504 of part B of the individuals with disabilities
 25 education act, Public Law 94-142, plus any carryover federal funds
 26 from previous year appropriations, for the purposes of complying
 27 with the federal no child left behind act of 2001, Public Law 107-
 28 110, or the every student succeeds act, Public Law 114-95.

29 (2) The results of each test administered as part of the



1 Michigan student test of educational progress (M-STEP), including
2 tests administered to high school students, ~~shall~~**must** include an
3 item analysis that lists all items that are counted for individual
4 pupil scores and the percentage of pupils choosing each possible
5 response. The department shall work with the center to identify the
6 number of students enrolled at the time assessments are given by
7 each district. In calculating the percentage of pupils assessed for
8 a district's scorecard, the department shall use only the number of
9 pupils enrolled in the district at the time the district
10 administers the assessments and shall exclude pupils who enroll in
11 the district after the district administers the assessments.

12 (3) ~~All~~**The department shall distribute** federal funds
13 allocated under this section ~~shall be distributed~~ in accordance
14 with federal law and with flexibility provisions outlined in Public
15 Law 107-116, and in the education flexibility partnership act of
16 1999, Public Law 106-25.

17 ~~(4) From the funds allocated in subsection (1), there is~~
18 ~~allocated an amount not to exceed \$1,000,000.00 for 2017-2018 and~~
19 ~~an amount not to exceed \$1,500,000.00 for 2018-2019 to an~~
20 ~~intermediate district described in this subsection to implement a~~
21 ~~Michigan kindergarten entry observation tool in 2017-2018 and 2018-~~
22 ~~2019. The funding under this subsection is allocated to an~~
23 ~~intermediate district in prosperity region 9 with at least 3,000~~
24 ~~kindergarten pupils enrolled in its constituent districts to~~
25 ~~continue participation in the Maryland-Ohio pilot and cover the~~
26 ~~costs of implementing the observation tool, including a contract~~
27 ~~with a university for implementation of the observation tool also~~
28 ~~referred to as the kindergarten readiness assessment. The~~
29 ~~intermediate district shall continue implementation of the Michigan~~



1 ~~kindergarten entry observation (MKEO) and the kindergarten~~
2 ~~readiness assessment shall be conducted in all kindergarten~~
3 ~~classrooms in districts located in prosperity regions 4, 5, and 9~~
4 ~~beginning in August 2018 and, beginning August 1, 2019, in~~
5 ~~districts located in prosperity regions 2, 3, 4, 5, 6, 7, 8, and 9.~~
6 ~~A constituent district of an intermediate district located within~~
7 ~~these prosperity regions shall administer the Maryland-Ohio tool~~
8 ~~within each kindergarten classroom to either the full census of~~
9 ~~kindergarten pupils or a representative sample of not less than 35%~~
10 ~~of the enrolled kindergarten pupils in each classroom. The~~
11 ~~intermediate district receiving the funding allocated under this~~
12 ~~subsection shall work with other intermediate districts to~~
13 ~~implement the Michigan kindergarten entry observation, engage with~~
14 ~~the office of great start and the department, and provide a report~~
15 ~~to the legislature on the demonstrated readiness of kindergarten~~
16 ~~pupils within the participating intermediate districts. That~~
17 ~~intermediate district may share this funding with the other~~
18 ~~affected intermediate districts and districts. Allowable costs~~
19 ~~under this subsection include those incurred in July, August, and~~
20 ~~September 2017 as well as those incurred in 2017-2018. As used in~~
21 ~~this subsection, "kindergarten" may include a classroom for young~~
22 ~~5-year-olds, commonly referred to as "young 5s" or "developmental~~
23 ~~kindergarten". The department shall approve the language and~~
24 ~~literacy domain within the Maryland-Ohio tool, also referred to as~~
25 ~~the "Kindergarten Readiness Assessment", for use by districts as an~~
26 ~~initial assessment that may be delivered to all kindergarten~~
27 ~~students to assist with identifying any possible area of concern~~
28 ~~for a student in English language arts.~~

29 ~~(5) The department shall continue to make the kindergarten~~



1 ~~entry assessment developed by the department and field tested in~~
 2 ~~2015-2016 available to districts in 2017-2018.~~

3 (4) ~~(6)~~—The department may recommend, but may not require,
 4 districts to allow pupils to use an external keyboard with tablet
 5 devices for online M-STEP testing, including, but not limited to,
 6 open-ended test items such as constructed response or equation
 7 builder items.

8 (5) ~~(7)~~—Notwithstanding section 17b, **the department shall make**
 9 payments on behalf of districts, intermediate districts, and other
 10 eligible entities under this section ~~shall be paid~~ on a schedule
 11 determined by the department.

12 ~~(8) From the allocation in subsection (1), there is allocated~~
 13 ~~an amount not to exceed \$3,200,000.00 for 2017-2018 and an amount~~
 14 ~~not to exceed \$500,000.00 for 2018-2019 for the development or~~
 15 ~~selection of an online reporting tool to provide student-level~~
 16 ~~assessment data in a secure environment to educators, parents, and~~
 17 ~~pupils immediately after assessments are scored. The department and~~
 18 ~~the center shall ensure that any data collected by the online~~
 19 ~~reporting tool do not provide individually identifiable student~~
 20 ~~data to the federal government.~~

21 (6) ~~(9)~~—As used in this section:

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

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

25 (c) "DED-OSERS" means the DED Office of Special Education and
 26 Rehabilitative Services.

27 Sec. 104b. (1) In order to receive state aid under this
 28 article, a district shall comply with this section and shall
 29 administer the Michigan merit examination to pupils in grade 11,



1 and to pupils in grade 12 who did not take the complete Michigan
2 merit examination in grade 11, as provided in this section. The
3 Michigan merit examination consists of a college entrance test,
4 work skills test, and the summative assessment known as the
5 Michigan student test of educational progress (M-STEP).

6 (2) For the purposes of this section, the department of
7 technology, management, and budget shall contract with 1 or more
8 providers to develop, supply, and score the Michigan merit
9 examination. The Michigan merit examination ~~shall~~**must** consist of
10 all of the following:

11 (a) Assessment instruments that measure English language arts,
12 mathematics, reading, and science, and are used by the majority of
13 colleges and universities in this state for entrance purposes. This
14 may include 1 or more writing components. In selecting assessment
15 instruments to fulfill the requirements of this subdivision, the
16 department may consider the degree to which those assessment
17 instruments are aligned to this state's content standards.

18 (b) One or more tests from 1 or more test developers that
19 assess a pupil's ability to apply at least reading and mathematics
20 skills in a manner that is intended to allow employers to use the
21 results in making employment decisions. The department of
22 technology, management, and budget and the superintendent shall
23 ensure that any test or tests selected under this subdivision have
24 all the components necessary to allow a pupil to be eligible to
25 receive the results of a nationally recognized evaluation of
26 workforce readiness if the pupil's test performance is adequate.

27 (c) A social studies component.

28 (d) Any other component that is necessary to obtain the
29 approval of the United States Department of Education to use the



1 Michigan merit examination for the purposes of the no child left
2 behind act of 2001, Public Law 107-110, or the every student
3 succeeds act, Public Law 114-95.

4 (3) In addition to all other requirements of this section, all
5 of the following apply to the Michigan merit examination:

6 (a) The department of technology, management, and budget and
7 the superintendent shall ensure that any contractor used for
8 scoring the Michigan merit examination supplies an individual
9 report for each pupil that will identify for the pupil's parents
10 and teachers whether the pupil met expectations or failed to meet
11 expectations for each standard, to allow the pupil's parents and
12 teachers to assess and remedy problems before the pupil moves to
13 the next grade.

