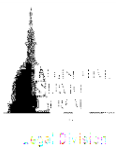


# HOUSE BILL NO. 4347

March 13, 2019, Introduced by Rep. Hoadley and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11s, 15, 18,  
20, 20d, 20f, 21h, 22a, 22b, 22d, 22m, 22n, 24, 24a, 25e, 26a, 26b,  
26c, 31a, 31d, 31f, 31j, 31n, 32d, 32p, 35a, 39, 39a, 41, 51a, 51c,  
51d, 53a, 54, 54b, 54d, 56, 61a, 61b, 62, 67, 74, 81, 94, 94a, 95a,  
98, 99h, 99s, 101, 104, 104b, 104c, 107, 147, 147a, 147b, 147c,  
147e, 152a, 160, 201, 206, 207a, 207b, 207c, 209, 209a, 210b, 217,



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225, 229a, 230, 236, 236b, 236c, 241, 242, 245, 251, 252, 256, 263, 264, 265, 265a, 265b, 265d, 267, 268, 269, 270, 274c, 276, 277, 278, 279, 280, 281, 282, and 289 (MCL 388.1604, 388.1606, 388.1608b, 388.1611, 388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1615, 388.1618, 388.1620, 388.1620d, 388.1620f, 388.1621h, 388.1622a, 388.1622b, 388.1622d, 388.1622m, 388.1622n, 388.1624, 388.1624a, 388.1625e, 388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f, 388.1631j, 388.1631n, 388.1632d, 388.1632p, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1654d, 388.1656, 388.1661a, 388.1661b, 388.1662, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699h, 388.1699s, 388.1701, 388.1704, 388.1704b, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747b, 388.1747c, 388.1747e, 388.1752a, 388.1760, 388.1801, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1809a, 388.1810b, 388.1817, 388.1825, 388.1829a, 388.1830, 388.1836, 388.1836b, 388.1836c, 388.1841, 388.1842, 388.1845, 388.1851, 388.1852, 388.1856, 388.1863, 388.1864, 388.1865, 388.1865a, 388.1865b, 388.1865d, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874c, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, and 388.1889), sections 4 and 8b as amended and section 160 as added by PA 108 of 2017, sections 6, 11, 18, 31a, 31j, 32d, 35a, 39a, 99h, 101, and 265 as amended and section 31n as added by PA 586 of 2018 sections 11a, 11j, 11k, 11m, 11s, 15, 20, 20d, 20f, 21h, 22a, 22b, 22d, 22m, 22n, 24, 24a, 25e, 26a, 26b, 26c, 31d, 31f, 32p, 39, 41, 51a, 51c, 51d, 53a, 54, 54b, 56, 61a, 61b, 62, 67, 74, 81, 94, 94a, 98, 99s, 104, 104b, 104c, 107, 147, 147a, 147b, 147c, 147e, 152a, 201, 206, 207a, 207b, 207c, 209, 210b, 217, 225, 229a, 230, 236, 236b, 236c, 241,



245, 251, 252, 256, 263, 264, 265a, 267, 268, 269, 270, 274c, 276, 277, 278, 279, 280, 281, 282, and 289 as amended and sections 54d, 209a, 265b, and 265d as added by PA 265 of 2018, section 95a as amended by PA 85 of 2015, section 242 as amended by PA 201 of 2012, and by adding sections 28 and 231; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**1 ARTICLE I**

**2** Sec. 4. (1) "Elementary pupil" means a pupil in membership in grades K to 8 in a  
**3** district not maintaining classes above the eighth grade or in grades K to 6 in a  
**4** district maintaining classes above the eighth grade. ~~For the purposes of calculating~~  
**5** ~~universal service fund (c-rate) discounts, "elementary pupil" includes children~~  
**6** ~~enrolled in a preschool program operated by a district in its facilities. OR IS~~  
**7** **ENROLLED AND IN REGULAR ATTENDANCE IN A PUBLICLY FUNDED PRE-K SETTING.**

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

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

**16** (4) "High school equivalency certificate" means a certificate granted for the  
**17** successful completion of a high school equivalency test.

**18** (5) "High school equivalency test" means the G.E.D. test developed by the GED  
**19** Testing Service, the Test Assessing Secondary Completion (TASC) developed by



1 CTS/McGraw-Hill, the HISET test developed by the ~~Education~~ **EDUCATIONAL** Testing Service  
2 (ETS), or another comparable test approved by the department of talent and economic  
3 development.

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

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

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

25 (2) "District and high school graduation rate" means the annual completion and



1 pupil dropout rate that is calculated by the center pursuant to nationally recognized  
2 standards.

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

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



1 ~~system for the immediately preceding school year.~~ All pupil counts used in this  
2 subsection are as determined by the department and calculated by adding the number of  
3 pupils registered for attendance plus pupils received by transfer and minus pupils  
4 lost as defined by rules promulgated by the superintendent, and as corrected by a  
5 subsequent department audit. The amount of the foundation allowance for a pupil in  
6 membership is determined under section 20. In making the calculation of membership,  
7 all of the following, as applicable, apply to determining the membership of a  
8 district, a public school academy, or an intermediate district:

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

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

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

23 (d) A pupil placed by a court or state agency in an on-grounds program of a  
24 juvenile detention facility, a child caring institution, or a mental health  
25 institution, or a pupil funded under section 53a, shall be counted in membership in



1 the district or intermediate district approved by the department to operate the  
2 program.

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

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

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

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

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

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



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

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

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

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

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





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

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

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

10 (B) Had dropped out of school.

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

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

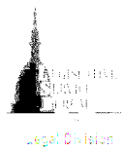
18 (m) An individual who has achieved a high school diploma shall not be counted in  
19 membership. An individual who has achieved a high school equivalency certificate shall  
20 not be counted in membership unless the individual is a student with a disability as  
21 defined in R 340.1702 of the Michigan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



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

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

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



1 shall be allocated to the public school academy.

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

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

8 (q) The number of class hours used to calculate full-time equated memberships  
9 shall be consistent with section 101. In determining full-time equated memberships for  
10 pupils who are enrolled in a postsecondary institution or for pupils engaged in an  
11 internship or work experience under section 1279h of the revised school code, MCL  
12 380.1279h, a pupil shall not be considered to be less than a full-time equated pupil  
13 solely because of the effect of his or her postsecondary enrollment or engagement in  
14 the internship or work experience, including necessary travel time, on the number of  
15 class hours provided by the district to the pupil.

16 (r) Full-time equated memberships for pupils in kindergarten shall be determined  
17 by dividing the number of instructional hours scheduled and provided per year per  
18 kindergarten pupil by the same number used for determining full-time equated  
19 memberships for pupils in grades 1 to 12. However, to the extent allowable under  
20 federal law, for a district or public school academy that provides evidence  
21 satisfactory to the department that it used federal title I money in the 2 immediately  
22 preceding school fiscal years to fund full-time kindergarten, full-time equated  
23 memberships for pupils in kindergarten shall be determined by dividing the number of  
24 class hours scheduled and provided per year per kindergarten pupil by a number equal  
25 to 1/2 the number used for determining full-time equated memberships for pupils in



grades 1 to 12. The change in the counting of full-time equated memberships for pupils in kindergarten that took effect for 2012-2013 is not a mandate.

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

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

(u) If, as a result of a disciplinary action, a district determines through the district's alternative or disciplinary education program that the best instructional placement for a pupil is in the pupil's home or otherwise apart from the general school population, if that placement is authorized in writing by the district superintendent and district alternative or disciplinary education supervisor, and if the district provides appropriate instruction as described in this subdivision to the pupil at the pupil's home or otherwise apart from the general school population, the district may count the pupil in membership on a pro rata basis, with the proration based on the number of hours of instruction the district actually provides to the



pupil divided by the number of hours required under section 101 for full-time equivalency. For the purposes of this subdivision, a district shall be considered to be providing appropriate instruction if all of the following are met:

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

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

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

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

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

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



1 occurred before suspending operations, as determined by the superintendent.

2 (x) If a district's membership for a particular fiscal year, as otherwise  
3 calculated under this subsection, would be less than 1,550 pupils and the district has  
4 4.5 or fewer pupils per square mile, as determined by the department, and if the  
5 district does not receive funding under section 22d(2), the district's membership  
6 shall be considered to be the membership figure calculated under this subdivision. If  
7 a district educates and counts in its membership pupils in grades 9 to 12 who reside  
8 in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the  
9 affected districts request the department to use the determination allowed under this  
10 sentence, the department shall include the square mileage of both districts in  
11 determining the number of pupils per square mile for each of the districts for the  
12 purposes of this subdivision. The membership figure calculated under this subdivision  
13 is the greater of the following:

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

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

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



Administrative Code shall be determined by dividing the number of hours of service scheduled and provided per year per-pupil by 180.

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

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

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

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

(dd) For a pupil enrolled in a dropout recovery program that meets the requirements of section 23a, the pupil shall be counted as 1/12 of a full-time equated membership for each month that the district operating the program reports that the pupil was enrolled in the program and was in full attendance. However, if the special membership counting provisions under this subdivision and the operation of the other



1 membership counting provisions under this subsection result in a pupil being counted  
2 as more than 1.0 FTE in a fiscal year, the payment made for the pupil under sections  
3 22a and 22b shall not be based on more than 1.0 FTE for that pupil. ~~, and any portion~~  
4 ~~of an FTE for that pupil that exceeds 1.0 shall instead be paid under section 25g.~~ The  
5 district operating the program shall report to the center the number of pupils who  
6 were enrolled in the program and were in full attendance for a month not later than 30  
7 days after the end of the month. A district shall not report a pupil as being in full  
8 attendance for a month unless both of the following are met:

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

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

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

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





1 supplemental count day of the preceding school year.

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

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

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

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

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

21 (ii) The course in which the pupil is enrolled would meet the definition of an  
22 eligible course under the postsecondary enrollment options act, 1996 PA 160, MCL  
23 388.511 to 388.524, if the course were provided by an eligible postsecondary  
24 institution under that act.

25 (iii) The department determines that the college or university is an institution



1 that, in the other state, fulfills a function comparable to a state university or  
 2 community college, as those terms are defined in section 3 of the postsecondary  
 3 enrollment options act, 1996 PA 160, MCL 388.513, or is an independent nonprofit  
 4 degree-granting college or university.

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

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

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

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

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



1 membership for pupils counted under section 166b must not exceed 10%.

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

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

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

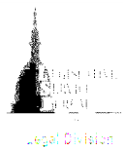
11 (iii) If 1 or more districts consolidate or are parties to an annexation, then  
12 the calculations under subdivisions (i) and (ii) must be applied to the combined total  
13 membership for pupils counted in those districts for the fiscal year immediately  
14 preceding the consolidation or annexation.

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

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

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

25 (a) A nonpublic part-time pupil enrolled in grades K to 12 in accordance with



1 section 166b.

2 (b) A pupil receiving 1/2 or less of his or her instruction in a district other  
3 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 district of residence  
6 under an intermediate district schools of choice pilot program as described in section  
7 91a or former section 91 if the intermediate district and its constituent districts  
8 have been exempted from section 105.

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

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

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

25 (ii) "Serious assault" means an act that constitutes a felony violation of



chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90h, or that constitutes an assault and infliction of serious or aggravated injury under section 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

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

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

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

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

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

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

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

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

(k) An expelled pupil who has been denied reinstatement by the expelling district and is reinstated by another school board under section 1311 or 1311a of the



1 revised school code, MCL 380.1311 and 380.1311a.

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

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

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

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

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

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

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

25 (b) For a district or intermediate district maintaining school during the entire



1 school year, the following days:

2 (i) Fourth Wednesday in July.

3 (ii) First Wednesday in October.

4 (iii) Second Wednesday in February.

5 (iv) Fourth Wednesday in April.

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

7 means pupils in grades K to 12 in attendance and receiving instruction in all classes

8 for which they are enrolled on the pupil membership count day or the supplemental

9 count day, as applicable. Except as otherwise provided in this subsection, a pupil who

10 is absent from any of the classes in which the pupil is enrolled on the pupil

11 membership count day or supplemental count day and who does not attend each of those

12 classes during the 10 consecutive school days immediately following the pupil

13 membership count day or supplemental count day, except for a pupil who has been

14 excused by the district, shall not be counted as 1.0 full-time equated membership. A

15 pupil who is excused from attendance on the pupil membership count day or supplemental

16 count day and who fails to attend each of the classes in which the pupil is enrolled

17 within 30 calendar days after the pupil membership count day or supplemental count day

18 shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was

19 enrolled and in attendance in a district, intermediate district, or public school

20 academy before the pupil membership count day or supplemental count day of a

21 particular year but was expelled or suspended on the pupil membership count day or

22 supplemental count day shall only be counted as 1.0 full-time equated membership if

23 the pupil resumed attendance in the district, intermediate district, or public school

24 academy within 45 days after the pupil membership count day or supplemental count day

25 of that particular year. Pupils not counted as 1.0 full-time equated membership due to



1 an absence from a class shall be counted as a prorated membership for the classes the  
 2 pupil attended. For purposes of this subsection, "class" means a period of time in 1  
 3 day when pupils and a certificated teacher, a teacher engaged to teach under section  
 4 1233b of the revised school code, MCL 380.1233b, or an individual working under a  
 5 valid substitute permit, authorization, or approval issued by the department, are  
 6 together and instruction is taking place.

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

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

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

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

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

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

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

23 (16) "Tuition pupil" means a pupil of school age attending school in a district  
 24 other than the pupil's district of residence for whom tuition may be charged to the  
 25 district of residence. Tuition pupil does not include a pupil who is a special





education pupil, a pupil described in subsection (6)(c) to (o), or a pupil whose parent or guardian voluntarily enrolls the pupil in a district that is not the pupil's district of residence. A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

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

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

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

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

Sec. 8b. (1) The department shall **WORK WITH THE CENTER TO** assign a district code to each public school academy that is authorized under the revised school code and is eligible to receive funding under this article. ~~within~~ **WITHIN** 30 days after a contract is submitted to the department by the authorizing body of a public school academy, **THE CENTER SHALL MAKE THE DISTRICT CODE AVAILABLE.**

~~(2) If the department does not assign a district code to a public school academy within the 30-day period described in subsection (1), the district code the department shall use to make payments under this article to the newly authorized public school~~



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

(2) ~~(3)~~ For each school of excellence that is a cyber school and is authorized under part 6e of the revised school code, MCL 380.551 to 380.561, by a school district, intermediate school district, community college other than a federal tribally controlled community college, or other authorizing body that is not empowered to authorize a school of excellence to operate statewide and is eligible to receive funding under this article, all of the following apply:

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

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

Sec. 11. (1) ~~For the fiscal year ending September 30, 2018, there is~~



~~appropriated for the public schools of this state and certain other state purposes~~  
~~relating to education the sum of \$12,682,127,200.00 from the state school aid fund,~~  
~~the sum of \$78,500,000.00 from the general fund, an amount not to exceed~~  
~~\$72,000,000.00 from the community district education trust fund created under section~~  
~~12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not to exceed~~  
~~\$23,100,000.00 from the MPSEERS retirement obligation reform reserve fund, and an~~  
~~amount not to exceed \$100.00 from the water emergency reserve fund. For the fiscal~~  
~~year ending September 30, 2019, 2020, there is appropriated for the public schools of~~  
~~this state and certain other state purposes relating to education the sum of~~  
~~\$12,876,825,200.00 \$13,504,660,300.00 from the state school aid fund, the sum of~~  
~~\$87,920,000.00 \$45,000,000.00 from the general fund, an amount not to exceed~~  
~~\$72,000,000.00 from the community district education trust fund created under section~~  
~~12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not to exceed~~  
~~\$31,900,000.00 from the MPSEERS retirement obligation reform reserve fund, an amount~~  
~~not to exceed \$30,000,000.00 from the school mental health and support services fund~~  
~~created under section 31m, and an amount not to exceed \$100.00 from the water~~  
~~emergency reserve fund. In addition, all available federal funds are appropriated each~~  
~~fiscal year for the fiscal years YEAR ending September 30, 2018 and September 30,~~  
~~2019, 2020.~~

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

(3) Any general fund allocations under this article that are not expended by the  
 end of the state fiscal year are transferred to the school aid stabilization fund



1 created under section 11a.

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

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

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

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

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

12 (3) Money available in the school aid stabilization fund may not be expended  
13 without a specific appropriation from the school aid stabilization fund. Money in the  
14 school aid stabilization fund shall be expended only for purposes for which state  
15 school aid fund money may be expended.

16 (4) The state treasurer shall direct the investment of the school aid  
17 stabilization fund. The state treasurer shall credit to the school aid stabilization  
18 fund interest and earnings from fund investments.

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

22 (6) If the maximum amount appropriated under section 11 from the state school  
23 aid fund for a fiscal year exceeds the amount available for expenditure from the state  
24 school aid fund for that fiscal year, there is appropriated from the school aid  
25 stabilization fund to the state school aid fund an amount equal to the projected



1 shortfall as determined by the department of treasury, but not to exceed available  
 2 money in the school aid stabilization fund. If the money in the school aid  
 3 stabilization fund is insufficient to fully fund an amount equal to the projected  
 4 shortfall, the state budget director shall notify the legislature as required under  
 5 section 296(2) and state payments in an amount equal to the remainder of the projected  
 6 shortfall shall be prorated in the manner provided under section 296(3).

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

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

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

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



1       Sec. 11s. (1) From the ~~general fund~~ appropriation in section 11, there is  
 2 allocated ~~\$3,230,000.00~~ **\$8,075,000.00** for ~~2018-2019~~ **2019-2020** for the purpose of  
 3 providing services and programs to children who reside within the boundaries of a  
 4 district with the majority of its territory located within the boundaries of a city  
 5 for which an executive proclamation of emergency is issued in the current or  
 6 immediately preceding ~~3-4~~ fiscal years under the emergency management act, 1976 PA  
 7 390, MCL 30.401 to 30.421. From the funding appropriated in section 11, there is  
 8 allocated for fiscal year ~~2018-2019~~ **2019-2020** \$100.00 from the water emergency reserve  
 9 fund for the purposes of this section.

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

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

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

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



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

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

**(4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$1,000,000.00 FOR 2019-2020 TO THE INTERMEDIATE DISTRICTS DESCRIBED IN SUBSECTION (3) TO ENROLL CHILDREN DESCRIBED IN SUBSECTION (1) IN SCHOOL-DAY GREAT START READINESS PROGRAMS, REGARDLESS OF HOUSEHOLD INCOME ELIGIBILITY REQUIREMENTS CONTAINED IN SECTION 39. THE DEPARTMENT SHALL ADMINISTER THIS FUNDING CONSISTENT WITH ALL OTHER PROVISIONS OF THE GREAT START READINESS PROGRAMS CONTAINED IN SECTION 32D AND SECTION 39.**

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

(5) In addition to other funding allocated and appropriated in this section, there is appropriated an amount not to exceed \$15,000,000.00 for fiscal year ~~2018-2019~~



1 2019-2020 for state restricted contingency funds. These contingency funds are not  
2 available for expenditure until they have been transferred to a section within this  
3 article under section 393(2) of the management and budget act, 1984 PA 431, MCL  
4 18.1393.

5 (6) Notwithstanding section 17b, payments under this section shall be paid on a  
6 schedule determined by the department.

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

25 (2) If the result of an audit conducted by or for the department affects the





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

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

25 (4) IF THE DEPARTMENT BASES AN ADJUSTMENT UNDER THIS SECTION IN WHOLE OR IN PART



1 ON A FINDING THAT A DISTRICT OR INTERMEDIATE DISTRICT EMPLOYED AN EDUCATOR IN  
 2 VIOLATION OF CERTIFICATION REQUIREMENTS SET FORTH IN THE REVISED SCHOOL CODE AND RULES  
 3 PROMULGATED BY THE DEPARTMENT, THE DEPARTMENT SHALL PRORATE THE ADJUSTMENT ACCORDING  
 4 TO THE PERIOD OF NONCOMPLIANCE WITH THE CERTIFICATION REQUIREMENTS.

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

9 (6) ~~(5)~~—Expenditures made by the department under this article that are caused  
 10 by the write-off of prior year accruals may be funded by revenue from the write-off of  
 11 prior year accruals.

12 (7) ~~(6)~~—In addition to funds appropriated in section 11 for all programs and  
 13 services, there is appropriated for ~~2018-2019~~ **2019-2020** for obligations in excess of  
 14 applicable appropriations an amount equal to the collection of overpayments, but not  
 15 to exceed amounts available from overpayments.

16 Sec. 18. (1) Except as provided in another section of this article, each  
 17 district or other entity shall apply the money received by the district or entity  
 18 under this article to salaries and other compensation of teachers and other employees,  
 19 tuition, transportation, lighting, heating, ventilation, water service, the purchase  
 20 of textbooks, other supplies, and any other school operating expenditures defined in  
 21 section 7. However, not more than 20% of the total amount received by a district under  
 22 sections 22a and 22b or received by an intermediate district under section 81 may be  
 23 transferred by the board to either the capital projects fund or to the debt retirement  
 24 fund for debt service. The money shall not be applied or taken for a purpose other  
 25 than as provided in this section. The department shall determine the reasonableness of



expenditures and may withhold from a recipient of funds under this article the apportionment otherwise due upon a violation by the recipient.

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

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

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

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

(A) Salaries and wages.

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

(C) Retirement benefit costs.

(D) All other personnel costs.

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

(A) Instruction.

(B) Support services.

(C) Business and administration.



1 (D) Operations and maintenance.

2 (c) Links to all of the following:

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

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

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

10 (iv) The bids required under section 5 of the public employees health benefit  
11 act, 2007 PA 106, MCL 124.75.

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

14 (vi) The district's written policy establishing specific categories of  
15 reimbursable expenses, as described in section 1254(2) of the revised school code, MCL  
16 380.1254.

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

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

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

25 (f) The annual amount spent on lobbying or lobbying services. As used in this



subdivision, "lobbying" means that term as defined in section 5 of 1978 PA 472, MCL 4.415.

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

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

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

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

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

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



1 case of a district of the first class by a certified public accountant, the  
2 intermediate superintendent, or the auditor general of the city. A district or  
3 intermediate district shall retain these records for the current fiscal year and from  
4 at least the 3 immediately preceding fiscal years.

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

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

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

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

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

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



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

4 (f) The annual financial audit reports and pupil accounting procedures reports  
5 shall be available to the public in compliance with the freedom of information act,  
6 1976 PA 442, MCL 15.231 to 15.246.

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

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



1 expenditures, purchased services, supplies, capital outlay, and other. Districts shall  
2 report the required level of detail consistent with the manual as part of the  
3 comprehensive annual financial report.