14 (b) The department of technology, management, and budget and
15 the superintendent shall ensure that any contractor used for
16 scoring, developing, or processing the Michigan merit examination
17 meets quality management standards commonly used in the assessment
18 industry, including at least meeting level 2 of the capability
19 maturity model developed by the Software Engineering Institute of
20 Carnegie Mellon University for the first year the Michigan merit
21 examination is offered to all grade 11 pupils and at least meeting
22 level 3 of the capability maturity model for subsequent years.

23 (c) The department of technology, management, and budget and
24 the superintendent shall ensure that any contract for scoring,
25 administering, or developing the Michigan merit examination
26 includes specific deadlines for all steps of the assessment
27 process, including, but not limited to, deadlines for the correct
28 testing materials to be supplied to schools and for the correct
29 results to be returned to schools, and includes penalties for



1 noncompliance with these deadlines.

2 (d) The superintendent shall ensure that the Michigan merit
3 examination meets all of the following:

4 (i) Is designed to test pupils on this state's content
5 standards in all subjects tested.

6 (ii) Complies with requirements of the no child left behind act
7 of 2001, Public Law 107-110, or the every student succeeds act,
8 Public Law 114-95.

9 (iii) Is consistent with the code of fair testing practices in
10 education prepared by the Joint Committee on Testing Practices of
11 the American Psychological Association.

12 (iv) Is factually accurate. If the superintendent determines
13 that a question is not factually accurate and should be excluded
14 from scoring, the state board and the superintendent shall ensure
15 that the question is excluded from scoring.

16 (4) A district shall include on each pupil's high school
17 transcript all of the following:

18 (a) For each high school graduate who has completed the
19 Michigan merit examination under this section, the pupil's scaled
20 score on each subject area component of the Michigan merit
21 examination.

22 (b) The number of school days the pupil was in attendance at
23 school each school year during high school and the total number of
24 school days in session for each of those school years.

25 (5) The superintendent shall work with the provider or
26 providers of the Michigan merit examination to produce Michigan
27 merit examination subject area scores for each pupil participating
28 in the Michigan merit examination. To the extent that the
29 department determines that additional test items beyond those



1 included in the college entrance component of the Michigan merit
2 examination are required in a particular subject area, the
3 department shall ensure that all test items in that subject area
4 are scaled and merged for the purposes of producing a Michigan
5 merit examination subject area score. The superintendent shall
6 design and distribute to districts, intermediate districts, and
7 nonpublic schools a simple and concise document that describes the
8 scoring for each subject area and indicates the scaled score ranges
9 for each subject area.

10 (6) ~~The~~ **Each district shall administer the** Michigan merit
11 examination ~~shall be administered in each district during the last~~
12 12 weeks of the district's school year. The superintendent shall
13 ensure that the Michigan merit examination is scored and the scores
14 are returned to pupils, their parents or legal guardians, and
15 districts not later than the beginning of the pupil's first
16 semester of grade 12. The returned scores ~~shall~~ **must** indicate at
17 least the pupil's scaled score for each subject area component and
18 the range of scaled scores for each subject area. In reporting the
19 scores to pupils, parents, and schools, the superintendent shall
20 provide standards-specific, meaningful, and timely feedback on the
21 pupil's performance on the Michigan merit examination.

22 (7) A district shall administer the complete Michigan merit
23 examination to a pupil only once and shall not administer the
24 complete Michigan merit examination to the same pupil more than
25 once. If a pupil does not take the complete Michigan merit
26 examination in grade 11, the district shall administer the complete
27 Michigan merit examination to the pupil in grade 12. If a pupil
28 chooses to retake the college entrance examination component of the
29 Michigan merit examination, as described in subsection (2)(a), the



1 pupil may do so through the provider of the college entrance
2 examination component and the cost of the retake is the
3 responsibility of the pupil unless all of the following are met:

4 (a) The pupil has taken the complete Michigan merit
5 examination.

6 (b) The pupil meets the income eligibility criteria for free
7 breakfast, lunch, or milk, as determined under the Richard B.
8 Russell national school lunch act, 42 USC 1751 to 1769i.

9 (c) The pupil has applied to the provider of the college
10 entrance examination component for a scholarship or fee waiver to
11 cover the cost of the retake and that application has been denied.

12 (d) After taking the complete Michigan merit examination, the
13 pupil has not already received a free retake of the college
14 entrance examination component paid for either by this state or
15 through a scholarship or fee waiver by the provider.

16 (8) The superintendent shall ensure that the length of the
17 Michigan merit examination and the combined total time necessary to
18 administer all of the components of the Michigan merit examination
19 are the shortest possible that will still maintain the degree of
20 reliability and validity of the Michigan merit examination results
21 determined necessary by the superintendent. The superintendent
22 shall ensure that the maximum total combined length of time that
23 schools are required to set aside for pupils to answer all test
24 questions on the Michigan merit examination does not exceed 8 hours
25 if the superintendent determines that sufficient alignment to
26 applicable Michigan merit curriculum content standards can be
27 achieved within that time limit.

28 (9) A district shall provide accommodations to a pupil with
29 disabilities for the Michigan merit examination, as provided under



1 section 504 of title V of the rehabilitation act of 1973, 29 USC
2 794; subtitle A of title II of the Americans with disabilities act
3 of 1990, 42 USC 12131 to 12134; the individuals with disabilities
4 education act amendments of 1997, Public Law 105-17; and the
5 implementing regulations for those statutes. The provider or
6 providers of the Michigan merit examination and the superintendent
7 shall mutually agree upon the accommodations to be provided under
8 this subsection.

9 (10) To the greatest extent possible, the Michigan merit
10 examination ~~shall~~**must** be based on this state's content standards,
11 as appropriate. Annually, after each administration of the Michigan
12 merit examination, the department shall provide a report of the
13 points per standard so that teachers will know what content will be
14 covered within the Michigan merit examination. The department may
15 augment the college entrance and work skills components of the
16 Michigan merit examination to develop the assessment, depending on
17 the alignment of those components to this state's content
18 standards. If these components do not align to these standards, the
19 department shall produce additional components as required by law,
20 while minimizing the amount of time needed for assessments.

21 (11) A child who is a student in a nonpublic school or home
22 school may take the Michigan merit examination under this section.
23 To take the Michigan merit examination, a child who is a student in
24 a home school shall contact the district in which the child
25 resides, and that district shall administer the Michigan merit
26 examination, or the child may take the Michigan merit examination
27 at a nonpublic school if allowed by the nonpublic school. Upon
28 request from a nonpublic school, the superintendent shall direct
29 the provider or providers to supply the Michigan merit examination



1 to the nonpublic school and the nonpublic school may administer the
2 Michigan merit examination. If a district administers the Michigan
3 merit examination under this subsection to a child who is not
4 enrolled in the district, the scores for that child are not
5 considered for any purpose to be scores of a pupil of the district.

6 (12) In contracting under subsection (2), the department of
7 technology, management, and budget shall consider a contractor that
8 provides electronically-scored essays with the ability to score
9 constructed response feedback in multiple languages and provide
10 ongoing instruction and feedback.

11 (13) The purpose of the Michigan merit examination is to
12 assess pupil performance in mathematics, science, social studies,
13 and English language arts for the purpose of improving academic
14 achievement and establishing a statewide standard of competency.
15 The assessment under this section provides a common measure of data
16 that will contribute to the improvement of Michigan schools'
17 curriculum and instruction by encouraging alignment with Michigan's
18 curriculum framework standards and promotes pupil participation in
19 higher level mathematics, science, social studies, and English
20 language arts courses. These standards are based upon the
21 expectations of what pupils should learn through high school and
22 are aligned with national standards.