4 (6) By September 30 of each year, each district and intermediate district shall  
5 file with the center the special education actual cost report, known as "SE-4096", on  
6 a form and in the manner prescribed by the center. An intermediate district shall  
7 certify the audit of a district's report.

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

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

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

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





1 year, the district or intermediate district forfeits the amount withheld.

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

9 (12) By November 1 of each year, if a district or intermediate district offers  
10 virtual learning under section 21f, or for a school of excellence that is a cyber  
11 school, as defined in section 551 of the revised school code, MCL 380.551, the  
12 district or intermediate district shall submit to the department a report that details  
13 the per-pupil costs of operating the virtual learning by vendor type and virtual  
14 learning model. The report shall include information concerning the operation of  
15 virtual learning for the immediately preceding school fiscal year, including  
16 information concerning summer programming. Information must be collected in a form and  
17 manner determined by the department and must be collected in the most efficient manner  
18 possible to reduce the administrative burden on reporting entities.

19 (13) By March 31 of each year, the department shall submit to the house and  
20 senate appropriations subcommittees on state school aid, the state budget director,  
21 and the house and senate fiscal agencies a report summarizing the per-pupil costs by  
22 vendor type of virtual courses available under section 21f and virtual courses  
23 provided by a school of excellence that is a cyber school, as defined in section 551  
24 of the revised school code, MCL 380.551.

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



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

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

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

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

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

~~(16) Beginning October 1, 2018, and annually thereafter, the department shall submit to the senate and house subcommittees on school aid and to the senate and house standing committees on education an itemized list of allocations under this article to any association or consortium consisting of associations in the immediately preceding fiscal year. The report shall detail the recipient or recipients, the amount allocated, and the purpose for which the funds were distributed.~~

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

(a) The basic foundation allowance is ~~\$8,409.00~~. **\$8,529.00.**

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

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

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

(a) Except as otherwise provided in this subdivision, for a district that had a



1 foundation allowance for the immediately preceding state fiscal year that was at least  
 2 equal to the minimum foundation allowance for the immediately preceding state fiscal  
 3 year, but less than the basic foundation allowance for the immediately preceding state  
 4 fiscal year, the district shall receive a foundation allowance in an amount equal to  
 5 the sum of the district's foundation allowance for the immediately preceding state  
 6 fiscal year plus the difference between ~~twice~~ **ONE AND A HALF TIMES** the dollar amount  
 7 of the adjustment from the immediately preceding state fiscal year to the current  
 8 state fiscal year made in the basic foundation allowance and [(the difference between  
 9 the basic foundation allowance for the current state fiscal year and basic foundation  
 10 allowance for the immediately preceding state fiscal year minus \$40.00) times (the  
 11 difference between the district's foundation allowance for the immediately preceding  
 12 state fiscal year and the minimum foundation allowance for the immediately preceding  
 13 state fiscal year) divided by the difference between the basic foundation allowance  
 14 for the current state fiscal year and the minimum foundation allowance for the  
 15 immediately preceding state fiscal year.] However, the foundation allowance for a  
 16 district that had less than the basic foundation allowance for the immediately  
 17 preceding state fiscal year shall not exceed the basic foundation allowance for the  
 18 current state fiscal year.

19 (b) Except as otherwise provided in this subsection, for a district that in the  
 20 immediately preceding state fiscal year had a foundation allowance in an amount equal  
 21 to the amount of the basic foundation allowance for the immediately preceding state  
 22 fiscal year, the district shall receive a foundation allowance for ~~2018-2019-2019-2020~~  
 23 in an amount equal to the basic foundation allowance for ~~2018-2019-2019-2020~~.

24 (c) For a district that had a foundation allowance for the immediately preceding  
 25 state fiscal year that was greater than the basic foundation allowance for the



1 immediately preceding state fiscal year, the district's foundation allowance is an  
 2 amount equal to the sum of the district's foundation allowance for the immediately  
 3 preceding state fiscal year plus the lesser of the increase in the basic foundation  
 4 allowance for the current state fiscal year, as compared to the immediately preceding  
 5 state fiscal year, or the product of the district's foundation allowance for the  
 6 immediately preceding state fiscal year times the percentage increase in the United  
 7 States consumer price index in the calendar year ending in the immediately preceding  
 8 fiscal year as reported by the May revenue estimating conference conducted under  
 9 section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

13 ~~(e) For a district that received a foundation allowance supplemental payment~~  
 14 ~~calculated under section 20m and paid under section 22b for 2017-2018, the district's~~  
 15 ~~2017-2018 foundation allowance is considered to have been an amount equal to the sum~~  
 16 ~~of the district's actual 2017-2018 foundation allowance as otherwise calculated under~~  
 17 ~~this section plus the lesser of the per pupil amount of the district's supplemental~~  
 18 ~~payment for 2017-2018 as calculated under section 20m or the product of the district's~~  
 19 ~~foundation allowance for the immediately preceding state fiscal year times the~~  
 20 ~~percentage increase in the United States consumer price index in the calendar year~~  
 21 ~~ending in the immediately preceding fiscal year as reported by the May revenue~~  
 22 ~~estimating conference conducted under section 367b of the management and budget act,~~  
 23 ~~1984 PA 431, MCL 18.1367b.~~

24 (4) Except as otherwise provided in this subsection, beginning in 2014-2015, the  
 25 state portion of a district's foundation allowance is an amount equal to the



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

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



1 of the foundation allowance of the pupil's district of residence or the foundation  
2 allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8  
3 district who is enrolled in another district in a grade not offered by the pupil's  
4 district of residence, the allocation calculated under this section shall be based on  
5 the foundation allowance of the educating district if the educating district's  
6 foundation allowance is greater than the foundation allowance of the pupil's district  
7 of residence. ~~The calculation under this subsection shall take into account a~~  
8 ~~district's per-pupil allocation under section 20m.~~

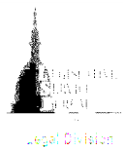
9 (6) Except as otherwise provided in this subsection, for pupils in membership,  
10 other than special education pupils, in a public school academy, the allocation  
11 calculated under this section is an amount per membership pupil other than special  
12 education pupils in the public school academy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



Notwithstanding section 101, for a public school academy that begins operations after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection. **BEGINNING IN 2019-2020, FOR PUPILS IN MEMBERSHIP IN A PUBLIC SCHOOL ACADEMY THAT WAS ISSUED A CONTRACT UNDER SECTION 552 OF THE REVISED SCHOOL CODE, MCL 380.552, TO OPERATE AS A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, THE ALLOCATION CALCULATED UNDER THIS SECTION SHALL BE AN AMOUNT EQUAL TO 80% OF THE AMOUNT AS WOULD OTHERWISE BE CALCULATED UNDER THIS SUBSECTION FOR A PUBLIC SCHOOL ACADEMY.**

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

(8) Subject to subsection (4), for a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the lesser of the sum of the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of



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

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

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

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

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





1 conference.

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

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

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

25 (13) If an amendment to section 2 of article VIII of the state constitution of



1 1963 allowing state aid to some or all nonpublic schools is approved by the voters of  
2 this state, each foundation allowance or per-pupil payment calculation under this  
3 section may be reduced.

4 (14) As used in this section:

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

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

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

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

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

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

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



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

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

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

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



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

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

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

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

15 (n) "Receiving district" means a district to which all or part of the territory  
 16 of a dissolved district is attached under section 12 of the revised school code, MCL  
 17 380.12.

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

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

24 (q) "Tax increment financing acts" means 1975 PA 197, MCL 125.1651 to 125.1681,  
 25 the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the



1 local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield  
2 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, or the corridor  
3 improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

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

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

12 (a) For a district that had combined state and local revenue per membership  
13 pupil in the 1994-95 state fiscal year of \$6,500.00 or more and served as a fiscal  
14 agent for a state board designated area vocational education center in the 1993-94  
15 school year, total state school aid received by or paid on behalf of the district  
16 pursuant to this act in 1993-94 shall exclude payments made under former section 146  
17 and under section 147 on behalf of the district's employees who provided direct  
18 services to the area vocational education center. Not later than June 30, 1996, the  
19 department shall make an adjustment under this subdivision to the district's combined  
20 state and local revenue per membership pupil in the 1994-95 state fiscal year and the  
21 department of treasury shall make a final certification of the number of mills that  
22 may be levied by the district under section 1211 of the revised school code, MCL  
23 380.1211, as a result of the adjustment under this subdivision.

24 (b) If a district had an adjustment made to its 1993-94 total state school aid  
25 that excluded payments made under former section 146 and under section 147 on behalf



1 of the district's employees who provided direct services for intermediate district  
 2 center programs operated by the district under sections 51 to 56, if nonresident  
 3 pupils attending the center programs were included in the district's membership for  
 4 purposes of calculating the combined state and local revenue per membership pupil for  
 5 1993-94, and if there is a signed agreement by all constituent districts of the  
 6 intermediate district that an adjustment under this subdivision shall be made, the  
 7 foundation allowances for 1995-96 and 1996-97 of all districts that had pupils  
 8 attending the intermediate district center program operated by the district that had  
 9 the adjustment shall be calculated as if their combined state and local revenue per  
 10 membership pupil for 1993-94 included resident pupils attending the center program and  
 11 excluded nonresident pupils attending the center program.

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

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

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

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

23 (c) The quotient of the district's allocation under section 147a for 2012-2013  
 24 divided by the district's membership pupils for 2012-2013 minus the quotient of the  
 25 district's allocation under section 147a for 2013-2014 divided by the district's



1 membership pupils for 2013-2014.

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

(i) A review of the district's implementation and utilization of a multi-tiered





1 system of supports to ensure that it is used to appropriately inform instruction.

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

4 (iii) A review of classroom, instructional, and operational practices and  
5 curriculum to ensure alignment with research-based instructional practices and state  
6 curriculum standards.

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

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

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

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

18 (3) Upon approval of the intervention plan developed under subsection (2), the  
19 department shall assign a team of individuals with expertise in comprehensive school  
20 and district reform to partner with the district, the intermediate district, community  
21 organizations, education organizations, and postsecondary institutions identified in  
22 the intervention plan to review the district's use of existing financial resources to  
23 ensure that those resources are being used as efficiently and effectively as possible  
24 to improve student academic achievement. The superintendent of public instruction may  
25 waive burdensome administrative rules for a partnership district for the duration of



1 the partnership agreement.

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

10 (5) The department shall annually report in person to the legislature on the  
11 activities funded under this section and how those activities impacted student  
12 achievement in eligible districts that received funds under this section. To the  
13 extent possible, participating districts receiving funding under this section shall  
14 participate in the report.

15 Sec. 22a. (1) From the appropriation in section 11, ~~there is allocated an amount~~  
16 ~~not to exceed \$5,176,000,000.00 for 2017-2018 and there is allocated an amount not to~~  
17 ~~exceed \$5,107,000,000.00~~ **\$4,953,000,000.00** ~~for 2018-2019~~ **2019-2020** for payments to  
18 districts and qualifying public school academies to guarantee each district and  
19 qualifying public school academy an amount equal to its 1994-95 total state and local  
20 per pupil revenue for school operating purposes under section 11 of article IX of the  
21 state constitution of 1963. Pursuant to section 11 of article IX of the state  
22 constitution of 1963, this guarantee does not apply to a district in a year in which  
23 the district levies a millage rate for school district operating purposes less than it  
24 levied in 1994. However, subsection (2) applies to calculating the payments under this  
25 section. Funds allocated under this section that are not expended in the state fiscal



1 year for which they were allocated, as determined by the department, may be used to  
2 supplement the allocations under sections 22b and 51c in order to fully fund those  
3 calculated allocations for the same fiscal year.

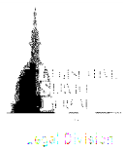
4 (2) To ensure that a district receives an amount equal to the district's 1994-95  
5 total state and local per pupil revenue for school operating purposes, there is  
6 allocated to each district a state portion of the district's 1994-95 foundation  
7 allowance in an amount calculated as follows:

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



1 not include property within the geographic area of the dissolved district; ad valorem  
2 property tax revenue of the receiving district captured under tax increment financing  
3 acts does not include ad valorem property tax revenue captured within the geographic  
4 boundaries of the dissolved district under tax increment financing acts; and certified  
5 mills do not include the certified mills of the dissolved district. For a community  
6 district, the allocation as otherwise calculated under this section shall be reduced  
7 by an amount equal to the amount of local school operating tax revenue that would  
8 otherwise be due to the community district if not for the operation of section 386 of  
9 the revised school code, MCL 380.386, and the amount of this reduction shall be offset  
10 by the increase in funding under section 22b(2).

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



1 380.12, ad valorem property tax revenue captured under tax increment financing acts do  
2 not include ad valorem property tax revenue captured within the geographic boundaries  
3 of the dissolved district under tax increment financing acts.

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

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

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



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

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

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

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

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

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

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

(f) "Hold harmless millage" means, for a district with a 1994-95 foundation allowance greater than \$6,500.00, the number of mills by which the exemption from the levy of school operating taxes on a homestead, qualified agricultural property, qualified forest property, supportive housing property, industrial personal property, commercial personal property, and property occupied by a public school academy could



be reduced as provided in section 1211 of the revised school code, MCL 380.1211, and the number of mills of school operating taxes that could be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, as certified by the department of treasury for the 1994 tax year. For a receiving district, if school operating taxes are to be levied on behalf of a dissolved district that has been attached in whole or in part to the receiving district to satisfy debt obligations of the dissolved district under section 12 of the revised school code, MCL 380.12, school operating taxes do not include school operating taxes levied within the geographic area of the dissolved district.

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

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

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

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

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



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

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

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

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

(ii) For the number of mills of school operating taxes that may be levied on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, the





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

7 Sec. 22b. (1) For discretionary nonmandated payments to districts under this  
 8 section, ~~there is allocated for 2017-2018 an amount not to exceed \$3,957,000,000.00~~  
 9 ~~from the state school aid fund and general fund appropriations in section 11 and an~~  
 10 ~~amount not to exceed \$72,000,000.00 from the community district education trust fund~~  
 11 ~~appropriation in section 11, and there is allocated for 2018-2019-2019-2020 an amount~~  
 12 ~~not to exceed \$4,252,000,000.00~~ **\$4,401,000,000.00** from the state school aid fund and  
 13 general fund appropriations in section 11 and an amount not to exceed \$72,000,000.00  
 14 from the community district education trust fund appropriation in section 11. Except  
 15 for money allocated from the community district trust fund, money allocated under this  
 16 section that is not expended in the state fiscal year for which it was allocated, as  
 17 determined by the department, may be used to supplement the allocations under sections  
 18 22a and 51c in order to fully fund those calculated allocations for the same fiscal  
 19 year.

20 (2) Subject to subsection (3) and section 296, the allocation to a district  
 21 under this section shall be an amount equal to the sum of the amounts calculated under  
 22 sections 20, ~~20m~~, 51a(2), 51a(3), and 51a(11), minus the sum of the allocations to the  
 23 district under sections 22a and 51c. For a community district, the allocation as  
 24 otherwise calculated under this section shall be increased by an amount equal to the  
 25 amount of local school operating tax revenue that would otherwise be due to the



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

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

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

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

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

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

(e) Comply with section 21f.

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

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

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



1 (6) From the allocation in subsection (1), the department shall pay up to  
2 \$1,000,000.00 in litigation costs incurred by this state associated with lawsuits  
3 filed by 1 or more districts or intermediate districts against this state. If the  
4 allocation under this section is insufficient to fully fund all payments required  
5 under this section, the payments under this subsection shall be made in full before  
6 any proration of remaining payments under this section.

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

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



1 (9) If a claim is made in court that challenges the legislative determination of  
2 the adequacy of funding for this state's constitutional obligations or alleges that  
3 there exists an unfunded constitutional requirement, any interested party may seek an  
4 expedited review of the claim by the local claims review board. If the claim exceeds  
5 \$10,000,000.00, this state may remove the action to the court of appeals, and the  
6 court of appeals shall have and shall exercise jurisdiction over the claim.

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

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



1 security act, 42 USC 1396 to 1396w-5.

2 Sec. 22d. (1) From the appropriation in section 11, an amount not to exceed  
3 \$6,000,000.00 is allocated for ~~2018-2019~~**2019-2020** for supplemental payments to rural  
4 districts under this section.

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

12 (i) Is located in the Upper Peninsula at least 30 miles from any other public  
13 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 district under  
16 subsection (2) shall be determined under a spending plan developed as provided in this  
17 subsection and approved by the superintendent of public instruction. The spending plan  
18 shall be developed cooperatively by the intermediate superintendents of each  
19 intermediate district in which an eligible district is located. The intermediate  
20 superintendents shall review the financial situation of each eligible district,  
21 determine the minimum essential financial needs of each eligible district, and develop  
22 and agree on a spending plan that distributes the available funding under subsection  
23 (2) to the eligible districts based on those financial needs. The intermediate  
24 superintendents shall submit the spending plan to the superintendent of public  
25 instruction for approval. Upon approval by the superintendent of public instruction,



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

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

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

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

12 Sec. 22m. (1) From the appropriations in section 11, there is allocated for  
13 ~~2018-2019~~ **2019-2020** an amount not to exceed \$2,200,000.00 for supporting the  
14 integration of local data systems into the Michigan data hub network based on common  
15 standards and applications that are in compliance with section 19(6).

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

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

24 (4) The center, in collaboration with the Michigan data hub network, shall  
25 determine the amount of funds distributed under this section to each participating



1 regional data hub within the network, based upon a competitive grant process. Entities  
2 receiving funding under this section shall represent geographically diverse areas in  
3 this state.

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

6 (6) To receive funding under this section, a regional data hub must have a  
7 governance model that ensures local control of data, data security, and student  
8 privacy issues. The integration of data within each of the regional data hubs shall  
9 provide for the actionable use of data by districts and intermediate districts through  
10 common reports and dashboards and for efficiently providing information to meet state  
11 and federal reporting purposes.

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

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

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

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

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

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



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

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

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

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

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

Sec. 22n. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$11,000,000.00 for ~~2018-2019~~ **2019-2020** for additional payments to districts for the higher instructional costs of educating high school pupils.

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

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





department shall prorate payments under this section on an equal per-pupil basis.

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

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

(a) "Added cost" means 100% of the added cost each fiscal year for educating all  
 pupils assigned by a court or the department of health and human services to reside in  
 or to attend a juvenile detention facility or child caring institution licensed by the  
 department of health and human services or the department of licensing and regulatory  
 affairs and approved by the department to provide an on-grounds education program.  
 Added cost shall be computed by deducting all other revenue received under this  
 article for pupils described in this section from total costs, as approved by the  
 department, in whole or in part, for educating those pupils in the on-grounds  
 education program or in a program approved by the department that is located on  
 property adjacent to a juvenile detention facility or child caring institution. Costs



1 reimbursed by federal funds are not included.

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

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

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

16 Sec. 24a. From the appropriation in section 11, there is allocated an amount not  
17 to exceed \$1,355,700.00 for ~~2018-2019~~ **2019-2020** for payments to intermediate districts  
18 for pupils who are placed in juvenile justice service facilities operated by the  
19 department of health and human services. Each intermediate district shall receive an  
20 amount equal to the state share of those costs that are clearly and directly  
21 attributable to the educational programs for pupils placed in facilities described in  
22 this section that are located within the intermediate district's boundaries. The  
23 intermediate districts receiving payments under this section shall cooperate with the  
24 department of health and human services to ensure that all funding allocated under  
25 this section is utilized by the intermediate district and department of health and



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

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

10 (2) If a pupil counted in membership for the pupil membership count day  
11 transfers from a district or intermediate district to enroll in another district or  
12 intermediate district after the pupil membership count day and before the supplemental  
13 count day and, due to the pupil's enrollment and attendance status as of the pupil  
14 membership count day, the pupil was not counted in membership in the educating  
15 district or intermediate district, the educating district or intermediate district may  
16 report the enrollment and attendance information to the center through the pupil  
17 transfer process within 30 days after the transfer or within 30 days after the pupil  
18 membership count certification date, whichever is later. Pupil transfers may be  
19 submitted no earlier than the first day after the certification deadline for the pupil  
20 membership count day and before the supplemental count day. Upon receipt of the  
21 transfer information under this subsection indicating that a pupil has enrolled and is  
22 in attendance in an educating district or intermediate district as described in this  
23 subsection, the pupil transfer process shall do the following:

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

25 (b) Notify both the pupil auditing staff of the intermediate district in which



1 the educating district is located and the pupil auditing staff of the intermediate  
2 district in which the district that previously enrolled the pupil is located. The  
3 pupil auditing staff shall investigate a representative sample based on required audit  
4 sample sizes in the pupil auditing manual and may deny the pupil membership transfer.

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

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

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

23 (b) Adjust the membership calculation for the educating district or intermediate  
24 district in which the pupil is enrolled and is in attendance so that the district's or  
25 intermediate district's membership is increased to allow the district or intermediate



1 district to receive an amount equal to the difference between the full-time equated  
2 membership claimed in the fall pupil membership count and the sum of the adjustments  
3 calculated under subdivision (a) for each district or intermediate district in which  
4 the pupil was previously enrolled and in attendance. The educating district or  
5 intermediate district shall receive a prorated foundation allowance in an amount equal  
6 to the product of the adjustment under this subdivision for the educating district or  
7 intermediate district multiplied by the per-pupil payment as calculated under section  
8 20 for the educating district or intermediate district. The foundation allowance or  
9 per-pupil payment shall be adjusted by the pupil's full-time equated status as  
10 affected by the membership definition under section 6(4).

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

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

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



(7) ~~It is the intent of the legislature that the center determine the number of pupils who did not reside in this state as of the 2018-2019 pupil membership count day but who newly enrolled in a district or intermediate district after that pupil membership count day and before the 2018-2019 supplemental count day. It is the intent of the legislature that the center further determine the number of pupils who were counted in membership for the 2018-2019 pupil membership count day but who left this state before the 2018-2019 supplemental count day. In 2019-2020, the~~ **THE** center shall **ANNUALLY** provide a report to the senate and house appropriations subcommittees on state school aid, and to the senate and house fiscal agencies, detailing the number of pupils transferring in from outside the public school system of this state and the number of pupils transferring out of the public school system in this state between the pupil membership count day and supplemental count day as described in this subsection.

(8) As used in this section:

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

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

Sec. 26a. From the funds appropriated in section 11, ~~there is allocated an amount not to exceed \$15,000,000.00 for 2017-2018 and there is allocated an amount not to exceed \$15,000,000.00~~ **\$15,300,000.00** for ~~2018-2019~~ **2019-2020** to reimburse districts and intermediate districts pursuant to section 12 of the Michigan renaissance zone



act, 1996 PA 376, MCL 125.2692, for taxes levied in ~~2017 and 2018, as applicable.~~  
**2019.** The allocations shall be made not later than 60 days after the department of  
treasury certifies to the department and to the state budget director that the  
department of treasury has received all necessary information to properly determine  
the amounts due to each eligible recipient.