23 (14) For a pupil enrolled in a middle college program, other
24 than a middle college operated as a shared educational entity or a
25 specialized shared educational entity, if the pupil receives at
26 least 50% of his or her instruction at the high school while in
27 grade 11, **the district shall administer** the Michigan merit
28 examination ~~shall be administered~~ to the pupil at the high school
29 at which the pupil receives high school instruction, and the



1 department shall include the pupil's scores on the Michigan merit
2 examination in the scores for that high school for all purposes for
3 which a school's or district's results are reported. The department
4 shall allow the middle college program to use a 5-year graduation
5 rate for determining adequate yearly progress. As used in this
6 subsection, "middle college" means a program consisting of a series
7 of courses and other requirements and conditions, including an
8 early college or other program created under a memorandum of
9 understanding, that allows a pupil to graduate from high school
10 with both a high school diploma and a certificate or degree from a
11 community college or state public university.

12 (15) As used in this section:

13 (a) "English language arts" means reading and writing.

14 (b) "Social studies" means United States history, world
15 history, world geography, economics, and American government.

16 ~~(16) For each report made by the department that includes the~~
17 ~~statewide assessment results for a school building, the department~~
18 ~~shall include the scores for the statewide assessment and the~~
19 ~~graduation rate for consortium pupils with the scores for the~~
20 ~~school building in the participating district in which the~~
21 ~~consortium pupil is enrolled or would otherwise attend. The~~
22 ~~statewide assessment for a consortium pupil may be administered~~
23 ~~either at the consortium location or at the school building in the~~
24 ~~participating district in which the consortium pupil is enrolled or~~
25 ~~would otherwise attend. For the purposes of this subsection, a~~
26 ~~consortium pupil is a pupil who is enrolled or participating in a~~
27 ~~participating district in a school or program operated as a~~
28 ~~consortium or under a cooperative arrangement formed by 2 or more~~
29 ~~districts or intermediate districts, including, but not limited to,~~



1 ~~a consortium or cooperative arrangement operated as a program, a~~
 2 ~~shared educational entity, a specialized educational entity, or a~~
 3 ~~special education center program.~~

4 Sec. 104c. (1) In order to receive state aid under this
 5 article, a district shall administer the state assessments
 6 described in this section.

7 (2) For the purposes of this section, the department shall
 8 develop and administer the Michigan student test of educational
 9 progress (M-STEP) assessments in English language arts and
 10 mathematics. These assessments ~~shall~~**must** be aligned to state
 11 standards.

12 (3) For the purposes of this section, the department shall
 13 implement a summative assessment system that is proven to be valid
 14 and reliable for administration to pupils as provided under this
 15 subsection. The summative assessment system ~~shall~~**must** meet all of
 16 the following requirements:

17 (a) The summative assessment system ~~shall~~**must** measure student
 18 proficiency on the current state standards, ~~shall~~ measure student
 19 growth for consecutive grade levels in which students are assessed
 20 in the same subject area in both grade levels, and ~~shall~~ be capable
 21 of measuring individual student performance.

22 (b) ~~The~~**Provide for administration of** summative assessments
 23 for English language arts and mathematics ~~shall be administered to~~
 24 all public school pupils in grades 3 to 11, including those pupils
 25 as required by the federal individuals with disabilities education
 26 act, Public Law 108-446, and by title I of the federal every
 27 student succeeds act (ESSA), Public Law 114-95.

28 (c) ~~The~~**Provide for administration of** summative assessments
 29 for science ~~shall be administered to~~ all public school pupils in at



1 least grades 5 and 8, including those pupils as required by the
 2 federal individuals with disabilities education act, Public Law
 3 108-446, and by title I of the federal every student succeeds act
 4 (ESSA), Public Law 114-95.

5 (d) ~~The~~ **Provide for administration of** summative assessments
 6 for social studies ~~shall be administered~~ to all public school
 7 pupils in at least grades 5 and 8, including those pupils as
 8 required by the federal individuals with disabilities education
 9 act, Public Law 108-446, and by title I of the federal every
 10 student succeeds act (ESSA), Public Law 114-95.

11 (e) The content of the summative assessments ~~shall~~ **must** be
 12 aligned to state standards.

13 (f) The pool of questions for the summative assessments ~~shall~~
 14 **must** be subject to a transparent review process for quality, bias,
 15 and sensitive issues involving educator review and comment. The
 16 department shall post samples from tests or retired tests featuring
 17 questions from this pool for review by the public.

18 (g) The summative assessment system ~~shall~~ **must** ensure that
 19 students, parents, and teachers are provided with reports that
 20 convey individual student proficiency and growth on the assessment
 21 and that convey individual student domain-level performance in each
 22 subject area, including representative questions, and individual
 23 student performance in meeting state standards.

24 (h) The summative assessment system ~~shall~~ **must** be capable of
 25 providing, and the department shall ensure that students, parents,
 26 teachers, administrators, and community members are provided with,
 27 reports that convey aggregate student proficiency and growth data
 28 by teacher, grade, school, and district.

29 (i) The summative assessment system ~~shall~~ **must** ensure the



1 capability of reporting the available data to support educator
2 evaluations.

3 (j) The summative assessment system ~~shall~~**must** ensure that the
4 reports provided to districts containing individual student data
5 are available within 60 days after completion of the assessments.

6 (k) The summative assessment system ~~shall~~**must** ensure that
7 access to individually identifiable student data meets all of the
8 following:

9 (i) Is in compliance with 20 USC 1232g, commonly referred to as
10 the family educational rights and privacy act of 1974.

11 (ii) Except as may be provided for in an agreement with a
12 vendor to provide assessment services, as necessary to support
13 educator evaluations pursuant to subdivision (i), or for research
14 or program evaluation purposes, is available only to the student;
15 to the student's parent or legal guardian; and to a school
16 administrator or teacher, to the extent that he or she has a
17 legitimate educational interest.

18 (l) The summative assessment system ~~shall~~**must** ensure that the
19 assessments are pilot tested before statewide implementation.

20 (m) The summative assessment system ~~shall~~**must** ensure that
21 assessments are designed so that the maximum total combined length
22 of time that schools are required to set aside for a pupil to
23 answer all test questions on all assessments that are part of the
24 system for the pupil's grade level does not exceed that maximum
25 total combined length of time for the previous statewide assessment
26 system or 9 hours, whichever is less. This subdivision does not
27 limit the amount of time a district may allow a pupil to complete a
28 test.

29 (n) The total cost of executing the summative assessment



1 system statewide each year, including, but not limited to, the cost
 2 of contracts for administration, scoring, and reporting, ~~shall~~**must**
 3 not exceed an amount equal to 2 times the cost of executing the
 4 previous statewide assessment after adjustment for inflation.

5 ~~(o) Beginning with the 2017-2018 school year, the~~**The**
 6 summative assessment system ~~shall~~**must** not require more than 3
 7 hours in duration, on average, for an individual pupil to complete
 8 the combined administration of the math and English language arts
 9 portions of the assessment for any 1 grade level.

10 (p) The summative assessments for English language arts and
 11 mathematics for pupils in grades 8 to 10 must be aligned to the
 12 college entrance test portion of the Michigan merit examination
 13 required under section 104b.

14 ~~(4) The department shall offer benchmark assessments in the~~
 15 ~~fall and spring of each school year to measure English language~~
 16 ~~arts and mathematics in each of grades K to 2. Full implementation~~
 17 ~~shall occur not later than the 2018-2019 school year. These~~
 18 ~~assessments are necessary to determine a pupil's proficiency level~~
 19 ~~before grade 3.~~

20 ~~(4) (5)~~—This section does not prohibit districts from adopting
 21 interim assessments.

22 ~~(5) (6)~~—As used in this section, "English language arts" means
 23 that term as defined in section 104b.

24 Sec. 104d. (1) From the state school aid fund money
 25 appropriated in section 11, there is allocated for ~~2018-2019~~**2019-**
 26 **2020** an amount not to exceed \$9,200,000.00 for providing
 27 reimbursement to districts that purchase a computer-adaptive test,
 28 or that purchase 1 or more diagnostic tools or screening tools for
 29 pupils in grades K to 3 that are intended to increase reading



1 proficiency by grade 4, or that purchase benchmark assessments for
2 pupils in grades K to 8.

3 (2) In order to receive reimbursement under this section for
4 the purchase of a computer-adaptive test, the computer-adaptive
5 test must provide for at least all of the following:

6 (a) Internet-delivered, standards-based assessment using a
7 computer-adaptive model to target the instructional level of each
8 pupil.

9 (b) Unlimited testing opportunities throughout the ~~2018-2019~~
10 **2019-2020** school year.

11 (c) Valid and reliable diagnostic assessment data.

12 (d) Adjustment of testing difficulty based on previous answers
13 to test questions.

14 (e) Immediate feedback to pupils and teachers.

15 (3) In order to receive reimbursement under this section for
16 the purchase of 1 or more diagnostic tools or screening tools for
17 pupils in grades K to 3, each of the tools must meet all of the
18 following:

19 (a) Be reliable.

20 (b) Be valid.

21 (c) Be useful. As used in this subdivision, "useful" means
22 that a tool is easy to administer and requires a short time to
23 complete and that results are linked to intervention.

24 (4) In order to receive funding under this section for the
25 purchase of benchmark assessments for pupils in grades K to 8, the
26 benchmark assessments must meet all of the following:

27 (a) Be aligned to the state standards of this state.

28 (b) Complement this state's summative assessment system.

29 (c) Be administered at least once a year before the



1 administration of any summative assessment to monitor pupil
2 progress.

3 (d) Provide information on pupil achievement with regard to
4 learning the content required in a given year or grade span.

5 (5) ~~Reimbursement~~ **The department shall make reimbursement**
6 under this section ~~shall be made~~ to eligible districts that
7 purchase a computer-adaptive test or 1 or more diagnostic tools,
8 screening tools, or benchmark assessments described in this section
9 by October 15, ~~2018 and shall be made~~ **2019. The department shall**
10 **make the reimbursement** on an equal per-pupil basis according to the
11 available funding, based on the number of pupils for whom
12 assessments were purchased.

13 (6) In order to receive reimbursement under this section, a
14 district shall demonstrate to the satisfaction of the department
15 that each qualifying computer-adaptive test, diagnostic tool,
16 screening tool, or benchmark assessment was purchased by the
17 district by December 1, ~~2018~~ **2019** and shall report to the
18 department which tests, tools, and assessments the district
19 purchased.

20 (7) Not later than February 1, ~~2019,~~ **2020**, the department
21 shall compile the data provided by districts under subsection (6)
22 and report to the house and senate appropriations subcommittees on
23 school aid and the house and senate fiscal agencies the number of
24 districts that purchased each test, tool, and assessment.

25 (8) Districts seeking reimbursement under this section for a
26 benchmark assessment shall commit to using the same benchmark
27 assessment for no less than 3 years without switching to another
28 benchmark assessment.

29 Sec. 107. (1) From the appropriation in section 11, there is



1 allocated an amount not to exceed \$30,000,000.00 for ~~2018-2019~~
2 **2019-2020** for adult education programs authorized under this
3 section. Except as otherwise provided under subsections (14) and
4 (15), funds allocated under this section are restricted for adult
5 education programs as authorized under this section only. A
6 recipient of funds under this section shall not use those funds for
7 any other purpose.

8 (2) To be eligible for funding under this section, an eligible
9 adult education provider shall employ certificated teachers and
10 qualified administrative staff and shall offer continuing education
11 opportunities for teachers to allow them to maintain certification.

12 (3) To be eligible to be a participant funded under this
13 section, an individual ~~shall~~**must** be enrolled in an adult basic
14 education program, an adult secondary education program, an adult
15 English as a second language program, a high school equivalency
16 test preparation program, or a high school completion program, that
17 meets the requirements of this section, and for which instruction
18 is provided, and the individual ~~shall~~**must** be at least 18 years of
19 age and the individual's graduating class ~~shall~~**must** have
20 graduated, **making the individual eligible beginning on the July 1**
21 **after the individual turns age 18.**

22 (4) By April 1 of each fiscal year, the intermediate districts
23 within a prosperity region or subregion shall determine which
24 intermediate district will serve as the prosperity region's or
25 subregion's fiscal agent for the next fiscal year and shall notify
26 the department in a form and manner determined by the department.
27 The department shall approve or disapprove of the prosperity
28 region's or subregion's selected fiscal agent. From the funds
29 allocated under subsection (1), an amount as determined under this



1 subsection ~~shall be~~ **is** allocated to each intermediate district
 2 serving as a fiscal agent for adult education programs in each of
 3 the prosperity regions or subregions identified by the department.
 4 An intermediate district shall not use more than 5% of the funds
 5 allocated under this subsection for administration costs for
 6 serving as the fiscal agent. ~~Beginning in 2014-2015, 67% of the~~
 7 ~~allocation provided to each intermediate district serving as a~~
 8 ~~fiscal agent shall be based on the proportion of total funding~~
 9 ~~formerly received by the adult education providers in that~~
 10 ~~prosperity region or subregion in 2013-2014, and 33% shall be~~
 11 ~~allocated based on the factors in subdivisions (a), (b), and (c).~~
 12 ~~For 2018-2019, 33% of the allocation provided to each intermediate~~
 13 ~~district serving as a fiscal agent shall be based upon the~~
 14 ~~proportion of total funding formerly received by the adult~~
 15 ~~education providers in that prosperity region in 2013-2014 and 67%~~
 16 ~~of the allocation shall be based upon the factors in subdivisions~~
 17 ~~(a), (b), and (c). However, if the allocation to an intermediate~~
 18 ~~district as calculated under the preceding sentence is less than~~
 19 ~~the amount received by the intermediate district under this~~
 20 ~~subsection for 2017-2018, the intermediate district shall instead~~
 21 ~~receive in 2018-2019 an amount equal to what the intermediate~~
 22 ~~district received in 2017-2018. Beginning in 2019-2020, the~~
 23 ~~allocation provided to each intermediate district serving as a~~
 24 ~~fiscal agent shall be~~ **is an amount** equal to what the intermediate
 25 district received in 2018-2019. The funding factors for this
 26 section are as follows:

27 (a) Sixty percent of this portion of the funding ~~shall be~~ **is**
 28 distributed based upon the proportion of the state population of
 29 individuals between the ages of 18 and 24 that are not high school



1 graduates that resides in each of the prosperity regions or
2 subregions, as reported by the most recent 5-year estimates from
3 the American Community Survey (ACS) from the United States Census
4 Bureau.

5 (b) Thirty-five percent of this portion of the funding ~~shall~~
6 ~~be-is~~ distributed based upon the proportion of the state population
7 of individuals age 25 or older who are not high school graduates
8 that resides in each of the prosperity regions or subregions, as
9 reported by the most recent 5-year estimates from the American
10 Community Survey (ACS) from the United States Census Bureau.

11 (c) Five percent of this portion of the funding ~~shall be-is~~
12 distributed based upon the proportion of the state population of
13 individuals age 18 or older who lack basic English language
14 proficiency that resides in each of the prosperity regions or
15 subregions, as reported by the most recent 5-year estimates from
16 the American Community Survey (ACS) from the United States Census
17 Bureau.

18 (5) To be an eligible fiscal agent, an intermediate district
19 must agree to do the following in a form and manner determined by
20 the department:

21 (a) Distribute funds to adult education programs in a
22 prosperity region or subregion as described in this section.

23 (b) Collaborate with the career and educational advisory
24 council, which is an advisory council of the workforce development
25 boards located in the prosperity region or subregion, or its
26 successor, to develop a regional strategy that aligns adult
27 education programs and services into an efficient and effective
28 delivery system for adult education learners, with special
29 consideration for providing contextualized learning and career



1 pathways and addressing barriers to education and employment.