Sec. 26b. (1) From the appropriation in section 11, there is allocated for ~~2018-~~  
~~2019-2019-2020~~ an amount not to exceed \$4,405,100.00 for payments to districts,  
intermediate districts, and community college districts for the portion of the payment  
in lieu of taxes obligation that is attributable to districts, intermediate districts,  
and community college districts under section 2154 of the natural resources and  
environmental protection act, 1994 PA 451, MCL 324.2154.

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

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

(2) Funds allocated to the promise zone fund under this section shall be used  
solely for payments to eligible districts and intermediate districts, in accordance  
with section 17(3) of the Michigan promise zone authority act, 2008 PA 549, MCL  
390.1677, that have a promise zone development plan approved by the department of  
treasury under section 7 of the Michigan promise zone authority act, 2008 PA 549, MCL



390.1667. Eligible districts and intermediate districts shall use payments made under this section for reimbursement for qualified educational expenses as defined in section 3 of the Michigan promise zone authority act, 2008 PA 549, MCL 390.1663.

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

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

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

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

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

**SEC. 28. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$794,000,000.00 FOR 2019-2020 TO PROVIDE ADDITIONAL RESOURCES TO DISTRICTS AND INTERMEDIATE DISTRICTS FOR COSTS ASSOCIATED WITH PROVIDING INSTRUCTION TO HIGHER-NEEDS PUPILS AND TO MAKE PAYMENTS BASED ON THE WEIGHTED PER PUPIL EDUCATION FUNDING MODEL PURSUANT TO THIS SECTION.**

**(2) BEGINNING IN 2019-2020, THERE IS IMPLEMENTED A WEIGHTED PER PUPIL EDUCATION FUNDING MODEL THAT PROVIDES FOR A PER-PUPIL BASE AMOUNT FOR ALL DISTRICTS AND ADDS**





1 WEIGHTS FOR ADDITIONAL RESOURCES TO SERVE HIGHER-NEEDS PUPILS WHO REQUIRE SPECIAL  
 2 EDUCATION SERVICES, ARE ACADEMICALLY AT RISK, OR ARE RECEIVING CAREER AND TECHNICAL  
 3 EDUCATION PROGRAMMING. A DISTRICT'S BASE AMOUNT PER PUPIL IS EQUAL TO THE DISTRICT'S  
 4 FOUNDATION ALLOWANCE CALCULATED UNDER SECTION 20 AND PAID OUT UNDER SECTIONS 22A AND  
 5 22B. FUNDS ALLOCATED UNDER THIS SECTION MUST BE SPENT ON RESOURCES THAT ARE SHOWN  
 6 THROUGH RESEARCH AND BEST PRACTICE TO IMPROVE STUDENT LEARNING.

7 (3) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO  
 8 EXCEED \$120,000,000.00 FOR PAYMENTS TO DISTRICTS AND INTERMEDIATE DISTRICTS TO  
 9 INCREASE THE LEVEL OF REIMBURSEMENT OF COSTS ASSOCIATED WITH PROVIDING SPECIAL  
 10 EDUCATION SERVICES REQUIRED UNDER STATE AND FEDERAL STATUTES.

11 (A) A DISTRICT'S OR INTERMEDIATE DISTRICT'S ALLOCATION UNDER THIS SUBSECTION IS  
 12 EQUAL TO THE LEVEL PERCENTAGE MULTIPLIED BY EACH DISTRICT'S OR INTERMEDIATE DISTRICT'S  
 13 COSTS REPORTED TO THE CENTER ON THE SPECIAL EDUCATION ACTUAL COST REPORT, KNOWN AS  
 14 "SE-4096" UNDER SECTION 18(6), AS APPROVED BY THE DEPARTMENT. THE TOTAL REIMBURSEMENT  
 15 UNDER THIS SUBSECTION AND UNDER SECTION 51C SHALL NOT EXCEED THE TOTAL REPORTED COSTS  
 16 FOR A DISTRICT OR INTERMEDIATE DISTRICT. FOR THE PURPOSES OF THIS SUBSECTION "THE  
 17 LEVEL PERCENTAGE" MEANS AN AMOUNT EQUAL TO THE ALLOCATION IN SUBSECTION (2) DIVIDED BY  
 18 THE TOTAL OF COSTS REPORTED TO THE CENTER ON THE SPECIAL EDUCATION ACTUAL COST REPORT,  
 19 KNOWN AS "SE-4096" UNDER SECTION 18(6), AS APPROVED BY THE DEPARTMENT. FOR 2019-2020,  
 20 THE LEVEL PERCENTAGE IS ESTIMATED AT 4.0%.

21 (B) ON A STATEWIDE BASIS, THE ALLOCATION UNDER THIS SUBSECTION AND UNDER  
 22 SECTIONS 51A AND 51C TO REIMBURSE DISTRICTS AND INTERMEDIATE DISTRICTS FOR 28.6138% OF  
 23 TOTAL APPROVED COSTS OF SPECIAL EDUCATION ARE ESTIMATED TO PROVIDE AN ADDITIONAL  
 24 AMOUNT PER FULL-TIME EQUATED SPECIAL EDUCATION PUPIL EQUAL TO 92% OF THE FOUNDATION  
 25 ALLOWANCE AMOUNT PAID TO DISTRICTS AND INTERMEDIATE DISTRICTS FOR SPECIAL EDUCATION



1 PUPILS.

2 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO  
3 EXCEED \$619,000,000.00 TO IMPLEMENT A WEIGHTED FOUNDATION PER-PUPIL PAYMENT FOR  
4 DISTRICTS ENROLLING ECONOMICALLY DISADVANTAGED PUPILS. PAYMENTS SHALL BE MADE TO  
5 DISTRICTS FOR THE PURPOSES OF ENSURING THAT PUPILS ARE PROFICIENT IN ENGLISH LANGUAGE  
6 ARTS BY THE END OF GRADE 3, THAT PUPILS ARE PROFICIENT IN MATHEMATICS BY THE END OF  
7 GRADE 8, THAT PUPILS ARE ATTENDING SCHOOL REGULARLY, AND THAT HIGH SCHOOL GRADUATES  
8 ARE CAREER AND COLLEGE READY.

9 (A) A DISTRICT'S ALLOCATION UNDER THIS SUBSECTION FOR EACH MEMBERSHIP PUPIL IN  
10 THE DISTRICT WHO IS DETERMINED TO BE ECONOMICALLY DISADVANTAGED, AS REPORTED TO THE  
11 CENTER IN THE FORM AND MANNER PRESCRIBED BY THE CENTER NOT LATER THAN THE FIFTH  
12 WEDNESDAY AFTER THE PUPIL MEMBERSHIP COUNT DAY OF THE IMMEDIATELY PRECEDING FISCAL  
13 YEAR, IS EQUAL TO 11% OF THE DISTRICT'S FOUNDATION ALLOWANCE AS CALCULATED IN SECTION  
14 20, NOT TO EXCEED THE STATE MINIMUM FOUNDATION ALLOWANCE. IT IS INTENDED THAT THE  
15 STATEWIDE TARGET PERCENTAGE FOR ALL SOURCES OF FUNDS BE SET AT 35.0%. IF FUNDS  
16 ALLOCATED UNDER THIS SUBSECTION ARE INSUFFICIENT TO FULLY FUND THE PAYMENTS PRESCRIBED  
17 IN THIS SUBSECTION, PAYMENTS SHALL BE PRORATED ON AN EQUAL PERCENTAGE BASIS.

18 (B) FOR A DISTRICT THAT HAS COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP  
19 PUPIL UNDER SECTION 20 THAT IS GREATER THAN THE BASIC FOUNDATION ALLOWANCE UNDER  
20 SECTION 20 FOR THE CURRENT FISCAL YEAR, THE ALLOCATION UNDER THIS SUBSECTION SHALL BE  
21 AN AMOUNT EQUAL TO 50% OF THE ALLOCATION FOR WHICH IT WOULD OTHERWISE BE ELIGIBLE  
22 UNDER THIS SUBSECTION, BEFORE ANY PRORATION UNDER SUBDIVISION (A).

23 (C) A DISTRICT THAT BEGAN OPERATIONS AFTER THE PUPIL MEMBERSHIP COUNT DAY OF THE  
24 IMMEDIATELY PRECEDING SCHOOL YEAR SHALL RECEIVE UNDER THIS SUBSECTION FOR EACH  
25 MEMBERSHIP PUPIL IN THE DISTRICT, WHO IS DETERMINED TO BE ECONOMICALLY DISADVANTAGED,



AS REPORTED TO THE CENTER IN THE FORM AND MANNER PRESCRIBED BY THE CENTER NOT LATER THAN THE FIFTH WEDNESDAY AFTER THE PUPIL MEMBERSHIP COUNT DAY OF THE CURRENT FISCAL YEAR, THE SAME PERCENTAGE AS PAID IN SUBDIVISION (A) OF THE DISTRICT'S FOUNDATION ALLOWANCE AS CALCULATED IN SECTION 20, NOT TO EXCEED THE STATE MINIMUM FOUNDATION ALLOWANCE.

(D) PAYMENTS UNDER THIS SUBSECTION ARE SUBJECT TO A DISTRICT'S COMPLIANCE WITH THE REQUIREMENTS DESCRIBED IN SECTION 31A. PAYMENTS SHALL BE USED BY DISTRICTS FOR THE PURPOSES DESCRIBED IN SECTION 31A. IN ADDITION, DISTRICTS SHALL USE FUNDS UNDER THIS SUBSECTION TO SHOW PROGRESS TOWARD MEETING THE FOLLOWING GOALS:

(I) PROVIDING AT LEAST 1 TUTOR PER EVERY 100 ECONOMICALLY DISADVANTAGED PUPILS ENROLLED IN THE DISTRICT.

(II) PROVIDING AT LEAST 1 PUPIL SUPPORT POSITION - INCLUDING BEHAVIOR SPECIALISTS, READING SUPPORT EXPERTS, AND COUNSELORS - PER EVERY 125 ECONOMICALLY DISADVANTAGED PUPILS ENROLLED IN THE DISTRICT.

(III) PROVIDING AT LEAST 1 SUMMER SCHOOL TEACHING POSITION PER EVERY 120 ECONOMICALLY DISADVANTAGED PUPILS ENROLLED IN THE DISTRICT.

(IV) EXPANDING PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR TEACHERS.

(V) PROVIDING ADDITIONAL SUPPORTS FOR STUDENTS ON THE COMPLETION OF THE FREE APPLICATION FOR FEDERAL STUDENT FINANCIAL AID (FAFSA).

(E) AS USED IN THIS SECTION, "ECONOMICALLY DISADVANTAGED" MEANS THAT TERM AS DEFINED IN SECTION 31A.

(5) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$55,000,000.00 TO IMPLEMENT A WEIGHTED FOUNDATION PER-PUPIL PAYMENT FOR DISTRICTS WITH PUPILS ENROLLED IN CAREER AND TECHNICAL EDUCATION PROGRAMS. A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL



1 CODE, MCL 380.551, IS NOT ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION.

2 (A) A DISTRICT SHALL RECEIVE UNDER THIS SUBSECTION FOR EACH PUPIL IN THE  
3 DISTRICT WHO IS IN GRADES 9 TO 12 AND WHO IS COUNTED IN MEMBERSHIP IN THE DISTRICT AND  
4 WHO IS ENROLLED IN AT LEAST 1 CAREER AND TECHNICAL EDUCATION PROGRAM IN THE CAREER  
5 PATHWAY IDENTIFIED BY THE STUDENT ON THE STUDENT'S EDUCATIONAL DEVELOPMENT PLAN,  
6 EXCLUDING THOSE PUPILS ENROLLED IN DISTRICTS IN ACCORDANCE WITH SECTION 166B AND  
7 COUNTED IN MEMBERSHIP UNDER SECTION 6, 6% OF THE DISTRICT'S FOUNDATION ALLOWANCE AS  
8 CALCULATED IN SECTION 20, NOT TO EXCEED THE STATE MINIMUM FOUNDATION ALLOWANCE. IT IS  
9 INTENDED THAT THE STATEWIDE TARGET PERCENTAGE FOR ALL SOURCES OF FUNDS BE SET AT  
10 10.0%. IF FUNDS ALLOCATED UNDER THIS SUBSECTION ARE INSUFFICIENT TO FULLY FUND THE  
11 PAYMENTS PRESCRIBED IN THIS SUBSECTION, PAYMENTS SHALL BE PRORATED ON AN EQUAL  
12 PERCENTAGE BASIS.

13 (B) AS USED IN THIS SUBSECTION "CAREER AND TECHNICAL EDUCATION PROGRAM" MEANS A  
14 STATE-APPROVED CAREER AND TECHNICAL EDUCATION PROGRAM, AS DETERMINED BY THE  
15 DEPARTMENT.

16 (C) PAYMENTS UNDER THIS SUBSECTION ARE INTENDED TO SUPPORT THE HIRING OF  
17 ADDITIONAL CAREER AND TECHNICAL EDUCATION STAFF AND CAREER COUNSELORS; TO UPDATE AND  
18 MAINTAIN FACILITIES, EQUIPMENT, AND MATERIALS RELATED TO CAREER AND TECHNICAL  
19 EDUCATION PROGRAMMING; AND TO EXPAND THE NUMBER OF CAREER AND TECHNICAL EDUCATION  
20 PROGRAMS AVAILABLE TO STUDENTS.

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



~~attending school regularly, that high school graduates are career and college ready, and for the purposes under subsections (7) and (8).~~

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

~~(1) (3)~~ For a district or public school academy to be eligible to receive funding under ~~this section, other than funding under subsection (7) or (8),~~ **SECTION 28(4)**, the district or public school academy, for grades K to 12, shall comply with the requirements under section 1280f of the revised school code, MCL 380.1280f, and shall use resources to address early literacy and numeracy, and for at least grades K to 12 or, if the district or public school academy does not operate all of grades K to 12, for all of the grades it operates, must implement a multi-tiered system of supports that is an evidence-based framework that uses data-driven problem solving to integrate academic and behavioral instruction and that uses intervention delivered to all pupils in varying intensities based on pupil needs. The multi-tiered system of supports described in this subsection must provide at least all of the following essential components:

- (a) Team-based leadership.
- (b) A tiered delivery system.
- (c) Selection and implementation of instruction, interventions, and supports.
- (d) A comprehensive screening and assessment system.
- (e) Continuous data-based decision making.

~~(4) Except as otherwise provided in this subsection, an eligible district or~~



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

(2) ~~(5)~~ Except as otherwise provided in this section, a district or public  
 school academy receiving funding under ~~this section~~ **28(4)** shall use that money only to  
 provide instructional programs and direct noninstructional services, including, but  
 not limited to, medical, mental health, or counseling services, for at-risk pupils;  
 for school health clinics; and for the purposes of subsection ~~(6), (7), or (8)~~. **(3),**  
**(4), OR (5).** In addition, a district that is a school district of the first class or a  
 district or public school academy in which at least 50% of the pupils in membership  
 were determined to be economically disadvantaged in the immediately preceding state  
 fiscal year, as determined and reported as described in ~~subsection (4)~~, **SECTION 28(4)**  
 may use not more than 20% of the funds it receives under ~~this section~~ **28(4)** for school  
 security **THAT ALIGNS TO THE NEEDS ASSESSMENT AND THE MULTI-TIERED SYSTEM OF SUPPORTS**  
**MODEL.** A district or public school academy shall not use any of that money for



administrative costs. The instruction or direct noninstructional services provided under this section **OR UNDER SECTION 28(4)** may be conducted before or after regular school hours or by adding extra school days to the school year. Funds spent on school security under this subsection must be counted toward required spending under subsection ~~(16)(e)~~. **(12)(C)**.

**(3)** ~~(6)~~—A district or public school academy that receives funds under ~~this~~ section **28(4)** and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a, shall use from the funds received under ~~this~~ section **28(4)** an amount, not to exceed \$10.00 per pupil for whom the district or public school academy receives funds under ~~this~~ section **28(4)**, necessary to pay for costs associated with the operation of the school breakfast program.

**(4)** ~~(7)~~—From the funds ~~allocated under subsection (1),~~ **APPROPRIATED IN SECTION 11**, there is allocated for ~~2018-2019-2019-2020~~ an amount not to exceed \$6,057,300.00 to support primary health care services provided to children and adolescents up to age 21. These funds shall be expended in a form and manner determined jointly by the department and the department of health and human services. ~~If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (14) for that fiscal year.~~

**(5)** ~~(8)~~—From the funds ~~allocated under subsection (1),~~ **APPROPRIATED IN SECTION 11**, there is allocated for ~~2018-2019-2019-2020~~ an amount not to exceed \$5,150,000.00 for the state portion of the hearing and vision screenings as described in section 9301 of the public health code, 1978 PA 368, MCL 333.9301. A local public health department shall pay at least 50% of the total cost of the screenings. The frequency



1 of the screenings shall be as required under R 325.13091 to R 325.13096 and R 325.3271  
 2 to R 325.3276 of the Michigan Administrative Code. Funds shall be awarded in a form  
 3 and manner approved jointly by the department and the department of health and human  
 4 services. Notwithstanding section 17b, payments to eligible entities under this  
 5 subsection shall be paid on a schedule determined by the department.

6 (6) ~~(9)~~ Each district or public school academy receiving funds under ~~this~~  
 7 section **28(4)** shall submit to the department by July 15 of each fiscal year a report,  
 8 in the form and manner prescribed by the department, that includes a brief description  
 9 of each program conducted or services performed by the district or public school  
 10 academy using funds under ~~this~~ section **28(4)**, the amount of funds under ~~this~~ section  
 11 **28(4)** allocated to each of those programs or services, the total number of at-risk  
 12 pupils served by each of those programs or services, and the data necessary for the  
 13 department and the department of health and human services to verify matching funds  
 14 for the temporary assistance for needy families program. In prescribing the form and  
 15 manner of the report, the department shall ensure that districts are allowed to expend  
 16 funds received under ~~this~~ section **28(4)** on any activities that are permissible under  
 17 this section **OR SECTION 28(4)**. If a district or public school academy does not comply  
 18 with this subsection, the department shall withhold an amount equal to the August  
 19 payment due under ~~this~~ section **28(4)** until the district or public school academy  
 20 complies with this subsection. If the district or public school academy does not  
 21 comply with this subsection by the end of the state fiscal year, the withheld funds  
 22 shall be forfeited to the school aid fund.

23 (7) ~~(10)~~ In order to receive funds under ~~this~~ section **28(4)**, a district or  
 24 public school academy shall allow access for the department or the department's  
 25 designee to audit all records related to the program for which it receives those





1 funds. The district or public school academy shall reimburse the state for all  
2 disallowances found in the audit.

3 (8) ~~(11)~~ Subject to subsections ~~(6), (7), and (8)~~, (3), (4), AND (5), for  
4 schools in which more than 40% of pupils are identified as at-risk, a district or  
5 public school academy may use the funds it receives under ~~this~~ section 28(4) to  
6 implement **TIER 1, EVIDENCE-BASED PRACTICES IN** schoolwide reforms that are guided by  
7 the district's comprehensive needs assessment and are included in the district  
8 improvement plan. Schoolwide reforms must include parent and community supports,  
9 activities, and services, that may include the pathways to potential program created  
10 by the department of health and human services or the communities in schools program.  
11 **AS USED IN THE SUBDIVISION, "TIER 1, EVIDENCE-BASED PRACTICES" MEANS RESEARCH-BASED**  
12 **INSTRUCTION AND CLASSROOM INTERVENTIONS THAT ARE AVAILABLE TO ALL LEARNERS AND**  
13 **EFFECTIVELY MEET THE NEEDS OF MOST STUDENTS.**

14 (9) ~~(12)~~ A district or public school academy that receives funds under ~~this~~  
15 section 28(4) may use up to ~~5%~~ 10% of those funds to provide research-based  
16 professional development and to implement a coaching model that supports the multi-  
17 tiered system of supports framework. Professional development may be provided to  
18 district and school leadership and teachers and must be aligned to professional  
19 learning standards; integrated into district, school building, and classroom  
20 practices; and solely related to the following:

21 (a) Implementing the multi-tiered system of supports required in subsection ~~(3)~~  
22 (1) with fidelity and utilizing the data from that system to inform curriculum and  
23 instruction.

24 (b) Implementing section 1280f of the revised school code, MCL 380.1280f, as  
25 required under subsection ~~(3)~~, (1), with fidelity.



(10) ~~(13)~~ A district or public school academy that receives funds under ~~this~~ section 28(4) may use funds received under ~~this~~ section 28(4) to support instructional or behavioral coaches. Funds used for this purpose are not subject to the cap under subsection ~~(12)~~. ~~(9)~~.

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

(11) ~~(15)~~ If a district is dissolved pursuant to section 12 of the revised school code, MCL 380.12, the intermediate district to which the dissolved school district was constituent shall determine the estimated number of pupils that are economically disadvantaged and that are enrolled in each of the other districts within the intermediate district and provide that estimate to the department for the purposes of distributing funds under ~~this~~ section 28(4) within 60 days after the school district is declared dissolved.

(12) ~~(16)~~ Beginning in 2019-2020, if a district or public school academy does not demonstrate to the satisfaction of the department that at least 50% of ~~at-risk~~ **ECONOMICALLY DISADVANTAGED** pupils are proficient in English language arts by the end of grade 3 as measured by the state assessment for the immediately preceding school year ~~or have achieved at least 1 year's growth in English language arts during grade 3 as measured by a local benchmark assessment for the immediately preceding school year,~~ demonstrate to the satisfaction of the department that at least 50% of ~~at-risk~~ **ECONOMICALLY DISADVANTAGED** pupils are proficient in mathematics by the end of grade 8 as measured by the state assessment for the immediately preceding school year ~~or have achieved at least 1 year's growth in mathematics during grade 8 as measured by a local~~



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

8 (a) The district or public school academy shall determine the proportion of ~~at-~~  
 9 ~~risk~~ **ECONOMICALLY DISADVANTAGED** pupils in grade 3 that represents the number of ~~at-~~  
 10 ~~risk~~ **ECONOMICALLY DISADVANTAGED** pupils in grade 3 that are not proficient in English  
 11 language arts by the end of grade 3, ~~or that did not achieve at least 1 year's growth~~  
 12 ~~in English language arts during grade 3,~~ and the district or public school academy  
 13 shall expend that same proportion multiplied by 1/3 of its total ~~at-risk funds~~  
 14 **ECONOMICALLY DISADVANTAGED PER PUPIL PAYMENT** under ~~this~~ section **28(4)** on ~~tutoring~~  
 15 **INTERVENTIONS** and other methods of improving grade 3 English language arts proficiency  
 16 or growth.

17 (b) The district or public school academy shall determine the proportion of ~~at-~~  
 18 ~~risk~~ **ECONOMICALLY DISADVANTAGED** pupils in grade 8 that represents the number of ~~at-~~  
 19 ~~risk~~ **ECONOMICALLY DISADVANTAGED** pupils in grade 8 that are not proficient in  
 20 mathematics by the end of grade 8, ~~or that did not achieve at least 1 year's growth in~~  
 21 ~~mathematics during grade 8,~~ and the district or public school academy shall expend  
 22 that same proportion multiplied by 1/3 of its total ~~at-risk funds~~ **ECONOMICALLY**  
 23 **DISADVANTAGED PER PUPIL PAYMENT** under ~~this~~ section **28(4)** on ~~tutoring~~ **INTERVENTIONS** and  
 24 other methods of improving grade 8 mathematics proficiency or growth.

25 (c) The district or public school academy shall determine the proportion of ~~at-~~



1 ~~risk~~ **ECONOMICALLY DISADVANTAGED** pupils in grade 11 that represents the number of ~~at-~~  
 2 ~~risk~~ **ECONOMICALLY DISADVANTAGED** pupils in grade 11 that are not career- and college-  
 3 ready as measured by the student's score on the English language arts, mathematics,  
 4 and science content area assessments on the grade 11 summative assessment under  
 5 section 1279g(2) (a) of the revised school code, MCL 380.1279g, and the district or  
 6 public school academy shall expend that same proportion multiplied by 1/3 of its total  
 7 ~~at-risk funds~~ **ECONOMICALLY DISADVANTAGED PER PUPIL PAYMENT** under ~~this~~ section **28(4)** on  
 8 ~~tutoring~~ **INTERVENTIONS** and other activities to improve scores on the college entrance  
 9 examination portion of the Michigan merit examination.

10 ~~(17) From the funds allocated under subsection (1), there is allocated for 2018-~~  
 11 ~~2019 an amount not to exceed \$18,000,000.00 for payments to districts and public~~  
 12 ~~school academies that otherwise received an allocation under this section in 2018-2019~~  
 13 ~~and that allocation was less than the district's or public school academy's allocation~~  
 14 ~~under this section in 2017-2018. The allocation for each district or public school~~  
 15 ~~academy under this subsection is an amount equal to its allocation under this section~~  
 16 ~~in 2017-2018 minus its allocation as otherwise calculated under this section for 2018-~~  
 17 ~~2019. If necessary, and before any proration required under section 296, the~~  
 18 ~~department shall prorate payments under this subsection by reducing the amount of the~~  
 19 ~~allocation as otherwise calculated under this subsection by an equal percentage per~~  
 20 ~~district or public school academy.~~

21 **(13)** ~~(18)~~ A district or public school academy that receives funds under ~~this~~  
 22 section **28(4)** may use funds received under ~~this~~ section **28(4)** to provide an anti-  
 23 bullying or crisis intervention program.

24 **(14)** ~~(19)~~ The department shall collaborate with the department of health and  
 25 human services to prioritize assigning Pathways to Potential Success coaches to



1 elementary schools that have a high percentage of pupils in grades K to 3 who are not  
2 proficient in English language arts, based upon state assessments for pupils in those  
3 grades.

4 (15) ~~(20)~~ As used in this section:

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

7 (i) The pupil is economically disadvantaged.

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

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

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

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

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

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

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

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

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

24 (b) "Economically disadvantaged" means a pupil who has been determined eligible  
25 for free or reduced-price meals as determined under the Richard B. Russell national



1 school lunch act, 42 USC 1751 to 1769j; who is in a household receiving supplemental  
 2 nutrition assistance program or temporary assistance for needy families assistance; or  
 3 who is homeless, migrant, or in foster care, as reported to the center.

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

7 ~~-(d) "Statewide weighted average foundation allowance" means the number that is~~  
 8 ~~calculated by adding together the result of each district's or public school academy's~~  
 9 ~~foundation allowance or per pupil payment calculated under section 20 multiplied by~~  
 10 ~~the number of pupils in membership in that district or public school academy, and then~~  
 11 ~~dividing that total by the statewide number of pupils in membership. For the purposes~~  
 12 ~~of this calculation, a district's foundation allowance shall not exceed the basic~~  
 13 ~~foundation allowance under section 20 for the current state fiscal year.~~

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

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

24 (3) The payments made under this section include all state payments made to  
 25 districts so that each district receives at least 6.0127% of the necessary costs of



operating the state mandated portion of the school lunch program in a fiscal year.

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

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

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

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

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

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

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

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



1 subdivision (a).

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

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

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

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

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





administers the project for a prosperity region, the department may retain up to 10% of that prosperity region's funding for administration **OR MAY DISTRIBUTE TO PROJECT PARTNERS AS APPROPRIATE.**

(3) The department shall develop and implement a competitive grant program for districts within the identified prosperity regions to assist in paying for the costs incurred by the district to purchase or increase purchases of whole or minimally processed fruits, vegetables, and legumes grown in this state. The maximum amount that may be drawn down on a grant to a district shall be based on the number of meals served by the school district during the previous school year under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j. The department shall collaborate with the Michigan department of agriculture and rural development to provide training to newly participating schools and electronic information on Michigan agriculture.

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

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

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

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



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

3 (6) For Michigan-grown fruits, vegetables, and legumes that satisfy the  
4 requirements of subsection (5), matching reimbursements shall be made in an amount not  
5 to exceed 10 cents for every school meal that is served as part of the United States  
6 Department of Agriculture's child nutrition programs and that uses Michigan-grown  
7 fruits, vegetables, and legumes.

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

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

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



1 (10) In awarding grants, the department shall also consider all of the  
2 following: the percentage of children who qualify for free or reduced price school  
3 meals under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j;  
4 the variety of school sizes and geographic locations within the identified prosperity  
5 regions; and existing or future collaboration opportunities between more than 1  
6 district in a prosperity region.

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

23 (a) The extent to which farmers and related businesses, including distributors  
24 and processors, see an increase in market opportunities and income generation through  
25 sales of Michigan or local products to districts. All of the following apply for



purposes of this subdivision:

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

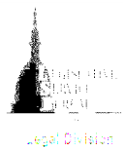
(ii) The prosperity region office shall use purchasing data collected for the project and surveys of school food service directors on the impact and success of the project as the source for the data described in subparagraph (i).

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

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

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

(12) The department shall compile the reports provided by prosperity region offices under subsection (11) into 1 legislative report. The department shall provide this report not later than April 1, ~~2019~~2020 to the house and senate subcommittees responsible for school aid, the house and senate fiscal agencies, and the state budget



1 director.

2 (13) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION SHALL BE PAID ON A  
3 SCHEDULE DETERMINED BY THE DEPARTMENT.

4 Sec. 31n. (1) From the ~~school mental health and support services fund~~ money  
5 appropriated in section 11, there is allocated for ~~2018-2019~~ **2019-2020** for the  
6 purposes of this section an amount not to exceed ~~\$30,000,000.00~~ **\$22,000,000.00** and  
7 from the general fund money appropriated in section 11, there is allocated for ~~2018-~~  
8 ~~2019-2019-2020~~ for the purposes of this section an amount not to exceed \$1,300,000.00.  
9 ~~Not later than February 15, 2019, the~~ **THE** department and the department of health and  
10 human services shall ~~establish~~ **CONTINUE** a program to distribute this funding to add  
11 licensed behavioral health providers for general education pupils, and shall **CONTINUE**  
12 **TO** seek federal Medicaid match funding for all eligible mental health and support  
13 services.

14 (2) ~~Not later than February 15, 2019, the~~ **THE** department and the department of  
15 health and human services shall ~~create an~~ **MAINTAIN AN** advisory council **FOR PROGRAMS**  
16 **FUNDED UNDER THIS SECTION. THE ADVISORY COUNCIL SHALL** ~~and~~ define goals for  
17 implementation of programs funded under this section, and shall provide feedback on  
18 that implementation. At a minimum, the advisory council shall include representatives  
19 of state associations representing school health, school mental health, school  
20 counseling, education, health care, and other organizations, representatives from the  
21 department and the department of health and human services, and a representative from  
22 the school safety task force created under Executive Order No. 2018-5. The department  
23 and department of health and human services, working with the advisory council, shall  
24 determine an approach to increase capacity for mental health and support services in  
25 schools for general education pupils, and shall determine where that increase in



1 capacity qualifies for federal Medicaid match funding.

2 (3) The advisory council shall develop a fiduciary agent checklist for  
3 intermediate districts to facilitate development of a plan to submit to the department  
4 and to the department of health and human services. The department and department of  
5 health and human services shall determine the requirements and format for intermediate  
6 districts to submit a plan for possible funding under subsection (5). Applications for  
7 funding for this program shall be made available to districts and intermediate  
8 districts not later than March 1, ~~2019, 2020~~ and funding shall be awarded not later  
9 than April 1, ~~2019, 2020~~.

10 (4) ~~Not later than January 1, 2019, the~~ **THE** department of health and human  
11 services shall seek to amend the state Medicaid plan or obtain appropriate Medicaid  
12 waivers as necessary for the purpose of generating additional Medicaid match funding  
13 for school mental health and support services for general education pupils. It is ~~the~~  
14 ~~intent of the legislature~~ **INTENDED** that a successful state plan amendment or other  
15 Medicaid match mechanisms will result in additional federal Medicaid match funding for  
16 both the new funding allocated under this section and for any expenses already  
17 incurred by districts and intermediate districts for mental health and support  
18 services for general education pupils.

19 (5) From the funds allocated under subsection (1), there is allocated an amount  
20 not to exceed \$5,000,000.00 to be distributed to the existing network of child and  
21 adolescent health centers to place a licensed master's level behavioral health  
22 provider in schools that do not currently have services available to general education  
23 students. Existing child and adolescent health centers receiving funding under this  
24 subsection shall provide a commitment to maintain services and implement all available  
25 federal Medicaid match methodologies. The department of health and human services



1 shall use all existing or additional federal Medicaid match opportunities to maximize  
 2 funding allocated under this subsection. Funds under this subsection shall be provided  
 3 to existing child and adolescent health centers in the same proportion that funding  
 4 under section ~~31a(7)~~ **31A(4)** is provided to child and adolescent health centers located  
 5 and operating in those districts.

6 (6) From the funds allocated under subsection (1), there is allocated an amount  
 7 not to exceed \$16,500,000.00 to be distributed to intermediate districts for the  
 8 provision of mental health and support services to general education students. From  
 9 the funds allocated under this subsection, the department shall distribute \$294,500.00  
 10 to each intermediate district that submits a plan approved by the department and the  
 11 department of health and human services. The department and department of health and  
 12 human services shall work cooperatively in providing oversight and assistance to  
 13 intermediate districts during the plan submission process and shall monitor the  
 14 program upon implementation. An intermediate district shall use funds awarded under  
 15 this subsection to provide funding to its constituent districts, including public  
 16 school academies that are considered to be constituent districts under section 705(7)  
 17 of the revised school code, MCL 380.705, for the provision of mental health and  
 18 support services to general education students. In addition to the criteria identified  
 19 under subsection (7), an intermediate district shall consider geography, cost, or  
 20 other challenges when awarding funding to its constituent districts. If funding  
 21 awarded to an intermediate district remains after funds are provided by the  
 22 intermediate district to its constituent districts, the intermediate district may hire  
 23 or contract for experts to provide mental health and support services to general  
 24 education students residing within the boundaries of the intermediate district.

25 (7) A district requesting funds under this section from the intermediate



1 district in which it is located shall submit an application for funding for the  
2 provision of mental health and support services to general education pupils. A  
3 district receiving funding from the application process described in this subsection  
4 shall provide services to nonpublic students upon request. An intermediate district  
5 shall not discriminate against an application submitted by a public school academy  
6 simply on the basis of the applicant being a public school academy. Grant applications  
7 shall be approved based on the following criteria:

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

10 (b) The district's commitment to implement all federal Medicaid match  
11 methodologies and provide a local match of at least 20%.

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

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

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

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

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

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

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

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





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

3 (8) Funding under this section, including any federal Medicaid funds that are  
4 generated, shall not be used to supplant existing services.

5 (9) Both of the following are allocated for ~~2018-2019~~**-2019-2020** to the  
6 department of health and human services from the general fund money allocated under  
7 subsection (1):

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

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

14 (10) From the funds allocated under subsection (1), there is allocated for ~~2018-~~  
15 ~~2019-2019-2020~~ an amount not to exceed \$500,000.00 to intermediate districts on an  
16 equal per intermediate district basis for the purpose of administering programs funded  
17 under this section.

18 (11) The department and the department of health and human services shall work  
19 with the advisory council to develop proposed measurements of outcomes and  
20 performance. Those measurements shall include, at a minimum, the number of pupils  
21 served, the number of schools served, and where those pupils and schools were located.  
22 The department and the department of health and human services shall compile data  
23 necessary to measure outcomes and performance, and districts and intermediate  
24 districts receiving funding under this section shall provide data requested by the  
25 department and department of health and human services for the measurement of outcomes



1 and performance. The department and department of health and human services shall  
2 provide a report not later than December 1, 2019 and by December 1 annually thereafter  
3 to the house and senate appropriations subcommittees on school aid and health and  
4 human services, and to the house and senate fiscal agencies. At a minimum, the report  
5 shall include measurements of outcomes and performance, proposals to increase efficacy  
6 and usefulness, proposals to increase performance, and proposals to expand coverage.

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

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

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



~~assessment team must consist of, but is not limited to, all of the following individuals:~~

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

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

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

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

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

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

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

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

Sec. 32d. (1) From the funds appropriated in section 11, there is allocated to eligible intermediate districts and consortia of intermediate districts for great start readiness programs an amount not to exceed ~~\$244,600,000.00~~ **\$328,600,000.00** for ~~2018-2019.~~ **2019-2020**. Funds allocated under this section for great start readiness programs shall be used to provide part-day, school-day, or GSRP/Head Start blended comprehensive free compensatory classroom programs designed to improve the readiness and subsequent achievement of educationally disadvantaged children who meet the

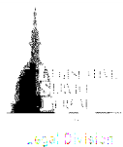


participant eligibility and prioritization guidelines as defined by the department. For a child to be eligible to participate in a program under this section, the child shall be at least 4, but less than 5, years of age as of September 1 of the school year in which the program is offered and shall meet those eligibility and prioritization guidelines. A child who is not 4 years of age as of September 1, but who will be 4 years of age not later than December 1, is eligible to participate if the child's parent or legal guardian seeks a waiver from the September 1 eligibility date by submitting a request for enrollment in a program to the responsible intermediate district, if the program has capacity on or after September 1 of the school year, and if the child meets eligibility and prioritization guidelines.

(2) From the funds allocated under subsection (1), an amount not to exceed ~~\$242,600,000.00~~ **\$328,600,000.00** is allocated to intermediate districts or consortia of intermediate districts based on the formula in section 39. An intermediate district or consortium of intermediate districts receiving funding under this section shall act as the fiduciary for the great start readiness programs. In order to be eligible to receive funds allocated under this subsection from an intermediate district or consortium of intermediate districts, a district, a consortium of districts, or a public or private for-profit or nonprofit legal entity or agency shall comply with this section and section 39.

(3) In addition to the allocation under subsection (1), from the general fund money appropriated under section 11, there is allocated an amount not to exceed \$300,000.00 for ~~2018-2019~~ **2019-2020** for a competitive grant to continue a longitudinal evaluation of children who have participated in great start readiness programs.

(4) To be eligible for funding under this section, a program shall prepare children for success in school through comprehensive part-day, school-day, or



1 GSRP/Head Start blended programs that contain all of the following program components,  
2 as determined by the department:

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

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

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

11 (d) Physical and dental health and developmental screening services for all  
12 program participants.

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

15 (f) Active and continuous involvement of the parents or guardians of the program  
16 participants.

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

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



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

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

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

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

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

10 (b) Except as otherwise provided in this subdivision, ensure that at least 90%  
11 of the children participating in an eligible great start readiness program for whom  
12 the intermediate district is receiving funds under this section are children who live  
13 with families with a household income that is equal to or less than ~~250%~~300% of the  
14 federal poverty level. If the intermediate district determines that all eligible  
15 children are being served and that there are no children on the waiting list who live  
16 with families with a household income that is equal to or less than ~~250%~~300% of the  
17 federal poverty level, the intermediate district may then enroll children who live  
18 with families with a household income that is equal to or less than ~~300%~~350% of the  
19 federal poverty level. The enrollment process shall consider income and risk factors,  
20 such that children determined with higher need are enrolled before children with  
21 lesser need. For purposes of this subdivision, all age-eligible children served in  
22 foster care or who are experiencing homelessness or who have individualized education  
23 plans recommending placement in an inclusive preschool setting shall be considered to  
24 live with families with household income equal to or less than ~~250%~~300% of the  
25 federal poverty level regardless of actual family income and shall be prioritized for



1 enrollment within the lowest quintile.

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

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

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



1 hours of training per calendar year.

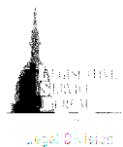
2 (d) Include a program budget that contains only those costs that are not  
3 reimbursed or reimbursable by federal funding, that are clearly and directly  
4 attributable to the great start readiness program, and that would not be incurred if  
5 the program were not being offered. Eligible costs include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

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

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

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

23 (9) An intermediate district or consortium of intermediate districts may retain  
24 for administrative services provided by the intermediate district or consortium of  
25 intermediate districts an amount not to exceed 4% of the grant amount. Expenses





1 incurred by subrecipients engaged by the intermediate district or consortium of  
2 intermediate districts for directly running portions of the program shall be  
3 considered program costs or a contracted program fee for service.

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

7 (11) Each grant recipient shall enroll children identified under subsection  
8 (5) (b) according to how far the child's household income is below ~~250%~~ **300%** of the  
9 federal poverty level by ranking each applicant child's household income from lowest  
10 to highest and dividing the applicant children into quintiles based on how far the  
11 child's household income is below ~~250%~~ **300%** of the federal poverty level, and then  
12 enrolling children in the quintile with the lowest household income before enrolling  
13 children in the quintile with the next lowest household income until slots are  
14 completely filled. If the grant recipient determines that all eligible children are  
15 being served and that there are no children on the waiting list who live with families  
16 with a household income that is equal to or less than ~~250%~~ **300%** of the federal poverty  
17 level, the grant recipient may then enroll children who live with families with a  
18 household income that is equal to or less than ~~300%~~ **350%** of the federal poverty level.  
19 The enrollment process shall consider income and risk factors, such that children  
20 determined with higher need are enrolled before children with lesser need. For  
21 purposes of this subdivision, all age-eligible children served in foster care or who  
22 are experiencing homelessness or who have individualized education plans recommending  
23 placement in an inclusive preschool setting shall be considered to live with families  
24 with household income equal to or less than ~~250%~~ **300%** of the federal poverty level  
25 regardless of actual family income and shall be prioritized for enrollment within the



1 lowest quintile.

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

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



1 provided under this section. To be able to use this exemption, the intermediate  
2 district or consortium shall demonstrate to the department that the intermediate  
3 district or consortium increased the percentage of its total allocation for which it  
4 contracts with a community-based provider and the intermediate district or consortium  
5 shall submit evidence satisfactory to the department, and the department must be able  
6 to verify this evidence, demonstrating that the intermediate district or consortium  
7 took measures to contract for at least 30% of its total allocation as required under  
8 this subsection, including, but not limited to, at least all of the following  
9 measures:

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

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

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

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



1 the percentage of an intermediate district's or consortium's total allocation awarded  
2 to community-based providers and 30% of its total allocation.

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

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

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

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

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



(16) A recipient of funds under this section shall report to the center in a form and manner prescribed by the center the information necessary to derive the number of children participating in the program who meet the program eligibility criteria under subsection (5) (b), the number of eligible children not participating in the program and on a waitlist, and the total number of children participating in the program by various demographic groups and eligibility factors necessary to analyze equitable and priority access to services for the purposes of subsection (3).

(17) As used in this section:

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

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

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

(18) An intermediate district or consortium of intermediate districts receiving funds under this section shall establish and charge tuition according to a sliding scale of tuition rates based upon household income for children participating in an eligible great start readiness program who live with families with a household income that is more than ~~250%~~ 300% of the federal poverty level to be used by all of its providers, as approved by the department.

(19) From the amount appropriated in subsection (1), there is allocated an amount not to exceed \$10,000,000.00 for reimbursement of transportation costs for



1 children attending great start readiness programs funded under this section. To  
 2 receive reimbursement under this subsection, not later than November 1, ~~2018~~, **OF EACH**  
 3 **YEAR**, a program funded under this section that provides transportation shall submit to  
 4 the intermediate district that is the fiscal agent for the program a projected  
 5 transportation budget. The amount of the reimbursement for transportation under this  
 6 subsection shall be no more than the projected transportation budget or \$300.00  
 7 multiplied by the number of children funded for the program under this section. If the  
 8 amount allocated under this subsection is insufficient to fully reimburse the  
 9 transportation costs for all programs that provide transportation and submit the  
 10 required information, the reimbursement shall be prorated in an equal amount per child  
 11 funded. Payments shall be made to the intermediate district that is the fiscal agent  
 12 for each program, and the intermediate district shall then reimburse the program  
 13 provider for transportation costs as prescribed under this subsection.

14 (20) Subject to, and from the funds allocated under, subsection (19), the  
 15 department shall reimburse a program for transportation costs related to parent- or  
 16 guardian-accompanied transportation provided by transportation service companies,  
 17 buses, or other public transportation services. To be eligible for reimbursement under  
 18 this subsection, a program must submit to the intermediate district or consortia of  
 19 intermediate districts all of the following:

20 (a) The names of families provided with transportation support along with a  
 21 documented reason for the need for transportation support and the type of  
 22 transportation provided.

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



1 (c) Any other documentation or information determined necessary by the  
2 department.

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

8 (22) An intermediate district that is a GSRP grantee may approve the use of a  
9 supplemental curriculum that aligns with and enhances the age-appropriate educational  
10 curriculum in the classroom. If the department objects to the use of a supplemental  
11 curriculum approved by an intermediate district, the superintendent of public  
12 instruction shall establish a review committee independent of the department. The  
13 review committee shall meet within 60 days of the department registering its objection  
14 in writing and provide a final determination on the validity of the objection within  
15 60 days of the review committee's first meeting.