2 (c) Collaborate with the career and educational advisory
3 council, which is an advisory council of the workforce development
4 boards located in the prosperity region or subregion, or its
5 successor, to create a local process and criteria that will
6 identify eligible adult education providers to receive funds
7 allocated under this section based on location, demand for
8 services, past performance, quality indicators as identified by the
9 department, and cost to provide instructional services. The fiscal
10 agent shall determine all local processes, criteria, and provider
11 determinations. However, the local processes, criteria, and
12 provider services must be approved by the department before funds
13 may be distributed to the fiscal agent.

14 (d) Provide oversight to its adult education providers
15 throughout the program year to ensure compliance with the
16 requirements of this section.

17 (e) Report adult education program and participant data and
18 information as prescribed by the department.

19 (6) An adult basic education program, an adult secondary
20 education program, or an adult English as a second language program
21 operated on a year-round or school year basis may be funded under
22 this section, subject to all of the following:

23 (a) The program enrolls adults who are determined by a
24 department-approved assessment, in a form and manner prescribed by
25 the department, to be below twelfth grade level in reading or
26 mathematics, or both, or to lack basic English proficiency.

27 (b) The program tests individuals for eligibility under
28 subdivision (a) before enrollment and upon completion of the
29 program in compliance with the state-approved assessment policy.



1 (c) A participant in an adult basic education program is
2 eligible for reimbursement until 1 of the following occurs:

3 (i) The participant's reading and mathematics proficiency are
4 assessed at or above the ninth grade level.

5 (ii) The participant fails to show progress on 2 successive
6 assessments after having completed at least 450 hours of
7 instruction.

8 (d) A participant in an adult secondary education program is
9 eligible for reimbursement until 1 of the following occurs:

10 (i) The participant's reading and mathematics proficiency are
11 assessed above the twelfth grade level.

12 (ii) The participant fails to show progress on 2 successive
13 assessments after having at least 450 hours of instruction.

14 (e) A funding recipient enrolling a participant in an English
15 as a second language program is eligible for funding according to
16 subsection (9) until the participant meets 1 of the following:

17 (i) The participant is assessed as having attained basic
18 English proficiency as determined by a department-approved
19 assessment.

20 (ii) The participant fails to show progress on 2 successive
21 department-approved assessments after having completed at least 450
22 hours of instruction. The department shall provide information to a
23 funding recipient regarding appropriate assessment instruments for
24 this program.

25 (7) A high school equivalency test preparation program
26 operated on a year-round or school year basis may be funded under
27 this section, subject to all of the following:

28 (a) The program enrolls adults who do not have a high school
29 diploma or a high school equivalency certificate.



1 (b) The program ~~shall administer~~ **administers** a pre-test
2 approved by the department before enrolling an individual to
3 determine the individual's literacy levels, ~~shall administer~~
4 **administers** a high school equivalency practice test to determine
5 the individual's potential for success on the high school
6 equivalency test, and ~~shall administer~~ **administers** a post-test upon
7 completion of the program in compliance with the state-approved
8 assessment policy.

9 (c) A funding recipient ~~shall receive~~ **receives** funding
10 according to subsection (9) for a participant, and a participant
11 may be enrolled in the program until 1 of the following occurs:

12 (i) The participant achieves a high school equivalency
13 certificate.

14 (ii) The participant fails to show progress on 2 successive
15 department-approved assessments used to determine readiness to take
16 a high school equivalency test after having completed at least 450
17 hours of instruction.

18 (8) A high school completion program operated on a year-round
19 or school year basis may be funded under this section, subject to
20 all of the following:

21 (a) The program enrolls adults who do not have a high school
22 diploma.

23 (b) The program tests participants described in subdivision
24 (a) before enrollment and upon completion of the program in
25 compliance with the state-approved assessment policy.

26 (c) A funding recipient ~~shall receive~~ **receives** funding
27 according to subsection (9) for a participant in a course offered
28 under this subsection until 1 of the following occurs:

29 (i) The participant passes the course and earns a high school



1 diploma.

2 (ii) The participant fails to earn credit in 2 successive
3 semesters or terms in which the participant is enrolled after
4 having completed at least 900 hours of instruction.

5 (9) ~~A~~ **The department shall make payments to a** funding
6 recipient ~~shall receive payments~~ under this section in accordance
7 with all of the following:

8 (a) Statewide allocation criteria, including 3-year average
9 enrollments, census data, and local needs.

10 (b) Participant completion of the adult basic education
11 objectives by achieving an educational gain as determined by the
12 national reporting system levels; for achieving basic English
13 proficiency, as determined by the department; for achieving a high
14 school equivalency certificate or passage of 1 or more individual
15 high school equivalency tests; for attainment of a high school
16 diploma or passage of a course required for a participant to attain
17 a high school diploma; for enrollment in a postsecondary
18 institution, or for entry into or retention of employment, as
19 applicable.

20 (c) Participant completion of core indicators as identified in
21 the innovation and opportunity act.

22 (d) Allowable expenditures.

23 (10) A person who is not eligible to be a participant funded
24 under this section may receive adult education services upon the
25 payment of tuition. In addition, a person who is not eligible to be
26 served in a program under this section due to the program
27 limitations specified in subsection (6), (7), or (8) may continue
28 to receive adult education services in that program upon the
29 payment of tuition. ~~The tuition level shall be determined by the~~



1 local or intermediate district conducting the program **shall**
2 **determine the tuition amount.**

3 (11) An individual who is an inmate in a state correctional
4 facility ~~shall not be~~ **is not** counted as a participant under this
5 section.

6 (12) A funding recipient shall not commingle money received
7 under this section or from another source for adult education
8 purposes with any other funds and shall establish a separate ledger
9 account for funds received under this section. This subsection does
10 not prohibit a district from using general funds of the district to
11 support an adult education or community education program.

12 (13) A funding recipient receiving funds under this section
13 may establish a sliding scale of tuition rates based upon a
14 participant's family income. A funding recipient may charge a
15 participant tuition to receive adult education services under this
16 section from that sliding scale of tuition rates on a uniform
17 basis. The amount of tuition charged per participant ~~shall~~ **must** not
18 exceed the actual operating cost per participant minus any funds
19 received under this section per participant. A funding recipient
20 may not charge a participant tuition under this section if the
21 participant's income is at or below 200% of the federal poverty
22 guidelines published by the United States Department of Health and
23 Human Services.

24 (14) In order to receive funds under this section, a funding
25 recipient shall furnish to the department, in a form and manner
26 determined by the department, all information needed to administer
27 this program and meet federal reporting requirements; shall allow
28 the department or the department's designee to review all records
29 related to the program for which it receives funds; and shall



1 reimburse the state for all disallowances found in the review, as
 2 determined by the department. In addition, a funding recipient
 3 shall agree to pay to a career and technical education program
 4 under section 61a the amount of funding received under this section
 5 in the proportion of career and technical education coursework used
 6 to satisfy adult basic education programming, as billed to the
 7 funding recipient by programs operating under section 61a. In
 8 addition to the funding allocated under subsection (1), there is
 9 allocated **for 2019-2020** an amount not to exceed \$500,000.00 to
 10 reimburse funding recipients for administrative and instructional
 11 expenses associated with commingling programming under this section
 12 and section 61a. ~~Payments made~~**The department shall make payments**
 13 **under this subsection** to each funding recipient ~~shall be~~ in the
 14 same proportion as funding calculated and allocated under
 15 subsection (4).

16 (15) From the amount appropriated in subsection (1), an amount
 17 not to exceed \$4,000,000.00 ~~shall be~~**is** allocated for ~~2018-2019~~
 18 **2019-2020** for grants to adult education or career technical center
 19 programs that connect adult education participants with employers
 20 as provided under this subsection. The **department shall determine**
 21 **the amount of the** grant to each program ~~shall be up to~~**under this**
 22 **subsection, not to exceed** \$350,000.00. To be eligible for funding
 23 under this subsection, a program must provide a collaboration
 24 linking adult education programs within the county, the area career
 25 technical center, and local employers. To receive funding under
 26 this subsection, an eligible program ~~shall~~**must** satisfy all of the
 27 following:

28 (a) ~~Shall connect~~**Connect** adult education participants
 29 **actively working toward obtaining a high school diploma or a high**



1 **school equivalency certificate** directly with employers by linking
 2 adult education, career and technical skills, and workforce
 3 development.