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

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

23 (24) ~~(25)~~ A great start readiness program or a GSRP/Head Start blended program  
24 funded under this section shall be permitted to utilize AmeriCorps Pre-K Reading Corps  
25 members in classrooms implementing research-based early literacy intervention



1 strategies.

2 Sec. 32p. (1) From the appropriation in section 11, there is allocated an amount  
3 not to exceed \$13,400,000.00 to intermediate districts for ~~2018-2019~~**2019-2020** for the  
4 purpose of providing early childhood funding to intermediate school districts to  
5 support the activities under subsection (2) and subsection (4), and to provide early  
6 childhood programs for children from birth through age 8. The funding provided to each  
7 intermediate district under this section shall be determined by the distribution  
8 formula established by the department's office of great start to provide equitable  
9 funding statewide. In order to receive funding under this section, each intermediate  
10 district shall provide an application to the office of great start not later than  
11 September 15 of the immediately preceding fiscal year indicating the activities  
12 planned to be provided.

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

19 (a) Children born healthy.

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

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

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





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

(a) Physical health.

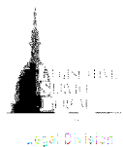
(b) Social-emotional health.

(c) Family supports and basic needs.

(d) Parent education.

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

(4) From the funds allocated in subsection (1), at least \$2,500,000.00 shall be used for the purpose of providing home visits to at-risk children and their families. The home visits shall be conducted as part of a locally coordinated, family-centered, evidence-based, data-driven home visit strategic plan that is approved by the department. The goals of the home visits funded under this subsection shall be to improve school readiness using evidence-based methods, including a focus on developmentally appropriate outcomes for early literacy, to reduce the number of pupils retained in grade level, to reduce the number of pupils requiring special education services, to improve positive parenting practices, and to improve family economic self-sufficiency while reducing the impact of high-risk factors through community resources and referrals. The department shall coordinate the goals of the home visit strategic plans approved under this subsection with other state agency home visit programs in a way that strengthens Michigan's home visiting infrastructure and maximizes federal funds available for the purposes of at-risk family home visits. The coordination among departments and agencies is intended to avoid duplication of state



services and spending, and should emphasize efficient service delivery of home visiting programs.

(5) Not later than December 1 of each year, each intermediate district shall provide a report to the department detailing the activities actually provided during the immediately preceding school year and the families and children actually served. At a minimum, the report shall include an evaluation of the services provided with additional funding under subsection (4) for home visits, using the goals identified in subsection (4) as the basis for the evaluation, including the degree to which school readiness was improved, ~~any change in the number of pupils retained at grade level, and any change in the number of pupils receiving special education services.~~ **POSITIVE PARENTING PRACTICES WERE IMPROVED, THERE WAS IMPROVED FAMILY ECONOMIC SELF-SUFFICIENCY, AND COMMUNITY RESOURCES AND REFERRALS WERE UTILIZED.** The department shall compile and summarize these reports and submit its summary to the house and senate appropriations subcommittees on school aid and to the house and senate fiscal agencies not later than February 15 of each year.

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

Sec. 35a. (1) From the appropriations in section 11, there is allocated for ~~2018-2019~~ **2019-2020** for the purposes of this section an amount not to exceed ~~\$27,900,000.00~~ **\$52,400,000.00** from the state school aid fund and an amount not to



1 exceed ~~\$3,500,000.00~~ **\$3,000,000.00** from the general fund. The superintendent shall  
 2 designate staff or contracted employees funded under this section as critical  
 3 shortage. Programs funded under this section are intended to ensure that this state  
 4 will be ~~in the top 10 most improved states in grade 4 reading proficiency by the 2019~~  
 5 ~~National Assessment of Educational Progress (NAEP) and will be in the A top 10 states~~  
 6 ~~overall~~ **STATE** in grade 4 reading proficiency by 2025, **ACCORDING TO THE NATIONAL**  
 7 **ASSESSMENT OF EDUCATIONAL PROGRESS (NAEP).**

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

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



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

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

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

(d) Comprehension - making meaning of text.

(4) From the allocations under subsection (1), there is allocated an amount not to exceed ~~\$7,000,000.00~~ **\$31,500,000.00** for ~~2018-2019~~ **2019-2020** for the purpose of providing early literacy coaches at intermediate districts to assist teachers in developing and implementing instructional strategies for pupils in grades K to 3 so that pupils are reading at grade level by the end of grade 3. All of the following apply to funding under this subsection:

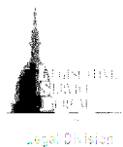
(a) The department shall develop an application process consistent with the provisions of this subsection. An application shall provide assurances that literacy coaches funded under this subsection are knowledgeable about at least the following:

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

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

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

(b) From the allocation under this subsection, the department shall award grants to intermediate districts for the support of early literacy coaches. ~~An intermediate district must provide matching funds for at least 50% of the grant amount awarded to~~



~~support the cost of the literacy coach.~~ The department shall provide this funding in the following manner:

(i) Each intermediate district shall be awarded grant funding to support the cost of 1 early literacy coach in an equal amount per early literacy coach, not to exceed ~~\$75,000.00.~~ **\$112,500.00.**

(ii) After distribution of the grant funding under subparagraph (i), the department shall distribute the remainder of grant funding for additional early literacy coaches in an amount not to exceed ~~\$75,000.00.~~ **\$112,500.00** per early literacy coach. The number of funded early literacy coaches for each intermediate district shall be based on the percentage of the total statewide number of pupils in grades K to 3 who meet the income eligibility standards for the federal free and reduced-price lunch programs who are enrolled in districts in the intermediate district. For each additional early literacy coach funded under this subparagraph, the department shall not make an award to an intermediate district under this subparagraph in an amount that is less than the amount necessary to pay 1/2 of the total cost of that additional early literacy coach.

(5) From the allocations under subsection (1), there is allocated an amount not to exceed \$19,900,000.00 for ~~2018-2019~~ **2019-2020** to districts that provide additional instructional time to those pupils in grades K to 3 who have been identified by using department-approved screening and diagnostic tools as needing additional supports and interventions in order to be reading at grade level by the end of grade 3. Additional instructional time may be provided before, during, and after regular school hours or as part of a year-round balanced school calendar. All of the following apply to funding under this subsection:

(a) In order to be eligible to receive funding, a district shall demonstrate to



1 the satisfaction of the department that the district has done all of the following:

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

7 (A) Team-based leadership.

8 (B) A tiered delivery system.

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

10 (D) A comprehensive screening and assessment system.

11 (E) Continuous data-based decision making.

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

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

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

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

21 (b) Funding allocated under this subsection shall be distributed to eligible  
22 districts on an equal per-first-grade-pupil basis.

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



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

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

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

(i) School.

(ii) Grade level.

(iii) Gender.

(iv) Race.

(v) Ethnicity.

(vi) Economically disadvantaged status.

(vii) Disability.

(viii) Pupils identified as having reading deficiencies.

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

(a) By September 1 of the current fiscal year, the Michigan Education Corps shall provide a report concerning its use of the funding to the senate and house appropriations subcommittees on state school aid, the senate and house fiscal agencies, and the senate and house caucus policy offices on outcomes and performance measures of the Michigan Education Corps, including, but not limited to, the degree to



1 which the Michigan Education ~~Corps's~~ **CORPS'** replication of the Michigan PreK Reading  
 2 Corps, **AND THE** K3 Reading Corps, ~~and Math Corps programs~~ is demonstrating sufficient  
 3 efficacy and impact. The report must include data pertaining to at least all of the  
 4 following:

5 (i) The current impact of the programs on this state in terms of numbers of  
 6 children and schools receiving support. This portion of the report shall specify the  
 7 number of children tutored, including dosage and completion, and the demographics of  
 8 those children.

9 (ii) Whether the assessments and interventions are implemented with fidelity.  
 10 This portion of the report shall include details on the total number of assessments  
 11 and interventions completed and the range, mean, and standard deviation.

12 (iii) Whether the literacy ~~or math~~ improvement of children participating in the  
 13 programs is consistent with expectations. This portion of the report shall detail at  
 14 least all of the following:

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

16 (B) Average linear growth rates.

17 (C) Exit rates.

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

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

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

24 ~~(c) The department may not reserve any portion of the allocation provided under~~  
 25 ~~this subsection for an evaluation of the Michigan Education Corps, the Michigan~~





~~Education Corps' funding, or the Michigan Education Corps' programming unless agreed to in writing by the Michigan Education Corps. The department shall award the entire \$3,000,000.00 allocated under this subsection to the Michigan Education Corps and shall not condition the awarding of this funding on the implementation of an independent evaluation.~~

~~(8) From the general fund money allocated under subsection (1), there is allocated an amount not to exceed \$500,000.00 for 2018-2019 for a grant to an eligible program that has a goal to slow or prevent the K to 4 summer reading slide among all pupils enrolled in grades K to 4, particularly those from economically disadvantaged households. Funds allocated under this subsection are grant funds and must be distributed by the department. A program is eligible if it meets at least all of the following:~~

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

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

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

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

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

~~(f) Collects, analyzes, and reports detailed data on parental engagement, books~~



1 ~~read, and spring-to-fall reading scores.~~

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

4 ~~(h) Focuses on in-home program delivery through weekly mailings.~~

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

7 (8) ~~(9)~~ From the state school aid fund money allocated under subsection (1),  
 8 there is allocated an amount not to exceed \$1,000,000.00 for ~~2018-2019~~ **2019-2020** to an  
 9 intermediate district in which the combined total number of pupils in membership of  
 10 all of its constituent districts is the fewest among all intermediate districts. All  
 11 of the following apply to the funding under this subsection:

12 (a) Funding under this subsection must be used by the intermediate district, in  
 13 partnership with an association that represents intermediate district administrators  
 14 in this state, to implement ~~both~~ **ALL** of the following:

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

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

18 **(III) ADULT LITERACY ESSENTIALS TRAINING. THIS INCLUDES THE CREATION OF A**  
 19 **RESEARCHED-BASED DOCUMENT THAT OUTLINES PROCESSES AND PRACTICES DESIGNED TO INCREASE**  
 20 **MICHIGAN'S CAPACITY TO IMPROVE ADULT LITERACY AND THE CREATION OF PROFESSIONAL**  
 21 **DEVELOPMENT TO IMPLEMENT THESE PROCESSES AND PRACTICES.**

22 **(IV) IN COLLABORATION WITH THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT,**  
 23 **IMPROVED PROCESSES THAT CONNECT STATE RESIDENTS TO ADULT LITERACY OPPORTUNITIES. THIS**  
 24 **INCLUDES THE CREATION OF A STATE-SPONSORED TOLL-FREE NUMBER TO DIRECT RESIDENTS TO**  
 25 **ADULT LITERACY EDUCATION OPPORTUNITIES AND THE CREATION OF AN EASY-TO-NAVIGATE ADULT**



1 EDUCATION RESOURCE WEBSITE, WITH LANGUAGE WRITTEN AT A THIRD GRADE READING LEVEL,  
 2 CONNECTING RESIDENTS TO THE TOLL-FREE NUMBER AND TO ADULT LITERACY EDUCATION PROGRAMS  
 3 ACROSS THE STATE.

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

11 ~~(10) Notwithstanding section 17b, payments made under subsection (9) shall be~~  
 12 ~~made not later than March 1, 2019.~~

13 Sec. 39. (1) An eligible applicant receiving funds under section 32d shall  
 14 submit an application, in a form and manner prescribed by the department, by a date  
 15 specified by the department in the immediately preceding state fiscal year. The  
 16 application shall not require an eligible applicant to amend the applicant's current  
 17 accounting cycle or adopt this state's fiscal year accounting cycle in accounting for  
 18 financial transactions under this section. The application shall include all of the  
 19 following:

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



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

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

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

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

(a) The sum of the number of children served in a school-day program in the preceding school year multiplied by ~~\$7,250.00~~ **\$8,500.00** and the number of children served in a GSRP/Head Start blended program or a part-day program in the preceding school year multiplied by ~~\$3,625.00~~ **\$4,250.00**.

(b) The sum of the number of children the applicant has the capacity to serve in ~~2018-2019~~ **2019-2020** in a school-day program multiplied by ~~\$7,250.00~~ **\$8,500.00** and the number of children served in a GSRP/Head Start blended program or a part-day program the applicant has the capacity to serve in ~~2018-2019~~ **2019-2020** multiplied by ~~\$3,625.00~~ **\$4,250.00**.

(4) If funds remain after the allocations under subsection (3), the department shall distribute the remaining funds to each intermediate district or consortium of intermediate districts that serves less than the state percentage benchmark determined



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

9 (5) For the purposes of subsection (4), for the ~~2018-2019~~**2019-2020** program  
10 year, the department shall calculate a percentage of children served by each  
11 intermediate district or consortium of intermediate districts by dividing the number  
12 of children served in the immediately preceding year by that intermediate district or  
13 consortium by the total number of children within the intermediate district or  
14 consortium of intermediate districts who meet the criteria of section 32d as  
15 determined by the department utilizing the most recent population data available from  
16 the American Community Survey conducted by the United States Census Bureau. The  
17 department shall compare the resulting percentage of eligible children served to a  
18 statewide percentage benchmark to determine if the intermediate district or consortium  
19 is eligible for additional funds under subsection (4). For ~~2018-2019~~**2019-2020**, the  
20 statewide percentage benchmark is 60%.

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



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

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

Sec. 39a. (1) From the federal funds appropriated in section 11, there is allocated for ~~2018-2019-2019-2020~~ to districts, intermediate districts, and other eligible entities all available federal funding, estimated at ~~\$730,600,000.00~~ \$725,600,000.00 for the federal programs under the ~~no child left behind act of 2001, Public Law 107-110, or the~~ every student succeeds act, Public Law 114-95. These funds are allocated as follows:

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

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

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

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

(e) An amount estimated at \$535,000,000.00 for ~~2018-2019-2019-2020~~ to provide supplemental programs to enable educationally disadvantaged children to meet



challenging academic standards, funded from DED-OESE, title I, disadvantaged children funds.

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

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

(h) An amount estimated at \$12,000,000.00 for ~~2018-2019~~**2019-2020** to help support local school improvement efforts, funded from DED-OESE, title I, local school improvement grants.

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

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

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

(a) An amount estimated at \$100,000.00 for ~~2018-2019~~**2019-2020** for acquired



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

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

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

9 (d) An amount estimated at \$24,000,000.00 for ~~2018-2019-2019-2020~~ for providing  
10 career and technical education services to pupils, funded from DED-OVAE, basic grants  
11 to states.

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

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

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

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





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

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

9 (6) As used in this section:

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

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

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

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

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

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

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

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



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

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

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

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

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



1 does not comply with this section by the end of the state fiscal year, the withheld  
2 funds shall be forfeited to the school aid fund.

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

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

12 Sec. 51a. (1) From the appropriation in section 11, ~~there is allocated an amount~~  
13 ~~not to exceed \$960,446,100.00 for 2017-2018 and~~ there is allocated an amount not to  
14 exceed ~~\$983,196,100.00~~ **\$1,045,496,100.00** for ~~2018-2019~~ **2019-2020** from state sources  
15 and all available federal funding under sections 611 to 619 of part B of the  
16 individuals with disabilities education act, 20 USC 1411 to 1419, estimated at  
17 \$370,000,000.00 ~~each fiscal year for 2017-2018 and for 2018-2019~~ **FOR 2019-2020**, plus  
18 any carryover federal funds from previous year appropriations. In addition, from the  
19 ~~general fund appropriation in section 11, there is allocated to the department an~~  
20 amount not to exceed \$500,000.00 for ~~each fiscal year for 2017-2018 and for 2018-2019~~  
21 **2019-2020** for the purpose of subsection (16). The allocations under this subsection  
22 are for the purpose of reimbursing districts and intermediate districts for special  
23 education programs, services, and special education personnel as prescribed in article  
24 3 of the revised school code, MCL 380.1701 to 380.1761; net tuition payments made by  
25 intermediate districts to the Michigan Schools for the Deaf and Blind; and special



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

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

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (11), times the foundation allowance under section 20 of the pupil's district of residence, ~~plus the amount of the district's per-pupil allocation under section 20m,~~ not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a special education pupil in membership in a district that is a public school



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

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

(3) From the funds allocated under subsection (1), there is allocated for ~~2017-2018~~ ~~an amount not to exceed \$1,300,000.00 and there is allocated~~ **2019-2020** an amount not to exceed ~~\$1,300,000.00 for 2018-2019~~ **\$1,000,000.00** to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program



1 operations or services shall be made in a manner determined by the department and  
2 shall include adjustments for program or service shifts.

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

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

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



1 not to exceed \$2,200,000.00 ~~each fiscal year for 2017-2018 and for 2018-2019~~ **FOR 2019-**  
2 **2020** to reimburse 100% of the net increase in necessary costs incurred by a district  
3 or intermediate district in implementing the revisions in the administrative rules for  
4 special education that became effective on July 1, 1987. As used in this subsection,  
5 "net increase in necessary costs" means the necessary additional costs incurred solely  
6 because of new or revised requirements in the administrative rules minus cost savings  
7 permitted in implementing the revised rules. Net increase in necessary costs shall be  
8 determined in a manner specified by the department.

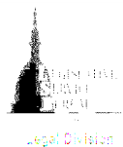
9 (7) For purposes of sections 51a to 58, all of the following apply:

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



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

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





1 for any district or intermediate district.

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

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

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



1 residence.

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

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

11 (11) From the funds allocated in subsection (1), there is allocated the amount  
12 necessary, estimated at ~~\$3,200,000.00 for 2017-2018, and estimated at \$3,400,000.00~~  
13 ~~\$2,800,000.00 for 2018-2019-2019-2020~~, to pay the foundation allowances for pupils  
14 described in this subsection. The allocation to a district under this subsection shall  
15 be calculated by multiplying the number of pupils described in this subsection who are  
16 counted in membership in the district times the sum of the foundation allowance under  
17 section 20 of the pupil's district of residence, ~~plus the amount of the district's~~  
18 ~~per-pupil allocation under section 20m,~~ not to exceed the basic foundation allowance  
19 under section 20 for the current fiscal year, or, for a pupil described in this  
20 subsection who is counted in membership in a district that is a public school academy,  
21 times an amount equal to the amount per membership pupil under section 20(6). ~~or, for~~  
22 ~~a pupil described in this subsection who is counted in membership in the education~~  
23 ~~achievement system, times an amount equal to the amount per membership pupil under~~  
24 ~~section 20(7).~~ The allocation to an intermediate district under this subsection shall  
25 be calculated in the same manner as for a district, using the foundation allowance



under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year. ~~and that district's per pupil allocation under section 20m.~~ This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

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

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

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

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

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

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

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

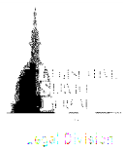
(e) 100% of the payments under section 56.

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



(14) If a public school academy that is not a cyber school, as defined in section 551 of the revised school code, MCL 380.551, enrolls under this section a pupil who resides outside of the intermediate district in which the public school academy is located and who is eligible for special education programs and services according to statute or rule, or who is a child with disabilities, as defined under the individuals with disabilities education act, Public Law 108-446, the intermediate district in which the public school academy is located and the public school academy shall enter into a written agreement with the intermediate district in which the pupil resides for the purpose of providing the pupil with a free appropriate public education, and the written agreement shall include at least an agreement on the responsibility for the payment of the added costs of special education programs and services for the pupil. If the public school academy that enrolls the pupil does not enter into an agreement under this subsection, the public school academy shall not charge the pupil's resident intermediate district or the intermediate district in which the public school academy is located the added costs of special education programs and services for the pupil, and the public school academy is not eligible for any payouts based on the funding formula outlined in the resident or nonresident intermediate district's plan. If a pupil is not enrolled in a public school academy under this subsection, the provision of special education programs and services and the payment of the added costs of special education programs and services for a pupil described in this subsection are the responsibility of the district and intermediate district in which the pupil resides.

(15) For the purpose of receiving its federal allocation under part B of the individuals with disabilities education act, Public Law 108-446, a public school academy that is a cyber school, as defined in section 551 of the revised school code,



MCL 380.551, and is in compliance with section 553a of the revised school code, MCL 380.553a, shall directly receive the federal allocation under part B of the individuals with disabilities education act, Public Law 108-446, from the intermediate district in which the cyber school is located, as the subrecipient. If the intermediate district does not distribute the funds described in this subsection to the cyber school by the part B application due date of July 1, the department may distribute the funds described in this subsection directly to the cyber school according to the formula prescribed in 34 CFR 300.705 and 34 CFR 300.816.

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

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

Sec. 51c. As required by the court in the consolidated cases known as *Durant v State of Michigan*, 456 Mich 175 (1997), from the allocation under section 51a(1), there is allocated ~~each fiscal year for 2017-2018 and for 2018-2019-2019-2020~~ the



amount necessary, estimated at ~~\$636,900,000.00 for 2017-2018 and \$651,000,000.00 for~~  
~~2018-2019~~ **\$689,500,000.00** for payments to reimburse districts for 28.6138% of total  
 approved costs of special education excluding costs reimbursed under section 53a, and  
 70.4165% of total approved costs of special education transportation. Funds allocated  
 under this section that are not expended in the state fiscal year for which they were  
 allocated, as determined by the department, may be used to supplement the allocations  
 under sections 22a and 22b in order to fully fund those calculated allocations for the  
 same fiscal year.

Sec. 51d. (1) From the federal funds appropriated in section 11, there is  
 allocated for ~~2018-2019~~ **2019-2020** all available federal funding, estimated at  
 \$61,000,000.00, for special education programs and services that are funded by federal  
 grants. All federal funds allocated under this section shall be distributed in  
 accordance with federal law. Notwithstanding section 17b, payments of federal funds to  
 districts, intermediate districts, and other eligible entities under this section  
 shall be paid on a schedule determined by the department.

(2) From the federal funds allocated under subsection (1), the following amounts  
 are allocated for ~~2018-2019~~ **2019-2020**:

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

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

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

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



1       Sec. 53a. (1) For districts, reimbursement for pupils described in subsection  
2       (2) shall be 100% of the total approved costs of operating special education programs  
3       and services approved by the department and included in the intermediate district plan  
4       adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1761,  
5       minus the district's foundation allowance calculated under section 20. ~~and minus the~~  
6       ~~district's per pupil allocation under section 20m.~~ For intermediate districts,  
7       reimbursement for pupils described in subsection (2) shall be calculated in the same  
8       manner as for a district, using the foundation allowance under section 20 of the  
9       pupil's district of residence, not to exceed the basic foundation allowance under  
10      section 20 for the current fiscal year. ~~, and that district's per-pupil allocation~~  
11     ~~under section 20m.~~

12       (2) Reimbursement under subsection (1) is for the following special education  
13      pupils:

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

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

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

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



educational program longer than 180 days but not longer than 233 days.

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

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

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

(5) Not more than \$10,500,000.00 of the allocation for ~~2018-2019~~ **2019-2020** in section 51a(1) shall be allocated under this section.

Sec. 54. Each intermediate district shall receive an amount per-pupil for each pupil in attendance at the Michigan schools for the deaf and blind. The amount shall be proportionate to the total instructional cost at each school. Not more than \$1,688,000.00 of the allocation for ~~2018-2019~~ **2019-2020** in section 51a(1) shall be allocated under this section.

Sec. 54b. (1) From the ~~general fund~~ appropriation in section 11, there is allocated an amount not to exceed \$1,600,000.00 for ~~2018-2019~~ **2019-2020** to continue the implementation of the recommendations of the special education reform task force published in January 2016.

(2) The department shall use funds allocated under this section for the purpose of piloting statewide implementation of the Michigan Integrated Behavior and Learning Support Initiative (MiBLSI), a nationally recognized program that includes positive behavioral intervention and supports and provides a statewide structure to support





1 local initiatives for an integrated behavior and reading program. With the assistance  
2 of the intermediate districts involved in MiBLSI, the department shall identify a  
3 number of intermediate districts to participate in the pilot that is sufficient to  
4 ensure that MiBLSI can be implemented statewide with fidelity and sustainability. In  
5 addition, the department shall identify an intermediate district to act as a fiscal  
6 agent for these funds.

7 Sec. 54d. (1) From the appropriations in section 11, there is allocated an  
8 amount not to exceed \$5,000,000.00 for ~~2018-2019~~ **2019-2020** to intermediate districts  
9 for the purpose of providing state early on services pilot programs for children from  
10 birth to 3 years of age with a developmental delay or a disability, or both, and their  
11 families, as described in the early on Michigan state plan, as approved by the  
12 department.

13 (2) To be eligible to receive grant funding under this section, each  
14 intermediate district shall apply in a form and manner determined by the department.

15 (3) The grant funding allocated under this section shall be used to increase  
16 early on services and resources available to children that demonstrate developmental  
17 delays to help prepare them for success as they enter school. State early on services  
18 include evaluating and providing early intervention services for eligible infants and  
19 toddlers and their families to address developmental delays, including those affecting  
20 physical, cognitive, communication, adaptive, social, or emotional development. Grant  
21 funds must not be used to supplant existing services that are currently being  
22 provided.

23 (4) The funds allocated under subsection (1) shall be distributed to  
24 intermediate districts according to the department's early on funding formula utilized  
25 to distribute the federal award to Michigan under part C of the individuals with



1 disabilities education act. Funds received under this section must not supplant  
2 existing funds or resources allocated for early on early intervention services. An  
3 intermediate district receiving funds under this section shall maximize the capture of  
4 Medicaid funds to support early on early intervention services to the extent possible.

5 (5) Each intermediate district that receives funds under this section shall  
6 report data and other information to the department in a form, manner, and frequency  
7 prescribed by the department to allow for monitoring and evaluation of the pilot  
8 projects and to ensure that the children described in subsection (1) received  
9 appropriate levels and types of services delivered by qualified personnel, based on  
10 the individual needs of the children and their families.

11 (6) Notwithstanding section 17b, payments under this section shall be paid on a  
12 schedule determined by the department.

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

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

17 (b) "Millage levied" means the millage levied for special education pursuant to  
18 part 30 of the revised school code, MCL 380.1711 to 380.1741, including a levy for  
19 debt service obligations.

20 (c) "Taxable value" means the total taxable value of the districts constituent  
21 to an intermediate district, except that if a district has elected not to come under  
22 part 30 of the revised school code, MCL 380.1711 to 380.1741, membership and taxable  
23 value of the district shall not be included in the membership and taxable value of the  
24 intermediate district.

25 (2) From the allocation under section 51a(1), there is allocated an amount not



1 to exceed ~~\$37,758,100.00 for 2017-2018 and an amount not to exceed \$40,008,100.00 for~~  
 2 ~~2018-2019-2019-2020~~ to reimburse intermediate districts levying millages for special  
 3 education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1741.  
 4 The purpose, use, and expenditure of the reimbursement shall be limited as if the  
 5 funds were generated by these millages and governed by the intermediate district plan  
 6 adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1761. As  
 7 a condition of receiving funds under this section, an intermediate district  
 8 distributing any portion of special education millage funds to its constituent  
 9 districts shall submit for departmental approval and implement a distribution plan.

10 ~~(3) Reimbursement for those millages levied in 2016-2017 shall be made in 2017-~~  
 11 ~~2018 at an amount per 2016-2017 membership pupil computed by subtracting from~~  
 12 ~~\$185,000.00 the 2016-2017 taxable value behind each membership pupil and multiplying~~  
 13 ~~the resulting difference by the 2016-2017 millage levied, and then subtracting from~~  
 14 ~~that amount the 2016-2017 local community stabilization share revenue for special~~  
 15 ~~education purposes behind each membership pupil for reimbursement of personal property~~  
 16 ~~exemption loss under the local community stabilization authority act, 2014 PA 86, MCL~~  
 17 ~~123.1341 to 123.1362.~~

18 (3) ~~(4)~~ Except as otherwise provided in this subsection, reimbursement for those  
 19 millages levied in ~~2017-2018-2018-2019~~ shall be made in ~~2018-2019-2019-2020~~ at an  
 20 amount per ~~2017-2018-2018-2019~~ membership pupil computed by subtracting from  
 21 ~~\$193,700.00-\$197,700.00~~ the ~~2017-2018-2018-2019~~ taxable value behind each membership  
 22 pupil and multiplying the resulting difference by the ~~2017-2018-2018-2019~~ millage  
 23 levied, and then subtracting from that amount the ~~2017-2018-2018-2019~~ local community  
 24 stabilization share revenue for special education purposes behind each membership  
 25 pupil for reimbursement of personal property exemption loss under the local community



1 stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362. Reimbursement in  
 2 ~~2018-2019-2019-2020~~ for an intermediate district whose ~~2017-2018-2018-2019~~ allocation  
 3 was affected by the operation of subsection ~~(5)-(4)~~ shall be an amount equal to 102.5%  
 4 of the ~~2017-2018-2018-2019~~ allocation to that intermediate district.

5 (4) ~~(5)~~—The amount paid to a single intermediate district under this section  
 6 shall not exceed 62.9% of the total amount allocated under subsection (2).

7 (5) ~~(6)~~—The amount paid to a single intermediate district under this section  
 8 shall not be less than 75% of the amount allocated to the intermediate district under  
 9 this section for the immediately preceding fiscal year.

10 Sec. 61a. (1) From the appropriation in section 11, there is allocated an amount  
 11 not to exceed \$36,611,300.00 for ~~2018-2019-2019-2020~~ to reimburse on an added cost  
 12 basis districts, except for a district that served as the fiscal agent for a  
 13 vocational education consortium in the 1993-94 school year and that has a foundation  
 14 allowance as calculated under section 20 greater than the minimum foundation allowance  
 15 under that section, and secondary area vocational-technical education centers for  
 16 secondary-level career and technical education programs according to rules approved by  
 17 the superintendent. Applications for participation in the programs shall be submitted  
 18 in the form prescribed by the department. The department shall determine the added  
 19 cost for each career and technical education program area. The allocation of added  
 20 cost funds shall be prioritized based on the capital and program expenditures needed  
 21 to operate the career and technical education programs provided; the number of pupils  
 22 enrolled; the advancement of pupils through the instructional program; the existence  
 23 of an articulation agreement with at least 1 postsecondary institution that provides  
 24 pupils with opportunities to earn postsecondary credit during the pupil's  
 25 participation in the career and technical education program and transfers those



1 credits to the postsecondary institution upon completion of the career and technical  
2 education program; and the program rank in student placement, job openings, and wages,  
3 and shall not exceed 75% of the added cost of any program. Notwithstanding any rule or  
4 department determination to the contrary, when determining a district's allocation or  
5 the formula for making allocations under this section, the department shall include  
6 the participation of pupils in grade 9 in all of those determinations and in all  
7 portions of the formula. With the approval of the department, the board of a district  
8 maintaining a secondary career and technical education program may offer the program  
9 for the period from the close of the school year until September 1. The program shall  
10 use existing facilities and shall be operated as prescribed by rules promulgated by  
11 the superintendent.

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

20 (3) A career and technical education program funded under this section may  
21 provide an opportunity for participants who are eligible to be funded under section  
22 107 to enroll in the career and technical education program funded under this section  
23 if the participation does not occur during regular school hours.

24 ~~(4) In addition to the money allocated under subsections (1) and (5), from the~~  
25 ~~general fund money appropriated in section 11, there is allocated for 2018-2019 an~~



~~amount not to exceed \$100,000.00 to an eligible Michigan-approved 501(c)(3) organization for the purposes of teaching or training restaurant management and culinary arts for career and professional development. The department shall oversee funds distributed to an eligible grantee under this section. As used in this subsection, "eligible Michigan-approved 501(c)(3) organization" means an organization that is exempt from taxation under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, that provides the ProStart curriculum and training to state-approved career and technical education programs with classification of instructional programs (CIP) codes in the 12.05xx category, and that administers national certification for the purpose of restaurant management and culinary arts for career and professional development.~~

~~(5) In addition to the funds allocated under subsections (1) and (4), from the funds appropriated in section 11, there is allocated for 2018-2019 an amount not to exceed \$1,000,000.00 for competitive grants to intermediate districts to hire career and technical education counselors. All of the following apply to this funding:~~

~~(a) An intermediate district seeking a grant under this subsection shall apply to the department in a form and manner specified by the department.~~

~~(b) The department shall award grants under this subsection to no more than 3 intermediate districts that received funding under this subsection in 2017-2018.~~

~~(c) To be eligible for funding under this subsection, an intermediate district shall do all of the following:~~

~~(i) Catalog all available K-12 and other workforce development programs and services, including job search, job training, pre-employment certifications, career awareness programs, career and technical education programs, and other related programs and services offered by districts or intermediate districts, postsecondary~~



~~institutions, and other private or public service organizations.~~

~~(ii) Develop an outreach program that educates students about career and technical education options and connects students to the services cataloged under subparagraph (i).~~

~~(iii) Track student placement and report on student placement to the house and senate appropriations subcommittees on school aid no later than June 30, 2019 in the form and manner prescribed by the department.~~

Sec. 61b. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$8,000,000.00 ~~each fiscal year for 2017-2018 and for 2018-2019 for~~

**FISCAL YEAR 2019-2020 FOR** CTE early/middle college and CTE dual enrollment programs authorized under this section and for planning grants for the development or expansion of CTE early/middle college programs. The purpose of these programs is to increase the number of Michigan residents with high-quality degrees or credentials, and to increase the number of students who are college and career ready upon high school graduation.

(2) From the funds allocated under subsection (1), an amount as determined under this subsection shall be allocated to each intermediate district serving as a fiscal agent for state-approved CTE early/middle college and CTE dual enrollment programs in each of the prosperity regions and subregions identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administrative costs for serving as the fiscal agent.

(3) To be an eligible fiscal agent, an intermediate district must agree to do all of the following in a form and manner determined by the department:

(a) Distribute funds to eligible CTE early/middle college and CTE dual enrollment programs in a prosperity region or subregion as described in this section.

(b) Collaborate with the career and educational advisory council that is located



1 in the prosperity region or subregion to develop a regional strategic plan under  
2 subsection (4) that aligns CTE programs and services into an efficient and effective  
3 delivery system for high school students.

4 (c) Implement a regional process to rank career clusters in the prosperity  
5 region or subregion as described under subsection (4). Regional processes shall be  
6 approved by the department before the ranking of career clusters.

7 (d) Report CTE early/middle college and CTE dual enrollment program and student  
8 data and information as prescribed by the department and the center.

9 (4) A regional strategic plan must be approved by the career and educational  
10 advisory council before submission to the department. A regional strategic plan shall  
11 include, but not be limited to, the following:

12 (a) An identification of regional employer need based on a ranking of all career  
13 clusters in the prosperity region or subregion ranked by 10-year job openings  
14 projections and median wage for each standard occupational code in each career cluster  
15 as obtained from the United States Bureau of Labor Statistics. Standard occupational  
16 codes within high-ranking clusters also may be further ranked by median wage. The  
17 rankings shall be reviewed by the career and educational advisory council located in  
18 the prosperity region or subregion and modified if necessary to accurately reflect  
19 employer demand for talent in the prosperity region or subregion. A career and  
20 educational advisory council shall document that it has conducted this review and  
21 certify that it is accurate. These career cluster rankings shall be determined and  
22 updated once every 4 years.

23 (b) An identification of educational entities in the prosperity region or  
24 subregion that will provide eligible CTE early/middle college and CTE dual enrollment  
25 programs including districts, intermediate districts, postsecondary institutions, and





1 noncredit occupational training programs leading to an industry-recognized credential.

2 (c) A strategy to inform parents and students of CTE early/middle college and  
3 CTE dual enrollment programs in the prosperity region or subregion.

4 (d) Any other requirements as defined by the department.

5 (5) An eligible CTE program is a program that meets all of the following:

6 (a) Has been identified in the highest 5 career cluster rankings in any of the  
7 10 regional strategic plans jointly approved by the Michigan talent investment agency  
8 in the department of talent and economic development and the department.

9 (b) Has a coherent sequence of courses that will allow a student to earn a high  
10 school diploma and achieve at least 1 of the following in a specific career cluster:

11 (i) An associate degree.

12 (ii) An industry-recognized technical certification approved by the Michigan  
13 talent investment agency in the department of talent and economic development.

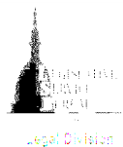
14 (iii) Up to 60 transferable college credits.

15 (iv) Participation in a registered apprenticeship, pre-apprenticeship, or  
16 apprentice readiness program.

17 (c) Is aligned with the Michigan merit curriculum.

18 (d) Has an articulation agreement with at least 1 postsecondary institution that  
19 provides students with opportunities to receive postsecondary credits during the  
20 student's participation in the CTE early/middle college or CTE dual enrollment program  
21 and transfers those credits to the postsecondary institution upon completion of the  
22 CTE early/middle college or CTE dual enrollment program.

23 (e) Provides instruction that is supervised, directed, or coordinated by an  
24 appropriately certificated CTE teacher or, for concurrent enrollment courses, a  
25 postsecondary faculty member.



1 (f) Provides for highly integrated student support services that include at  
2 least the following:

3 (i) Teachers as academic advisors.

4 (ii) Supervised course selection.

5 (iii) Monitoring of student progress and completion.

6 (iv) Career planning services provided by a local one-stop service center as  
7 described in the Michigan Works! one-stop service center system act, 2006 PA 491, MCL  
8 408.111 to 408.135, or by a high school counselor or advisor.

9 (g) Has courses that are taught on a college campus, are college courses offered  
10 at the high school and taught by college faculty, or are courses taught in combination  
11 with online instruction.

12 (6) Funds to eligible CTE early/middle college and CTE dual enrollment programs  
13 shall be distributed as follows:

14 (a) The department shall determine statewide average CTE costs per pupil for  
15 each CIP code program by calculating statewide average costs for each CIP code program  
16 for the 3 most recent fiscal years.

17 (b) Distribution to each eligible CTE early/middle college or CTE dual  
18 enrollment program shall be the product of 50% of CTE costs per pupil times the  
19 current year pupil enrollment of each eligible CTE early/middle college or CTE dual  
20 enrollment program.

21 (7) In order to receive funds under this section, a CTE early/middle college or  
22 CTE dual enrollment program shall furnish to the intermediate district that is the  
23 fiscal agent identified in subsection (2), in a form and manner determined by the  
24 department, all information needed to administer this program and meet federal  
25 reporting requirements; shall allow the department or the department's designee to



1 review all records related to the program for which it receives funds; and shall  
2 reimburse the state for all disallowances found in the review, as determined by the  
3 department.

4 (8) There is allocated from the funds under subsection (1) an amount not to  
5 exceed \$500,000.00 ~~each fiscal year for 2017-2018 and for 2018-2019~~ **FOR FISCAL YEAR**  
6 **2019-2020** for grants to intermediate districts or consortia of intermediate districts  
7 for the purpose of planning for new or expanded early middle college programs.  
8 Applications for grants shall be submitted in a form and manner determined by the  
9 department. The amount of a grant under this subsection shall not exceed \$50,000.00.  
10 To be eligible for a grant under this subsection, an intermediate district or  
11 consortia of intermediate districts must provide matching funds equal to the grant  
12 received under this subsection. Notwithstanding section 17b, payments under this  
13 subsection may be made as determined by the department.

14 (9) Funds distributed under this section may be used to fund program  
15 expenditures that would otherwise be paid from foundation allowances. A program  
16 receiving funding under section 61a may receive funding under this section for  
17 allowable costs that exceed the reimbursement the program received under section 61a.  
18 The combined payments received by a program under section 61a and this section shall  
19 not exceed the total allowable costs of the program. A program provider shall not use  
20 more than 5% of the funds allocated under this section to the program for  
21 administrative costs.

22 (10) If the allocation under subsection (1) is insufficient to fully fund  
23 payments as otherwise calculated under this section, the department shall prorate  
24 payments under this section on an equal percentage basis.

25 (11) If pupils enrolled in a career cluster in an eligible CTE early/middle



1 college or CTE dual enrollment program qualify to be reimbursed under this section,  
2 those pupils continue to qualify for reimbursement until graduation, even if the  
3 career cluster is no longer identified as being in the highest 5 career cluster  
4 rankings.

5 (12) As used in this section:

6 (a) "Allowable costs" means those costs directly attributable to the program as  
7 jointly determined by the Michigan talent investment agency and the department.

8 (b) "Career and educational advisory council" means an advisory council to the  
9 local workforce development boards located in a prosperity region consisting of  
10 educational, employer, labor, and parent representatives.

11 (c) "CIP" means classification of instructional programs.

12 (d) "CTE" means career and technical education programs.

13 (e) "CTE dual enrollment program" means a 4-year high school program of  
14 postsecondary courses offered by eligible postsecondary educational institutions that  
15 leads to an industry-recognized certification or degree.

16 (f) "Early/middle college program" means a 5-year high school program.

17 (g) "Eligible postsecondary educational institution" means that term as defined  
18 in section 3 of the career and technical preparation act, 2000 PA 258, MCL 388.1903.

19 Sec. 62.(1) For the purposes of this section:

20 (a) "Membership" means for a particular fiscal year the total membership for the  
21 immediately preceding fiscal year of the intermediate district and the districts  
22 constituent to the intermediate district or the total membership for the immediately  
23 preceding fiscal year of the area vocational-technical program.

24 (b) "Millage levied" means the millage levied for area vocational-technical  
25 education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to



380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, the membership and taxable value of that district shall not be included in the membership and taxable value of the intermediate district. However, the membership and taxable value of a district that has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, shall be included in the membership and taxable value of the intermediate district if the district meets both of the following:

(i) The district operates the area vocational-technical education program pursuant to a contract with the intermediate district.

(ii) The district contributes an annual amount to the operation of the program that is commensurate with the revenue that would have been raised for operation of the program if millage were levied in the district for the program under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690.

(2) From the appropriation in section 11, there is allocated an amount not to exceed \$9,190,000.00 ~~each fiscal year for 2017-2018 and for 2018-2019~~ **2019-2020** to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.



~~(3) Reimbursement for those millages levied in 2016-2017 shall be made in 2017-2018 at an amount per 2016-2017 membership pupil computed by subtracting from \$200,800.00 the 2016-2017 taxable value behind each membership pupil and multiplying the resulting difference by the 2016-2017 millage levied, and then subtracting from that amount the 2016-2017 local community stabilization share revenue for area vocational technical education behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.~~

(3) ~~(4)~~ Reimbursement for those millages levied in ~~2017-2018~~ **2018-2019** shall be made in ~~2018-2019~~ **2019-2020** at an amount per ~~2017-2018~~ **2018-2019** membership pupil computed by subtracting from ~~\$205,700.00~~ **\$210,600.00** the ~~2017-2018~~ **2018-2019** taxable value behind each membership pupil and multiplying the resulting difference by the ~~2017-2018~~ **2018-2019** millage levied, and then subtracting from that amount the ~~2017-2018~~ **2018-2019** local community stabilization share revenue for area vocational technical education behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

~~(4) (5)~~ The amount paid to a single intermediate district under this section shall not exceed 38.4% of the total amount allocated under subsection (2).

~~(5) (6)~~ The amount paid to a single intermediate district under this section shall not be less than 75% of the amount allocated to the intermediate district under this section for the immediately preceding fiscal year.

Sec. 67. (1) From the general fund amount appropriated in section 11, there is allocated an amount not to exceed \$3,000,000.00 for ~~2018-2019~~ **2019-2020** for college access programs. The programs funded under this section are intended to inform



1 students of college and career options and to provide resources intended to increase  
2 the number of pupils who are adequately prepared with the information needed to make  
3 informed decisions on college and career. The funds appropriated under this section  
4 are intended to be used to increase the number of Michigan residents with high-quality  
5 degrees or credentials. Funds appropriated under this section shall not be used to  
6 supplant funding for counselors already funded by districts.

7 (2) The talent investment agency of the department of talent and economic  
8 development shall administer funds allocated under this section in collaboration with  
9 the Michigan college access network. These funds may be used for any of the following  
10 purposes:

11 (a) Michigan college access network operations, programming, and services to  
12 local college access networks.

13 (b) Local college access networks, which are community-based college  
14 access/success partnerships committed to increasing the college participation and  
15 completion rates within geographically defined communities through a coordinated  
16 strategy.

17 (c) The Michigan college advising program, a program intended to place trained,  
18 recently graduated college advisors in high schools that serve significant numbers of  
19 low-income and first-generation college-going pupils. State funds used for this  
20 purpose may not exceed 33% of the total funds available under this subsection.

21 (d) Subgrants of up to \$5,000.00 to districts with comprehensive high schools  
22 that establish a college access team and implement specific strategies to create a  
23 college-going culture in a high school in a form and manner approved by the Michigan  
24 college access network and the Michigan talent investment agency.

25 (e) The Michigan college access portal, an online one-stop portal to help pupils



1 and families plan and apply for college.

2 (f) Public awareness and outreach campaigns to encourage low-income and first-  
3 generation college-going pupils to take necessary steps toward college and to assist  
4 pupils and families in completing a timely and accurate free application for federal  
5 student aid.

6 (g) Subgrants to postsecondary institutions to recruit, hire, and train college  
7 student mentors and college advisors to assist high school pupils in navigating the  
8 postsecondary planning and enrollment process.