4 (b) ~~Shall require~~ **Require** adult education staff to work with
 5 Michigan Works! agency to identify a cohort of participants who are
 6 most prepared to successfully enter the workforce. Participants
 7 identified under this subsection ~~shall~~ **must** be dually enrolled in
 8 adult education programming, **actively working toward obtaining a**
 9 **high school diploma or a high school equivalency certificate**, and
 10 **in** at least 1 technical course at the area career and technical
 11 center.

12 (c) ~~Shall have~~ **Employ** an individual staffed as an adult
 13 education navigator who will serve as a caseworker for each
 14 participant identified under subdivision (b). The navigator shall
 15 work with adult education staff and potential employers to design
 16 an educational program best suited to the personal and employment
 17 needs of the participant and shall work with human service agencies
 18 or other entities to address any barrier in the way of participant
 19 access.

20 (16) A program that was a pilot program in 2017-2018 and that
 21 was funded under this section in 2017-2018 ~~shall be~~ **is** funded in
 22 ~~2018-2019-2019-2020~~ unless the program ceases operation. The
 23 intermediate district in which that pilot program was funded ~~shall~~
 24 ~~be~~ **is** the fiscal agent for that program and shall apply for that
 25 program's funding under subsection (15).

26 (17) Each program funded under subsection (15) will receive
 27 funding for 3 years. After 3 years of operations and funding, a
 28 program must reapply for funding.

29 (18) Not later than December 1, ~~2019,~~ **2020**, a program funded



1 under subsection (15) shall provide a report to the senate and
 2 house appropriations subcommittees on school aid, to the senate and
 3 house fiscal agencies, and to the state budget director identifying
 4 the number of participants, graduation rates, and a measure of
 5 transition to employment.

6 (19) The department shall approve at least 3 high school
 7 equivalency tests and determine whether a high school equivalency
 8 certificate meets the requisite standards for high school
 9 equivalency in this state.

10 (20) As used in this section:

11 (a) "Career and educational advisory council" means an
 12 advisory council to the local workforce development boards located
 13 in a prosperity region consisting of educational, employer, labor,
 14 and parent representatives.

15 (b) "Career pathway" means a combination of rigorous and high-
 16 quality education, training, and other services that comply with
 17 all of the following:

18 (i) Aligns with the skill needs of industries in the economy of
 19 this state or in the regional economy involved.

20 (ii) Prepares an individual to be successful in any of a full
 21 range of secondary or postsecondary education options, including
 22 apprenticeships registered under the act of August 16, 1937,
 23 ~~(commonly~~ **commonly** known as the "national apprenticeship ~~act~~"),
 24 **act**", 29 USC 50 ~~et seq.~~ **to 50b.**

25 (iii) Includes counseling to support an individual in achieving
 26 the individual's education and career goals.

27 (iv) Includes, as appropriate, education offered concurrently
 28 with and in the same context as workforce preparation activities
 29 and training for a specific occupation or occupational cluster.



1 (v) Organizes education, training, and other services to meet
 2 the particular needs of an individual in a manner that accelerates
 3 the educational and career advancement of the individual to the
 4 extent practicable.

5 (vi) Enables an individual to attain a secondary school diploma
 6 or its recognized equivalent, and at least 1 recognized
 7 postsecondary credential.

8 (vii) Helps an individual enter or advance within a specific
 9 occupation or occupational cluster.

10 (c) "Department" means the department of talent and economic
 11 development.

12 (d) "Eligible adult education provider" means a district,
 13 intermediate district, a consortium of districts, a consortium of
 14 intermediate districts, or a consortium of districts and
 15 intermediate districts that is identified as part of the local
 16 process described in subsection (5)(c) and approved by the
 17 department.

18 Sec. 147. (1) The allocation for ~~2018-2019~~**2019-2020** for the
 19 public school employees' retirement system pursuant to the public
 20 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
 21 to 38.1437, ~~shall be~~**is** made using the individual projected benefit
 22 entry age normal cost method of valuation and risk assumptions
 23 adopted by the public school employees retirement board and the
 24 department of technology, management, and budget.

25 (2) The annual level percentage of payroll contribution rates
 26 for the ~~2018-2019~~**2019-2020** fiscal year, as determined by the
 27 retirement system, are estimated as follows:

28 (a) For public school employees who first worked for a public
 29 school reporting unit before July 1, 2010 and who are enrolled in



1 the health premium subsidy, the annual level percentage of payroll
2 contribution rate is estimated at ~~38.39%~~, **39.91%** with ~~26.18%~~ **27.50%**
3 paid directly by the employer.

4 (b) For public school employees who first worked for a public
5 school reporting unit on or after July 1, 2010 and who are enrolled
6 in the health premium subsidy, the annual level percentage of
7 payroll contribution rate is estimated at ~~36.60%~~, **36.96%**, with
8 ~~24.39%~~ **24.55%** paid directly by the employer.

9 (c) For public school employees who first worked for a public
10 school reporting unit on or after July 1, 2010 and who participate
11 in the personal healthcare fund, the annual level percentage of
12 payroll contribution rate is estimated at ~~36.24%~~, **36.44%**, with
13 24.03% paid directly by the employer.

14 (d) For public school employees who first worked for a public
15 school reporting unit on or after September 4, 2012, who elect
16 defined contribution, and who participate in the personal
17 healthcare fund, the annual level percentage of payroll
18 contribution rate is estimated at ~~33.17%~~, **33.37%**, with 20.96% paid
19 directly by the employer.

20 (e) For public school employees who first worked for a public
21 school reporting unit before July 1, 2010, who elect defined
22 contribution, and who are enrolled in the health premium subsidy,
23 the annual level percentage of payroll contribution rate is
24 estimated at ~~33.53%~~, **33.89%**, with ~~21.32%~~ **21.48%** paid directly by
25 the employer.

26 (f) For public school employees who first worked for a public
27 school reporting unit before July 1, 2010, who elect defined
28 contribution, and who participate in the personal healthcare fund,
29 the annual level percentage of payroll contribution rate is



1 estimated at ~~33.17%~~, **33.37%**, with 20.96% paid directly by the
2 employer.

3 (g) For public school employees who first worked for a public
4 school reporting unit before July 1, 2010 and who participate in
5 the personal healthcare fund, the annual level percentage of
6 payroll contribution rate is estimated at ~~38.03%~~, **39.39%**, with
7 ~~25.82%~~ **26.98%** paid directly by the employer.

8 (h) For public school employees who first worked for a public
9 school reporting unit after January 31, 2018 and who elect to
10 become members of the MPSERS plan, the annual level percentage of
11 payroll contribution rate is estimated at ~~39.37%~~, **39.57%**, with
12 27.16% paid directly by the employer.

13 (3) In addition to the employer payments described in
14 subsection (2), the employer shall pay the applicable contributions
15 to the Tier 2 plan, as determined by the public school employees
16 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

17 (4) The contribution rates in subsection (2) reflect an
18 amortization period of ~~20~~ **19** years for ~~2018-2019~~ **2019-2020**. The
19 public school employees' retirement system board shall notify each
20 district and intermediate district by February 28 of each fiscal
21 year of the estimated contribution rate for the next fiscal year.