9 (3) For the purposes of this section, "college" means any postsecondary  
10 educational opportunity that leads to a career, including, but not limited to, a  
11 postsecondary degree, industry-recognized technical certification, or registered  
12 apprenticeship.

13 Sec. 74. (1) From the amount appropriated in section 11, there is allocated an  
14 amount not to exceed ~~\$3,754,900.00~~ **\$3,772,900.00** for ~~2018-2019~~ **2019-2020** for the  
15 purposes of this section.

16 (2) From the allocation in subsection (1), there is allocated for each fiscal  
17 year the amount necessary for payments to state supported colleges or universities and  
18 intermediate districts providing school bus driver safety instruction pursuant to  
19 section 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The payments  
20 shall be in an amount determined by the department not to exceed the actual cost of  
21 instruction and driver compensation for each public or nonpublic school bus driver  
22 attending a course of instruction. For the purpose of computing compensation, the  
23 hourly rate allowed each school bus driver shall not exceed the hourly rate received  
24 for driving a school bus. Reimbursement compensating the driver during the course of  
25 instruction shall be made by the department to the college or university or





1 intermediate district providing the course of instruction.

2 (3) From the allocation in subsection (1), there is allocated for ~~2018-2019~~  
3 **2019-2020** the amount necessary to pay the reasonable costs of nonspecial education  
4 auxiliary services transportation provided pursuant to section 1323 of the revised  
5 school code, MCL 380.1323. Districts funded under this subsection shall not receive  
6 funding under any other section of this article for nonspecial education auxiliary  
7 services transportation.

8 (4) From the funds allocated in subsection (1), there is allocated an amount not  
9 to exceed ~~\$1,729,900.00~~ **\$1,747,900.00** for ~~2018-2019~~ **2019-2020** for reimbursement to  
10 districts and intermediate districts for costs associated with the inspection of  
11 school buses and pupil transportation vehicles by the department of state police as  
12 required under section 715a of the Michigan vehicle code, 1949 PA 300, MCL 257.715a,  
13 and section 39 of the pupil transportation act, 1990 PA 187, MCL 257.1839. The  
14 department of state police shall prepare a statement of costs attributable to each  
15 district for which bus inspections are provided and submit it to the department and to  
16 an intermediate district serving as fiduciary in a time and manner determined jointly  
17 by the department and the department of state police. Upon review and approval of the  
18 statement of cost, the department shall forward to the designated intermediate  
19 district serving as fiduciary the amount of the reimbursement on behalf of each  
20 district and intermediate district for costs detailed on the statement within 45 days  
21 after receipt of the statement. The designated intermediate district shall make  
22 payment in the amount specified on the statement to the department of state police  
23 within 45 days after receipt of the statement. The total reimbursement of costs under  
24 this subsection shall not exceed the amount allocated under this subsection.  
25 Notwithstanding section 17b, payments to eligible entities under this subsection shall



1 be paid on a schedule prescribed by the department.

2 Sec. 81. (1) From the appropriation in section 11, there is allocated for ~~2018-~~  
3 ~~2019-2019-2020~~ to the intermediate districts the sum necessary, but not to exceed  
4 ~~\$68,453,000.00-\$70,849,000.00~~ to provide state aid to intermediate districts under  
5 this section.

6 (2) The amount allocated under this section to each intermediate district is an  
7 amount equal to ~~102%~~ **103.5%** of the amount allocated to the intermediate district under  
8 this section for ~~2017-2018.~~ **2018-2019**. Funding provided under this section shall be  
9 used to comply with requirements of this article and the revised school code that are  
10 applicable to intermediate districts, and for which funding is not provided elsewhere  
11 in this article, and to provide technical assistance to districts as authorized by the  
12 intermediate school board.

13 (3) Intermediate districts receiving funds under this section, shall collaborate  
14 with the department to develop expanded professional development opportunities for  
15 teachers to update and expand their knowledge and skills needed to support the  
16 Michigan merit curriculum.

17 (4) From the allocation in subsection (1), there is allocated to an intermediate  
18 district, formed by the consolidation or annexation of 2 or more intermediate  
19 districts or the attachment of a total intermediate district to another intermediate  
20 school district or the annexation of all of the constituent K-12 districts of a  
21 previously existing intermediate school district which has disorganized, an additional  
22 allotment of \$3,500.00 each fiscal year for each intermediate district included in the  
23 new intermediate district for 3 years following consolidation, annexation, or  
24 attachment.

25 (5) In order to receive funding under this section, an intermediate district



1 shall do all of the following:

2 (a) Demonstrate to the satisfaction of the department that the intermediate  
3 district employs at least 1 person who is trained in pupil accounting and auditing  
4 procedures, rules, and regulations.

5 (b) Demonstrate to the satisfaction of the department that the intermediate  
6 district employs at least 1 person who is trained in rules, regulations, and district  
7 reporting procedures for the individual-level student data that serves as the basis  
8 for the calculation of the district and high school graduation and dropout rates.

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

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

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

15 Sec. 94. (1) From the general fund appropriation in section 11, there is  
16 allocated to the department for ~~2017-2018 an amount not to exceed \$750,000.00 and~~  
17 ~~there is allocated to the department for 2018-2019~~ **2019-2020** an amount not to exceed  
18 \$1,000,000.00 for efforts to increase the number of pupils who participate and succeed  
19 in advanced placement and international baccalaureate programs, ~~and, beginning in~~  
20 ~~2018-2019,~~ to support the college-level examination program (CLEP).

21 (2) From the funds allocated under this section, the department shall award  
22 funds to cover all or part of the costs of advanced placement test fees or  
23 international baccalaureate test fees and international baccalaureate registration  
24 fees for low-income pupils who take an advanced placement or an international  
25 baccalaureate test, ~~and, beginning in 2018-2019,~~ CLEP fees for low-income pupils who



1 take a CLEP test.

2 (3) The department shall only award funds under this section if the department  
3 determines that all of the following criteria are met:

4 (a) Each pupil for whom payment is made meets eligibility requirements of the  
5 federal advanced placement test fee program under section 1701 of the no child left  
6 behind act of 2001, Public Law 107-110, or under a corresponding provision of the  
7 every student succeeds act, Public Law 114-95.

8 (b) The tests are administered by the college board, the international  
9 baccalaureate organization, or another test provider approved by the department.

10 (c) The pupil for whom payment is made pays at least \$5.00 toward the cost of  
11 each test for which payment is made.

12 (4) The department shall establish procedures for awarding funds under this  
13 section.

14 (5) Notwithstanding section 17b, payments under this section shall be made on a  
15 schedule determined by the department.

16 Sec. 94a. (1) There is created within the state budget office in the department  
17 of technology, management, and budget the center for educational performance and  
18 information. The center shall do all of the following:

19 (a) Coordinate the collection of all data required by state and federal law from  
20 districts, intermediate districts, and postsecondary institutions.

21 (b) Create, maintain, and enhance this state's P-20 longitudinal data system and  
22 ensure that it meets the requirements of subsection (4).

23 (c) Collect data in the most efficient manner possible in order to reduce the  
24 administrative burden on reporting entities, including, but not limited to, electronic  
25 transcript services.



(d) Create, maintain, and enhance this state's web-based educational portal to provide information to school leaders, teachers, researchers, and the public in compliance with all federal and state privacy laws. Data shall include, but are not limited to, all of the following:

(i) Data sets that link teachers to student information, allowing districts to assess individual teacher impact on student performance and consider student growth factors in teacher and principal evaluation systems.

(ii) Data access or, if practical, data sets, provided for regional data hubs that, in combination with local data, can improve teaching and learning in the classroom.

(iii) Research-ready data sets for researchers to perform research that advances this state's educational performance.

(e) Provide data in a useful manner to allow state and local policymakers to make informed policy decisions.

(f) Provide public reports to the ~~citizens~~ **RESIDENTS** of this state to allow them to assess allocation of resources and the return on their investment in the education system of this state.

(g) Other functions as assigned by the state budget director.

(2) Each state department, officer, or agency that collects information from districts, intermediate districts, or postsecondary institutions as required under state or federal law shall make arrangements with the center to ensure that the state department, officer, or agency is in compliance with subsection (1). This subsection does not apply to information collected by the department of treasury under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond



1 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or  
2 section 1351a of the revised school code, MCL 380.1351a.

3 (3) The center may enter into any interlocal agreements necessary to fulfill its  
4 functions.

5 (4) The center shall ensure that the P-20 longitudinal data system required  
6 under subsection (1)(b) meets all of the following:

7 (a) Includes data at the individual student level from preschool through  
8 postsecondary education and into the workforce.

9 (b) Supports interoperability by using standard data structures, data formats,  
10 and data definitions to ensure linkage and connectivity in a manner that facilitates  
11 the exchange of data among agencies and institutions within the state and between  
12 states.

13 (c) Enables the matching of individual teacher and student records so that an  
14 individual student may be matched with those teachers providing instruction to that  
15 student.

16 (d) Enables the matching of individual teachers with information about their  
17 certification and the institutions that prepared and recommended those teachers for  
18 state certification.

19 (e) Enables data to be easily generated for continuous improvement and decision-  
20 making, including timely reporting to parents, teachers, and school leaders on student  
21 achievement.

22 (f) Ensures the reasonable quality, validity, and reliability of data contained  
23 in the system.

24 (g) Provides this state with the ability to meet federal and state reporting  
25 requirements.



1 (h) For data elements related to preschool through grade 12 and postsecondary,  
2 meets all of the following:

3 (i) Contains a unique statewide student identifier that does not permit a  
4 student to be individually identified by users of the system, except as allowed by  
5 federal and state law.

6 (ii) Contains student-level enrollment, demographic, and program participation  
7 information.

8 (iii) Contains student-level information about the points at which students  
9 exit, transfer in, transfer out, drop out, or complete education programs.

10 (iv) Has the capacity to communicate with higher education data systems.

11 (i) For data elements related to preschool through grade 12 only, meets all of  
12 the following:

13 (i) Contains yearly test records of individual students for assessments approved  
14 by DED-OESE for accountability purposes under section 1111(b) of the elementary and  
15 secondary education act of 1965, 20 USC 6311, including information on individual  
16 students not tested, by grade and subject.

17 (ii) Contains student-level transcript information, including information on  
18 courses completed and grades earned.

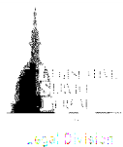
19 (iii) Contains student-level college readiness test scores.

20 (j) For data elements related to postsecondary education only:

21 (i) Contains data that provide information regarding the extent to which  
22 individual students transition successfully from secondary school to postsecondary  
23 education, including, but not limited to, all of the following:

24 (A) Enrollment in remedial coursework.

25 (B) Completion of 1 year's worth of college credit applicable to a degree within



1 2 years of enrollment.

2 (ii) Contains data that provide other information determined necessary to  
3 address alignment and adequate preparation for success in postsecondary education.

4 (5) From the general fund appropriation in section 11, there is allocated an  
5 amount not to exceed ~~\$16,356,700.00~~ **\$16,457,200.00** for ~~2018-2019~~ **2019-2020** to the  
6 department of technology, management, and budget to support the operations of the  
7 center. In addition, from the federal funds appropriated in section 11, there is  
8 allocated for ~~2018-2019~~ **2019-2020** the amount necessary, estimated at \$193,500.00, to  
9 support the operations of the center and to establish a P-20 longitudinal data system  
10 necessary for state and federal reporting purposes. The center shall cooperate with  
11 the department to ensure that this state is in compliance with federal law and is  
12 maximizing opportunities for increased federal funding to improve education in this  
13 state.

14 (6) From the funds allocated in subsection (5), the center may use an amount  
15 determined by the center for competitive grants for ~~2018-2019~~ **2019-2020** to support  
16 collaborative efforts on the P-20 longitudinal data system. All of the following apply  
17 to grants awarded under this subsection:

18 (a) The center shall award competitive grants to eligible intermediate districts  
19 or a consortium of intermediate districts based on criteria established by the center.

20 (b) Activities funded under the grant shall support the P-20 longitudinal data  
21 system portal and may include portal hosting, hardware and software acquisition,  
22 maintenance, enhancements, user support and related materials, and professional  
23 learning tools and activities aimed at improving the utility of the P-20 longitudinal  
24 data system.

25 (c) An applicant that received a grant under this subsection for the immediately





preceding fiscal year shall receive priority for funding under this section. However, after 3 fiscal years of continuous funding, an applicant is required to compete openly with new applicants.

(7) Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year and are appropriated for the purposes for which the funds were originally allocated.

(8) The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (5) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.

(9) As used in this section:

(a) "DED-OESE" means the United States Department of Education Office of Elementary and Secondary Education.

(b) "State education agency" means the department.

Sec. 95a. (1) The educator evaluation reserve fund is created as a separate account within the state school aid fund.

(2) The state treasurer may receive money or other assets from any source for deposit into the educator evaluation reserve fund. The state treasurer shall direct the investment of the educator evaluation reserve fund. The state treasurer shall credit to the educator evaluation reserve fund interest and earnings from the educator evaluation reserve fund.

(3) Money in the educator evaluation reserve fund at the close of the fiscal



1 year shall ~~remain in the educator evaluation reserve fund and shall not~~ lapse to the  
2 state school aid fund. ~~or to the general fund.~~ The department of treasury shall be the  
3 administrator of the educator evaluation reserve fund for auditing purposes.

4 (4) From the appropriations in section 11, there is allocated to the educator  
5 evaluation reserve fund for 2014-2015 an amount not to exceed \$12,100,000.00 from the  
6 state school aid fund and an amount not to exceed \$2,700,000.00 from the general fund.  
7 Subject to subsections (5), ~~and (6),~~ the department shall expend the money in the  
8 educator evaluation reserve fund for implementing evaluation systems for public school  
9 teachers and school administrators.

10 (5) Funds in the educator evaluation reserve fund shall not be expended unless  
11 the state budget office has approved the department's spending plan.

12 Sec. 98. (1) From the general fund money appropriated in section 11, there is  
13 allocated an amount not to exceed \$7,387,500.00 for ~~2019-2019-2019-2020~~ for the  
14 purposes described in this section. The Michigan Virtual University shall provide a  
15 report to the legislature not later than November 1 of each year that includes its  
16 mission, its plans, and proposed benchmarks it must meet, which shall include a plan  
17 to achieve the organizational priorities identified in this section, in order to  
18 receive full funding for ~~2019-2020, 2020-2021~~. Not later than March 1 of each year,  
19 the Michigan Virtual University shall provide an update to the house and senate  
20 appropriations subcommittees on school aid to show the progress being made to meet the  
21 benchmarks identified.

22 (2) The Michigan Virtual University shall operate the Michigan Virtual Learning  
23 Research Institute. The Michigan Virtual Learning Research Institute shall do all of  
24 the following:

25 (a) Support and accelerate innovation in education through the following



1 activities:

2 (i) Test, evaluate, and recommend as appropriate new technology-based  
3 instructional tools and resources.

4 (ii) Research, design, and recommend virtual education delivery models for use  
5 by pupils and teachers that include age-appropriate multimedia instructional content.

6 (iii) Research, develop, and recommend annually to the department criteria by  
7 which cyber schools and virtual course providers should be monitored and evaluated to  
8 ensure a quality education for their pupils.

9 (iv) Based on pupil completion and performance data reported to the department  
10 or the center for educational performance and information from cyber schools and other  
11 virtual course providers operating in this state, analyze the effectiveness of virtual  
12 learning delivery models in preparing pupils to be college- and career-ready and  
13 publish a report that highlights enrollment totals, completion rates, and the overall  
14 impact on pupils. The report shall be submitted to the house and senate appropriations  
15 subcommittees on state school aid, the state budget director, the house and senate  
16 fiscal agencies, the department, districts, and intermediate districts not later than  
17 March 31 of each year.

18 (v) Provide an extensive professional development program to at least 30,000  
19 educational personnel, including teachers, school administrators, and school board  
20 members, that focuses on the effective integration of virtual learning into curricula  
21 and instruction. The Michigan Virtual Learning Research Institute is encouraged to  
22 work with the ~~MISTEM~~-MISTEAM advisory council created under section 99s to coordinate  
23 professional development of teachers in applicable fields. In addition, the Michigan  
24 Virtual Learning Research Institute and external stakeholders are encouraged to  
25 coordinate with the department for professional development in this state. Not later



1 than December 1 of each year, the Michigan Virtual Learning Research Institute shall  
2 submit a report to the house and senate appropriations subcommittees on state school  
3 aid, the state budget director, the house and senate fiscal agencies, and the  
4 department on the number of teachers, school administrators, and school board members  
5 who have received professional development services from the Michigan Virtual  
6 University. The report shall also identify barriers and other opportunities to  
7 encourage the adoption of virtual learning in the public education system.

8 (vi) Identify and share best practices for planning, implementing, and  
9 evaluating virtual and blended education delivery models with intermediate districts,  
10 districts, and public school academies to accelerate the adoption of innovative  
11 education delivery models statewide.

12 (b) Provide leadership for this state's system of virtual learning education by  
13 doing the following activities:

14 (i) Develop and report policy recommendations to the governor and the  
15 legislature that accelerate the expansion of effective virtual learning in this  
16 state's schools.

17 (ii) Provide a clearinghouse for research reports, academic studies,  
18 evaluations, and other information related to virtual learning.

19 (iii) Promote and distribute the most current instructional design standards and  
20 guidelines for virtual teaching.

21 (iv) In collaboration with the department and interested colleges and  
22 universities in this state, support implementation and improvements related to  
23 effective virtual learning instruction.

24 (v) Pursue public/private partnerships that include districts to study and  
25 implement competency-based technology-rich virtual learning models.



(vi) Create a statewide network of school-based mentors serving as liaisons between pupils, virtual instructors, parents, and school staff, as provided by the department or the center, and provide mentors with research-based training and technical assistance designed to help more pupils be successful virtual learners.

(vii) Convene focus groups and conduct annual surveys of teachers, administrators, pupils, parents, and others to identify barriers and opportunities related to virtual learning.

(viii) Produce an annual consumer awareness report for schools and parents about effective virtual education providers and education delivery models, performance data, cost structures, and research trends.

(ix) Provide an internet-based platform that educators can use to create student-centric learning tools and resources for sharing in the state's open educational resource repository and facilitate a user network that assists educators in using the content creation platform and state repository for open educational resources. As part of this initiative, the Michigan Virtual University shall work collaboratively with districts and intermediate districts to establish a plan to make available virtual resources that align to Michigan's K-12 curriculum standards for use by students, educators, and parents.

(x) Create and maintain a public statewide catalog of virtual learning courses being offered by all public schools and community colleges in this state. The Michigan Virtual Learning Research Institute shall identify and develop a list of nationally recognized best practices for virtual learning and use this list to support reviews of virtual course vendors, courses, and instructional practices. The Michigan Virtual Learning Research Institute shall also provide a mechanism for intermediate districts to use the identified best practices to review content offered by constituent



1 districts. The Michigan Virtual Learning Research Institute shall review the virtual  
2 course offerings of the Michigan Virtual University, and make the results from these  
3 reviews available to the public as part of the statewide catalog. The Michigan Virtual  
4 Learning Research Institute shall ensure that the statewide catalog is made available  
5 to the public on the Michigan Virtual University website and shall allow the ability  
6 to link it to each district's website as provided for in section 21f. The statewide  
7 catalog shall also contain all of the following:

8 (A) The number of enrollments in each virtual course in the immediately  
9 preceding school year.

10 (B) The number of enrollments that earned 60% or more of the total course points  
11 for each virtual course in the immediately preceding school year.

12 (C) The pass rate for each virtual course.

13 (xi) Support registration, payment services, and transcript functionality for  
14 the statewide catalog and train key stakeholders on how to use new features.

15 (xii) Collaborate with key stakeholders to examine district level accountability  
16 and teacher effectiveness issues related to virtual learning under section 21f and  
17 make findings and recommendations publicly available.

18 (xiii) Provide a report on the activities of the Michigan Virtual Learning  
19 Research Institute.

20 (3) To further enhance its expertise and leadership in virtual learning, the  
21 Michigan Virtual University shall continue to operate the Michigan Virtual School as a  
22 statewide laboratory and quality model of instruction by implementing virtual and  
23 blended learning solutions for Michigan schools in accordance with the following  
24 parameters:

25 (a) The Michigan Virtual School must maintain its accreditation status from



1 recognized national and international accrediting entities.

2 (b) The Michigan Virtual University shall use no more than \$1,000,000.00 of the  
3 amount allocated under this section to subsidize the cost paid by districts for  
4 virtual courses.

5 (c) In providing educators responsible for the teaching of virtual courses as  
6 provided for in this section, the Michigan Virtual School shall follow the  
7 requirements to request and assess, and the department of state police shall provide,  
8 a criminal history check and criminal records check under sections 1230 and 1230a of  
9 the revised school code, MCL 380.1230 and 380.1230a, in the same manner as if the  
10 Michigan Virtual School were a school district under those sections.

11 (4) From the funds allocated under subsection (1), the Michigan Virtual  
12 University shall allocate up to \$500,000.00 to support the expansion of new online and  
13 blended educator professional development programs.

14 (5) If the course offerings are included in the statewide catalog of virtual  
15 courses under subsection (2) (b) (x), the Michigan Virtual School operated by the  
16 Michigan Virtual University may offer virtual course offerings, including, but not  
17 limited to, all of the following:

18 (a) Information technology courses.

19 (b) College level equivalent courses, as defined in section 1471 of the revised  
20 school code, MCL 380.1471.

21 (c) Courses and dual enrollment opportunities.

22 (d) Programs and services for at-risk pupils.

23 (e) High school equivalency test preparation courses for adjudicated youth.

24 (f) Special interest courses.

25 (g) Professional development programs for teachers, school administrators, other



1 school employees, and school board members.

2 (6) If a home-schooled or nonpublic school student is a resident of a district  
3 that subscribes to services provided by the Michigan Virtual School, the student may  
4 use the services provided by the Michigan Virtual School to the district without  
5 charge to the student beyond what is charged to a district pupil using the same  
6 services.

7 (7) Not later than December 1 of each fiscal year, the Michigan Virtual  
8 University shall provide a report to the house and senate appropriations subcommittees  
9 on state school aid, the state budget director, the house and senate fiscal agencies,  
10 and the department that includes at least all of the following information related to  
11 the Michigan Virtual School for the preceding state fiscal year:

12 (a) A list of the districts served by the Michigan Virtual School.

13 (b) A list of virtual course titles available to districts.

14 (c) The total number of virtual course enrollments and information on  
15 registrations and completions by course.

16 (d) The overall course completion rate percentage.