22 Sec. 147a. (1) From the appropriation in section 11, there is
23 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
24 \$100,000,000.00 for payments to participating districts. A
25 participating district that receives money under this subsection
26 shall use that money solely for the purpose of offsetting a portion
27 of the retirement contributions owed by the district for the fiscal
28 year in which it is received. The amount allocated to each
29 participating district under this subsection ~~shall be~~ **is** based on



1 each participating district's percentage of the total statewide
 2 payroll for all participating districts for the immediately
 3 preceding fiscal year. As used in this subsection, "participating
 4 district" means a district that is a reporting unit of the Michigan
 5 public school employees' retirement system under the public school
 6 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
 7 38.1437, and that reports employees to the Michigan public school
 8 employees' retirement system for the applicable fiscal year.

9 (2) In addition to the allocation under subsection (1), from
 10 the state school aid fund money appropriated under section 11,
 11 there is allocated an amount not to exceed ~~\$88,091,000.00 for 2018-~~
 12 ~~2019~~ **\$171,986,000.00 for 2019-2020** for payments to participating
 13 districts and intermediate districts and from the general fund
 14 money appropriated under section 11, there is allocated an amount
 15 not to exceed ~~\$48,000.00 for 2018-2019~~ **\$83,000.00 for 2019-2020** for
 16 payments to participating district libraries. The amount allocated
 17 to each participating entity under this subsection ~~shall be~~ **is**
 18 based on each participating entity's percentage of the total
 19 statewide payroll for that type of participating entity for the
 20 immediately preceding fiscal year. A participating entity that
 21 receives money under this subsection shall use that money solely
 22 for the purpose of offsetting a portion of the normal cost
 23 contribution rate. As used in this subsection:

24 (a) "District library" means a district library established
 25 under the district library establishment act, 1989 PA 24, MCL
 26 397.171 to 397.196.

27 (b) "Participating entity" means a district, intermediate
 28 district, or district library that is a reporting unit of the
 29 Michigan public school employees' retirement system under the



1 public school employees retirement act of 1979, 1980 PA 300, MCL
 2 38.1301 to 38.1437, and that reports employees to the Michigan
 3 public school employees' retirement system for the applicable
 4 fiscal year.

5 Sec. 147c. **(1)** From the appropriation in section 11, there is
 6 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
 7 ~~\$1,032,000,000.00~~ **\$1,030,400,000.00** from the state school aid fund
 8 for payments to districts and intermediate districts that are
 9 participating entities of the Michigan public school employees'
 10 retirement system. In addition, from the general fund money
 11 appropriated in section 11, there is allocated for ~~2018-2019-2019-~~
 12 **2020** an amount not to exceed ~~\$700,000.00~~ **\$500,000.00** for payments
 13 to district libraries that are participating entities of the
 14 Michigan public school employees' retirement system. All of the
 15 following apply to funding under this ~~subsection:~~**section:**

16 (a) For ~~2018-2019,~~ **2019-2020**, the amounts allocated under this
 17 ~~subsection~~**section** are estimated to provide an average MPSERS rate
 18 cap per pupil amount of ~~\$690.00~~ **\$693.00** and are estimated to
 19 provide a rate cap per pupil for districts ranging between \$4.00
 20 and ~~\$3,000.00.~~ **\$4,000.00.**

21 (b) Payments made under this ~~subsection shall be~~**section are**
 22 equal to the difference between the unfunded actuarial accrued
 23 liability contribution rate as calculated pursuant to section 41 of
 24 the public school employees retirement act of 1979, 1980 PA 300,
 25 MCL 38.1341, as calculated without taking into account the maximum
 26 employer rate of 20.96% included in section 41 of the public school
 27 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
 28 maximum employer rate of 20.96% included in section 41 of the
 29 public school employees retirement act of 1979, 1980 PA 300, MCL



1 38.1341.

2 (c) The amount allocated to each participating entity under
 3 this ~~subsection shall be~~ **section is** based on each participating
 4 entity's proportion of the total covered payroll for the
 5 immediately preceding fiscal year for the same type of
 6 participating entities. A participating entity that receives funds
 7 under this ~~subsection~~ **section** shall use the funds solely for the
 8 purpose of retirement contributions as specified in subdivision
 9 (d).

10 (d) Each participating entity receiving funds under this
 11 ~~subsection~~ **section** shall forward an amount equal to the amount
 12 allocated under subdivision (c) to the retirement system in a form,
 13 manner, and time frame determined by the retirement system.

14 ~~(e) Funds allocated under this subsection should be considered~~
 15 ~~when comparing a district's growth in total state aid funding from~~
 16 ~~1 fiscal year to the next.~~

17 (e) ~~(f)~~ Not later than December 20, ~~2018,~~ **2019**, the department
 18 shall publish and post on its website an estimated MPSERS rate cap
 19 per pupil for each district.

20 (f) ~~(g)~~ ~~It is the intent of the legislature that any funds~~
 21 **Funds** allocated under this ~~subsection~~ **section** are first applied to
 22 pension contributions, and if any funds remain after that payment,
 23 those remaining funds ~~shall be~~ **are** applied to other postemployment
 24 benefit contributions.

25 (2) ~~(h)~~ ~~As used in this subsection:~~ **section:**

26 (a) ~~(i)~~ "District library" means a district library established
 27 under the district library establishment act, 1989 PA 24, MCL
 28 397.171 to 397.196.

29 (b) ~~(ii)~~ "MPSERS rate cap per pupil" means an amount equal to



1 the quotient of the district's payment under this subsection
2 divided by the district's pupils in membership.

3 (c) ~~(iii)~~—"Participating entity" means a district, intermediate
4 district, or district library that is a reporting unit of the
5 Michigan public school employees' retirement system under the
6 public school employees retirement act of 1979, 1980 PA 300, MCL
7 38.1301 to 38.1437, and that reports employees to the Michigan
8 public school employees' retirement system for the applicable
9 fiscal year.

10 (d) ~~(iv)~~—"Retirement board" means the board that administers
11 the retirement system under the public school employees retirement
12 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

13 (e) ~~(v)~~—"Retirement system" means the Michigan public school
14 employees' retirement system under the public school employees
15 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

16 Sec. 147e. (1) From the appropriation in section 11, there is
17 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
18 ~~\$31,900,000.00 from the MPERS retirement obligation reform reserve~~
19 ~~fund and \$5,700,000.00 from the state school aid fund~~
20 **\$42,571,000.00** for payments to participating entities.

21 (2) The payment to each participating entity under this
22 section ~~shall be~~ **is** the sum of the amounts under this subsection as
23 follows:

24 (a) An amount equal to the contributions made by a
25 participating entity for the additional contribution made to a
26 qualified participant's Tier 2 account in an amount equal to the
27 contribution made by the qualified participant not to exceed 3% of
28 the qualified participant's compensation as provided for under
29 section 131(6) of the public school employees retirement act of



1 1979, 1980 PA 300, MCL 38.1431.

2 (b) Beginning October 1, 2017, an amount equal to the
3 contributions made by a participating entity for a qualified
4 participant who is only a Tier 2 qualified participant under
5 section 81d of the public school employees retirement act of 1979,
6 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning
7 February 1, 2018, not to exceed 1%, of the qualified participant's
8 compensation.

9 (c) An amount equal to the increase in employer normal cost
10 contributions under section 41b(2) of the public school employees
11 retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member
12 that was hired after February 1, 2018 and chose to participate in
13 Tier 1, compared to the employer normal cost contribution for a
14 member under section 41b(1) of the public school employees
15 retirement act of 1979, 1980 PA 300, MCL 38.1341b.

16 (3) As used in this section:

17 (a) "Member" means that term as defined under the public
18 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
19 to 38.1437.

20 (b) "Participating entity" means a district, intermediate
21 district, or community college that is a reporting unit of the
22 Michigan public school employees' retirement system under the
23 public school employees retirement act of 1979, 1980 PA 300, MCL
24 38.1301 to 38.1437, and that reports employees to the Michigan
25 public school employees' retirement system for the applicable
26 fiscal year.

27 (c) "Qualified participant" means that term as defined under
28 section 124 of the public school employees retirement act of 1979,
29 1980 PA 300, MCL 38.1424.



1 Sec. 152a. (1) As required by the court in the consolidated
 2 cases known as *Adair* v#/#i# State#/#i# of#/#i# Michigan#/#i#,
 3 486 Mich 468 (2010), from the state school aid fund money
 4 appropriated in section 11, there is allocated for ~~2018-2019~~**2019-**
 5 **2020** an amount not to exceed \$38,000,500.00 to be used solely for
 6 the purpose of paying necessary costs related to the state-mandated
 7 collection, maintenance, and reporting of data to this state.

8 (2) From the allocation in subsection (1), the department
 9 shall make payments to districts and intermediate districts in an
 10 equal amount ~~per-pupil~~**per pupil** based on the total number of
 11 pupils in membership in each district and intermediate district.
 12 The department shall not make any adjustment to these payments
 13 after the final installment payment under section 17b is made.

14 Sec. 152b. (1) From the general fund money appropriated under
 15 section 11, there is allocated an amount not to exceed
 16 ~~\$2,500,000.00 for 2017-2018 and an amount not to exceed \$250,000.00~~
 17 ~~for 2018-2019~~**\$100,000.00 for 2019-2020** to reimburse actual costs
 18 incurred by nonpublic schools in complying with a health, safety,
 19 or welfare requirement mandated by a law or administrative rule of
 20 this state.

21 (2) By January 1 of each applicable fiscal year, the
 22 department shall publish a form for reporting actual costs incurred
 23 by a nonpublic school in complying with a health, safety, or
 24 welfare requirement mandated under state law containing each
 25 health, safety, or welfare requirement mandated by a law or
 26 administrative rule of this state applicable to a nonpublic school
 27 and with a reference to each relevant provision of law or
 28 administrative rule for the requirement. The form shall be posted
 29 on the department's website in electronic form.



1 (3) By June 30 of each applicable fiscal year, a nonpublic
2 school seeking reimbursement for actual costs incurred in complying
3 with a health, safety, or welfare requirement under a law or
4 administrative rule of this state during each applicable school
5 year shall submit a completed form described in subsection (2) to
6 the department. This section does not require a nonpublic school to
7 submit a form described in subsection (2). A nonpublic school is
8 not eligible for reimbursement under this section if the nonpublic
9 school does not submit the form described in subsection (2) in a
10 timely manner.

11 (4) By August 15 of each applicable fiscal year, the
12 department shall distribute funds to each nonpublic school that
13 submits a completed form described under subsection (2) in a timely
14 manner. The superintendent shall determine the amount of funds to
15 be paid to each nonpublic school in an amount that does not exceed
16 the nonpublic school's actual costs in complying with a health,
17 safety, or welfare requirement under a law or administrative rule
18 of this state. The superintendent shall calculate a nonpublic
19 school's actual cost in accordance with this section.

20 (5) If the funds allocated under this section are insufficient
21 to fully fund payments as otherwise calculated under this section,
22 the department shall distribute funds under this section on a
23 prorated or other equitable basis as determined by the
24 superintendent.

25 (6) The department may review the records of a nonpublic
26 school submitting a form described in subsection (2) only for the
27 limited purpose of verifying the nonpublic school's compliance with
28 this section. If a nonpublic school does not allow the department
29 to review records under this subsection, the nonpublic school is



1 not eligible for reimbursement under this section.

2 (7) The funds appropriated under this section are for purposes
3 related to education, are considered to be incidental to the
4 operation of a nonpublic school, are noninstructional in character,
5 and are intended for the public purpose of ensuring the health,
6 safety, and welfare of the children in nonpublic schools and to
7 reimburse nonpublic schools for costs described in this section.

8 (8) Funds allocated under this section are not intended to aid
9 or maintain any nonpublic school, support the attendance of any
10 student at a nonpublic school, employ any person at a nonpublic
11 school, support the attendance of any student at any location where
12 instruction is offered to a nonpublic school student, or support
13 the employment of any person at any location where instruction is
14 offered to a nonpublic school student.

15 (9) For purposes of this section, "actual cost" means the
16 hourly wage for the employee or employees performing a task or
17 tasks required to comply with a health, safety, or welfare
18 requirement under a law or administrative rule of this state
19 identified by the department under subsection (2) and is to be
20 calculated in accordance with the form published by the department
21 under subsection (2), which shall include a detailed itemization of
22 costs. The nonpublic school shall not charge more than the hourly
23 wage of its lowest-paid employee capable of performing a specific
24 task regardless of whether that individual is available and
25 regardless of who actually performs a specific task. Labor costs
26 under this subsection shall be estimated and charged in increments
27 of 15 minutes or more, with all partial time increments rounded
28 down. When calculating costs under subsection (4), fee components
29 shall be itemized in a manner that expresses both the hourly wage



1 and the number of hours charged. The nonpublic school may not
2 charge any applicable labor charge amount to cover or partially
3 cover the cost of health or fringe benefits. A nonpublic school
4 shall not charge any overtime wages in the calculation of labor
5 costs.

6 (10) For the purposes of this section, the actual cost
7 incurred by a nonpublic school for taking daily student attendance
8 shall be considered an actual cost in complying with a health,
9 safety, or welfare requirement under a law or administrative rule
10 of this state. Training fees, inspection fees, and criminal
11 background check fees are considered actual costs in complying with
12 a health, safety, or welfare requirement under a law or
13 administrative rule of this state.

14 ~~(11) The funds allocated under this section for 2017-2018 are~~
15 ~~a work project appropriation, and any unexpended funds for 2017-~~
16 ~~2018 are carried forward into 2018-2019. The purpose of the work~~
17 ~~project is to continue to reimburse nonpublic schools for actual~~
18 ~~costs incurred in complying with a health, safety, or welfare~~
19 ~~requirement mandated by a law or administrative rule of this state.~~
20 ~~The estimated completion date of the work project is September 30,~~
21 ~~2020.~~

22 (11) ~~(12)~~The funds allocated under this section for 2018-2019
23 are a work project appropriation, and any unexpended funds for
24 2018-2019 are carried forward into 2019-2020. The purpose of the
25 work project is to continue to reimburse nonpublic schools for
26 actual costs incurred in complying with a health, safety, or
27 welfare requirement mandated by a law or administrative rule of
28 this state. The estimated completion date of the work project is
29 September 30, 2020.



1 (12) The funds allocated under this section for 2019-2020 are
2 a work project appropriation, and any unexpended funds for 2019-
3 2020 are carried forward into 2020-2021. The purpose of the work
4 project is to continue to reimburse nonpublic schools for actual
5 costs incurred in complying with a health, safety, or welfare
6 requirement mandated by a law or administrative rule of this state.
7 The estimated completion date of the work project is September 30,
8 2021.

9 Enacting section 1. In accordance with section 30 of article
10 IX of the state constitution of 1963, total state spending on
11 school aid under article I of the state school aid act of 1979,
12 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this amendatory
13 act, from state sources for fiscal year 2019-2020 is estimated at
14 \$13,258,196,300.00 and state appropriations for school aid to be
15 paid to local units of government for fiscal year 2019-2020 are
16 estimated at \$13,057,996,100.00.

17 Enacting section 2. Sections 20m, 22n, 24c, 25g, 25h, 31b,
18 32q, 55, 61f, 61g, 61h, 64b, 74a, 99v, 99y, 104f, 153, 160, 164g,
19 and 166 of the state school aid act of 1979, 1979 PA 94, MCL
20 388.1620m, 388.1622n, 388.1624c, 388.1625g, 388.1625h, 388.1631b,
21 388.1632q, 388.1655, 388.1661f, 388.1661g, 388.1661h, 388.1664b,
22 388.1674a, 388.1699v, 388.1699y, 388.1704f, 388.1753, 388.1760,
23 388.1764g, and 388.1766, are repealed effective October 1, 2019.

24 Enacting section 3. This amendatory act takes effect October
25 1, 2019.