17 (8) In addition to the information listed in subsection (7), the report under  
18 subsection (7) shall also include a plan to serve at least 600 schools with courses  
19 from the Michigan Virtual School or with content available through the internet-based  
20 platform identified in subsection (2) (b) (ix).

21 (9) The governor may appoint an advisory group for the Michigan Virtual Learning  
22 Research Institute established under subsection (2). The members of the advisory group  
23 shall serve at the pleasure of the governor and shall serve without compensation. The  
24 purpose of the advisory group is to make recommendations to the governor, the  
25 legislature, and the president and board of the Michigan Virtual University that will





1 accelerate innovation in this state's education system in a manner that will prepare  
2 elementary and secondary students to be career and college ready and that will promote  
3 the goal of increasing the percentage of ~~citizens~~ **RESIDENTS** of this state with high-  
4 quality degrees and credentials to at least 60% by ~~2025.~~ **2030.**

5 (10) Not later than November 1 of each year, the Michigan Virtual University  
6 shall submit to the house and senate appropriations subcommittees on state school aid,  
7 the state budget director, and the house and senate fiscal agencies a detailed budget  
8 for that fiscal year that includes a breakdown on its projected costs to deliver  
9 virtual educational services to districts and a summary of the anticipated fees to be  
10 paid by districts for those services. Not later than March 1 each year, the Michigan  
11 Virtual University shall submit to the house and senate appropriations subcommittees  
12 on state school aid, the state budget director, and the house and senate fiscal  
13 agencies a breakdown on its actual costs to deliver virtual educational services to  
14 districts and a summary of the actual fees paid by districts for those services based  
15 on audited financial statements for the immediately preceding fiscal year.

16 (11) As used in this section:

17 (a) "Blended learning" means a hybrid instructional delivery model where pupils  
18 are provided content, instruction, and assessment, in part at a supervised educational  
19 facility away from home where the pupil and a teacher with a valid Michigan teaching  
20 certificate are in the same physical location and in part through internet-connected  
21 learning environments with some degree of pupil control over time, location, and pace  
22 of instruction.

23 (b) "Cyber school" means a full-time instructional program of virtual courses  
24 for pupils that may or may not require attendance at a physical school location.

25 (c) "Virtual course" means a course of study that is capable of generating a



1 credit or a grade and that is provided in an interactive learning environment in which  
 2 the majority of the curriculum is delivered using the internet and in which pupils are  
 3 separated from their instructor or teacher of record by time or location, or both.

4 Sec. 99h. (1) From the state school aid fund appropriation in section 11, there  
 5 is allocated an amount not to exceed \$3,000,000.00 for ~~2017-2018 and an amount not to~~  
 6 ~~exceed \$4,500,000.00 for 2018-2019-2019-2020~~ for competitive grants to districts and  
 7 intermediate districts, ~~and from the general fund appropriation in section 11, there~~  
 8 ~~is allocated an amount not to exceed \$300,000.00 each fiscal year for 2017-2018 and~~  
 9 ~~for 2018-2019 for competitive grants to nonpublic schools that provide pupils in~~  
 10 grades K to 12 with expanded opportunities to improve mathematics, science, and  
 11 technology skills by participating in events hosted by a science and technology  
 12 development program known as FIRST (for inspiration and recognition of science and  
 13 technology) Robotics, including JR FIRST Lego League, FIRST Lego League, FIRST Tech  
 14 challenge, and FIRST Robotics competition, ~~or, beginning in 2018-2019,~~ other  
 15 competitive robotics programs, including those hosted by the Robotics Education and  
 16 Competition (REC) Foundation. Programs funded under this section are intended to  
 17 increase the number of pupils demonstrating proficiency in science and mathematics on  
 18 the state assessments and to increase the number of pupils who are college- and  
 19 career-ready upon high school graduation. Notwithstanding section 17b, grant payments  
 20 to districts, ~~nonpublic schools,~~ and intermediate districts under this section shall  
 21 be paid on a schedule determined by the department. The department shall set maximum  
 22 grant awards for each different level of competition in a manner that both maximizes  
 23 the number of teams that will be able to receive funds and expands the geographical  
 24 distribution of teams.

25 (2) A district, ~~nonpublic school,~~ or intermediate district applying for a grant



1 under this section shall submit an application in a form and manner determined by the  
2 department. To be eligible for a grant, a district, ~~nonpublic school,~~ or intermediate  
3 district shall demonstrate in its application that the district, ~~nonpublic school,~~ or  
4 intermediate district has established a partnership for the purposes of the robotics  
5 program with at least 1 sponsor, business entity, higher education institution, or  
6 technical school, shall submit a spending plan, and shall pay at least 25% of the cost  
7 of the robotics program.

8 (3) The department shall distribute the grant funding under this section for the  
9 following purposes:

10 (a) Grants to districts, ~~nonpublic schools,~~ or intermediate districts to pay for  
11 stipends not to exceed \$1,500.00 for 1 coach per team.

12 (b) Grants to districts, ~~nonpublic schools,~~ or intermediate districts for event  
13 registrations, materials, travel costs, and other expenses associated with the  
14 preparation for and attendance at robotics events and competitions. Each grant  
15 recipient shall provide a local match from other private or local funds for the funds  
16 received under this subdivision equal to at least 50% of the costs of participating in  
17 an event.

18 (c) Grants to districts, ~~nonpublic schools,~~ or intermediate districts for awards  
19 to teams that advance to the state and world championship competitions. The department  
20 shall determine an equal amount per team for those teams that advance to the state  
21 championship and a second equal award amount to those teams that advance to the world  
22 championship.

23 ~~(4) A nonpublic school that receives a grant under this section may use the~~  
24 ~~funds for either robotics or Science Olympiad programs.~~

25 ~~(5) To be eligible to receive funds under this section, a nonpublic school must~~



1 ~~be a nonpublic school registered with the department and must meet all applicable~~  
 2 ~~state reporting requirements for nonpublic schools.~~

3 ~~(6) The funds allocated under this section for 2017-2018 are a work project~~  
 4 ~~appropriation, and any unexpended funds for 2017-2018 are carried forward into 2018-~~  
 5 ~~2019. The purpose of the work project is to continue support of FIRST Robotics and~~  
 6 ~~must not be used to support other robotics competitions. The estimated completion date~~  
 7 ~~of the work project is September 30, 2020.~~

8 Sec. 99s. (1) From the funds appropriated under section 11, there is allocated  
 9 for ~~2018-2019-2019-2020~~ an amount not to exceed \$7,634,300.00 from the state school  
 10 aid fund appropriation and an amount not to exceed \$300,000.00 from the general fund  
 11 appropriation for Michigan science, technology, **ARTS**, engineering, and mathematics  
 12 ~~(MISTEM), (MISTEAM)~~ programs. In addition, from the federal funds appropriated in  
 13 section 11, there is allocated for ~~2018-2019-2019-2020~~ **THE AMOUNT AVAILABLE**, ~~an amount~~  
 14 estimated at ~~\$3,500,000.00~~ **\$235,000.00** from DED-OESE, title II, mathematics and  
 15 science partnership grants. **THE MISTEAM NETWORK IS PERMITTED TO RECEIVE PRIVATE FUNDS**  
 16 **AND SHALL EXPEND THESE FUNDS IN ALIGNMENT WITH THE STATEWIDE STEAM STRATEGY.** Programs  
 17 funded under this section are intended to increase the number of pupils demonstrating  
 18 proficiency in science and mathematics on the state assessments and to increase the  
 19 number of pupils who are college- and career-ready upon high school graduation.  
 20 Notwithstanding section 17b, payments under this section shall be paid on a schedule  
 21 determined by the department.

22 (2) All of the following apply to the ~~MISTEM~~ **MISTEAM** advisory council:

23 (a) The ~~MISTEM~~ **MISTEAM** advisory council is created. The ~~MISTEM~~ **MISTEAM** advisory  
 24 council shall provide to the governor, legislature, department of talent and economic  
 25 development, and department recommendations designed to improve and promote innovation



1 in ~~STEM-STEAM~~ education and to prepare students for careers in science, technology,  
2 engineering, **ARTS**, and mathematics.

3 (b) The ~~MiSTEM-MISTEAM~~ advisory council created under subdivision (a) shall  
4 consist of the following members:

5 (i) The governor shall appoint ~~11-9~~ 9 voting members who are representative of  
6 business sectors that are important to Michigan's economy and rely on a ~~STEM-educated~~  
7 **STEAM-EDUCATED** workforce, nonprofit organizations and associations that promote ~~STEM~~  
8 **STEAM** education, K-12 and postsecondary education entities involved in ~~STEM-related~~  
9 **STEAM-RELATED** career education, or other sectors as considered appropriate by the  
10 governor. **IN ADDITION, THE GOVERNOR SHALL APPOINT 2 VOTING MEMBERS FROM THE MEMBERSHIP**  
11 **OF THE MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS.** Each of these members shall  
12 serve at the pleasure of the governor and for a term determined by the governor.

13 (ii) The senate majority leader shall appoint 2 members of the senate to serve  
14 as nonvoting, ex-officio members of the ~~MiSTEM-MISTEAM~~ advisory council, including 1  
15 majority party member and 1 minority party member.

16 (iii) The speaker of the house of representatives shall appoint 2 members of the  
17 house of representatives to serve as nonvoting, ex-officio members of the ~~MiSTEM~~  
18 **MISTEAM** advisory council, including 1 majority party member and 1 minority party  
19 member.

20 **(IV) THE GOVERNOR SHALL APPOINT 1 EX-OFFICIO MEMBER TO THE MISTEAM ADVISORY**  
21 **COUNCIL.**

22 (c) Each member of the ~~MiSTEM-MISTEAM~~ advisory council shall serve without  
23 compensation.

24 (d) The ~~MiSTEM-MISTEAM~~ advisory council annually shall review and make  
25 recommendations to the governor, the legislature, and the department concerning



changes to the statewide strategy adopted by the council for delivering ~~STEM-STEAM~~ education-related opportunities to pupils. The ~~MISTEM-MISTEAM~~ advisory council shall use funds received under this subsection to ensure that its members or their designees are trained in the Change the Equation STEMworks rating system program for the purpose of rating ~~STEM-STEAM~~ programs.

(e) The ~~MISTEM-MISTEAM~~ advisory council shall make specific funding recommendations for the funds allocated under subsection (3) by December 15 of each fiscal year. Each specific funding recommendation shall be for a program approved by the ~~MISTEM-MISTEAM~~ advisory council. To be eligible for ~~MISTEM-MISTEAM~~ advisory council approval, a program must satisfy all of the following:

(i) Align with this state's academic standards.

(ii) Have STEMworks certification.

(iii) Provide project-based experiential learning, student programming, or educator professional learning experiences.

(iv) Focus predominantly on classroom-based ~~STEM-STEAM~~ experiences or professional learning experiences.

(f) The ~~MISTEM-MISTEAM~~ advisory council shall approve programs that represent all network regions and include a diverse array of options for students and educators and at least 1 program in each of the following areas:

(i) Robotics.

(ii) Computer science or coding.

(iii) Engineering or bioscience.

(IV) ARTS.

(g) The ~~MISTEM-MISTEAM~~ advisory council is encouraged to work with the ~~MISTEM~~ **MISTEAM** network to develop locally and regionally developed programs and professional



development-~~LEARNING~~ experiences for the programs on the list of approved programs.

(h) If the ~~MISTEM-MISTEAM~~ advisory council is unable to make specific funding recommendations by December 15 of a fiscal year, the department shall award and distribute the funds allocated under subsection (3) on a competitive grant basis that at least follows the statewide ~~STEM-STEAM~~ strategy plan and rating system recommended by the ~~MISTEM-MISTEAM~~ advisory council. Each grant must provide ~~STEM-STEAM~~ education-related opportunities for pupils.

(i) The ~~MISTEM-MISTEAM~~ advisory council shall work with the executive director of the ~~MISTEM-MISTEAM~~ network to implement the statewide ~~STEM-STEAM~~ strategy adopted by the ~~MISTEM-MISTEAM~~ advisory council.

(3) From the state school aid fund money allocated under subsection (1), there is allocated for ~~2018-2019-2019-2020~~ an amount not to exceed \$3,050,000.00 for the purpose of funding programs under this section for ~~2018-2019-~~2019-2020, as recommended by the ~~MISTEM-MISTEAM~~ advisory council.

(4) From the school aid fund allocation under subsection (1), there is allocated an amount not to exceed \$3,834,300.00 for ~~2018-2019-2019-2020~~ to support the activities and programs of the ~~MISTEM-MISTEAM~~ network regions. In addition, from the federal funds allocated under subsection (1), there is allocated for ~~2018-2019-2019-~~2020 an amount estimated at ~~\$3,500,000.00-\$235,000.00~~ from DED-OESE, title II, mathematics and science partnership grants, for the purposes of this subsection. ~~Beginning in 2018-2019, the~~ THE fiscal agent for each ~~MISTEM-MISTEAM~~ network region shall receive \$200,000.00 for the base operations of each region. The remaining funds will be distributed to each fiscal agent in an equal amount per pupil, based on the number of K to 12 pupils enrolled in districts within each region in the prior fiscal year.



(5) A ~~MISTEM-MISTEAM~~ network region shall do all of the following:

(a) Collaborate with the career and educational advisory council that is located in the ~~MISTEM-MISTEAM~~ region to develop a regional strategic plan for ~~STEM-STEAM~~ education that creates a robust regional ~~STEM-STEAM~~ culture, that empowers ~~STEM-STEAM~~ teachers, that integrates business and education into the ~~STEM-STEAM~~ network, and that ensures high-quality ~~STEM-STEAM~~ experiences for pupils. At a minimum, a regional ~~STEM-STEAM~~ strategic plan should do all of the following:

(i) Identify regional employer need for ~~STEM-STEAM~~.

(ii) Identify processes for regional employers and educators to create guided pathways for ~~STEM-STEAM~~ careers that include internships or externships, apprenticeships, and other experiential engagements for pupils.

(iii) Identify educator professional ~~development~~ **LEARNING** opportunities, including internships or externships and apprenticeships, that integrate this state's science standards into high-quality ~~STEM-STEAM~~ experiences that engage pupils.

(b) Facilitate regional ~~STEM-STEAM~~ events such as educator and employer networking and ~~STEM-STEAM~~ career fairs to raise ~~STEM-STEAM~~ awareness.

(c) Contribute to the ~~MISTEM-MISTEAM~~ website and engage in other ~~MISTEM-MISTEAM~~ network functions to further the mission of ~~STEM-STEAM~~ in this state in coordination with the ~~MISTEM-MISTEAM~~ advisory council and its executive director.

(d) Facilitate application and implementation of state and federal funds under this subsection and any other grants or funds for the ~~MISTEM-MISTEAM~~ network region.

(e) Work with districts to provide ~~STEM-STEAM~~ programming and professional ~~development~~ **LEARNING**.

(f) Coordinate recurring discussions and work with the career and educational advisory council to ensure that feedback and best practices are being shared,





1 including funding, program, professional learning opportunities, and regional  
2 strategic plans.

3 (6) From the school aid funds allocated under subsection (1), the department  
4 shall distribute for ~~2019-2019-2019-2020~~ an amount not to exceed \$750,000.00, in a  
5 form and manner determined by the department, to ~~those network~~ **MISTEAM NETWORK** regions  
6 able to provide curriculum and professional development support to assist districts in  
7 implementing the Michigan merit curriculum components for mathematics and science.

8 (7) In order to receive state or federal funds under subsection (4) or (6), **OR**  
9 **TO RECEIVE PRIVATE FUNDS RECEIVED BY THE MISTEAM NETWORK UNDER SUBSECTION (1)**, a grant  
10 recipient shall allow access for the department or the department's designee to audit  
11 all records related to the program for which it receives those funds. The grant  
12 recipient shall reimburse the state for all disallowances found in the audit.

13 (8) In order to receive state funds under subsection (4) or (6), a grant  
14 recipient shall provide at least a 10% local match from local public or private  
15 resources for the funds received under this subsection.

16 (9) Not later than July 1, ~~2019 and July 1~~ of each year ~~thereafter~~, a ~~MISTEM~~  
17 **MISTEAM** network region that receives funds under subsection (4) shall report to the  
18 executive director of the ~~MISTEM-MISTEAM~~ network in a form and manner prescribed by  
19 the executive director on performance measures developed by the ~~MISTEM-MISTEAM~~ network  
20 regions and approved by the executive director. The performance measures shall be  
21 designed to ensure that the activities of the ~~MISTEM-MISTEAM~~ network are improving  
22 student academic outcomes.

23 (10) Not more than 5% of a ~~MISTEM-MISTEAM~~ network region grant under subsection  
24 (4) or (6) may be retained by a fiscal agent for serving as the fiscal agent of a  
25 ~~MISTEM-MISTEAM~~ network region.



(11) From the general fund allocation under subsection (1), there is allocated an amount not to exceed \$300,000.00 to the department of ~~technology, management, and budget~~ **TALENT AND ECONOMIC DEVELOPMENT** to support the functions of the executive director and executive assistant for the ~~MiSTEM-MISTEAM~~ network, and for administrative, training, and travel costs related to the ~~MiSTEM-MISTEAM~~ advisory council. The executive director and executive assistant for the ~~MiSTEM-MISTEAM~~ network shall do all of the following:

(a) Serve as a liaison among and between the department, the department of ~~technology, management, and budget~~, **TALENT AND ECONOMIC DEVELOPMENT**, the ~~MiSTEM MISTEAM~~ advisory council, ~~the Michigan mathematics and science centers network~~, the governor's **FUTURE** talent ~~investment board~~, **COUNCIL**, ~~the general education leadership network~~, and the ~~MiSTEM-MISTEAM~~ regions, **AND ANY OTHER RELEVANT ORGANIZATIONS OR ENTITIES** in a manner that creates a robust statewide ~~STEM-STEAM~~ culture, that empowers ~~STEM-STEAM~~ teachers, that integrates business and education into the ~~STEM-STEAM~~ network, and that ensures high-quality ~~STEM-STEAM~~ experiences for pupils.

(b) Coordinate the implementation of a marketing campaign, including, but not limited to, a website that includes dashboards of outcomes, to build ~~STEM-STEAM~~ awareness and communicate ~~STEM-STEAM~~ needs and opportunities to pupils, parents, educators, and the business community.

(c) Work with the department and the ~~MiSTEM-MISTEAM~~ advisory council to coordinate, award, and monitor ~~MiSTEM-MISTEAM~~ state and federal grants to the ~~MiSTEM MISTEAM~~ network regions and conduct reviews of grant recipients, including, but not limited to, pupil experience and feedback.

(d) Report to the governor, the legislature, the department, and the ~~MiSTEM MISTEAM~~ advisory council annually on the activities and performance of the ~~MiSTEM~~



1 **MISTEAM** network regions.

2 (e) Coordinate recurring discussions and work with regional staff to ensure that  
3 a network or loop of feedback and best practices are shared, including funding,  
4 programming, professional learning opportunities, discussion of ~~MiSTEM-MISTEAM~~  
5 strategic vision, and regional objectives.

6 (f) Coordinate major grant application efforts with the ~~MiSTEM-MISTEAM~~ advisory  
7 council to assist regional staff with grant applications on a local level. The ~~MiSTEM~~  
8 **MISTEAM** advisory council shall leverage private and nonprofit relationships to  
9 coordinate and align private funds in addition to funds appropriated under this  
10 section.

11 (g) Train state and regional staff in the STEMworks rating system, in  
12 collaboration with the ~~MiSTEM-MISTEAM~~ advisory council and the department.

13 (h) ~~Collaborate with the MiSTEM network to hire MiSTEM-HIRE MISTEAM~~ network  
14 region staff **IN COLLABORATION WITH THE NETWORK REGION FISCAL AGENTS.**

15 (12) As used in this section:

16 (a) "Career and educational advisory council" means an advisory council to the  
17 local workforce development boards located in a prosperity region consisting of  
18 educational, employer, labor, and parent representatives.

19 (b) "DED" means the United States Department of Education.

20 (c) "DED-OESE" means the DED Office of Elementary and Secondary Education.

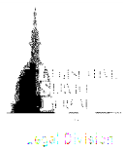
21 (d) ~~"STEM"~~ **"STEAM"** means science, technology, engineering, **ARTS**, and mathematics  
22 delivered in an integrated fashion using cross-disciplinary learning experiences that  
23 can include language arts, performing and fine arts, and career and technical  
24 education.

25 Sec. 101. (1) To be eligible to receive state aid under this article, not later



1 than the fifth Wednesday after the pupil membership count day and not later than the  
 2 fifth Wednesday after the supplemental count day, each district superintendent shall  
 3 submit **AND CERTIFY** to the center and the intermediate superintendent, in the form and  
 4 manner prescribed by the center, the number of pupils enrolled and in regular daily  
 5 attendance in the district as of the pupil membership count day and as of the  
 6 supplemental count day, as applicable, for the current school year. In addition, a  
 7 district maintaining school during the entire year, as provided under section 1561 of  
 8 the revised school code, MCL 380.1561, shall submit **AND CERTIFY** to the center and the  
 9 intermediate superintendent, in the form and manner prescribed by the center, the  
 10 number of pupils enrolled and in regular daily attendance in the district for the  
 11 current school year pursuant to rules promulgated by the superintendent. Not later  
 12 than the sixth Wednesday after the pupil membership count day and not later than the  
 13 sixth Wednesday after the supplemental count day, the district shall ~~certify~~ **RESOLVE**  
 14 **ANY PUPIL MEMBERSHIP CONFLICTS WITH OTHER DISTRICTS, CORRECT ANY DATA ISSUES, AND**  
 15 **RECERTIFY** the data in a form and manner prescribed by the center and file the  
 16 certified data with the intermediate superintendent. If a district fails to submit and  
 17 certify the attendance data, as required under this subsection, the center shall  
 18 notify the department and state aid due to be distributed under this article shall be  
 19 withheld from the defaulting district immediately, beginning with the next payment  
 20 after the failure and continuing with each payment until the district complies with  
 21 this subsection. If a district does not comply with this subsection by the end of the  
 22 fiscal year, the district forfeits the amount withheld. A person who willfully  
 23 falsifies a figure or statement in the certified and sworn copy of enrollment shall be  
 24 punished in the manner prescribed by section 161.

25 (2) To be eligible to receive state aid under this article, not later than the



1 twenty-fourth Wednesday after the pupil membership count day and not later than the  
2 twenty-fourth Wednesday after the supplemental count day, an intermediate district  
3 shall submit to the center, in a form and manner prescribed by the center, the audited  
4 enrollment and attendance data for the pupils of its constituent districts and of the  
5 intermediate district. If an intermediate district fails to submit the audited data as  
6 required under this subsection, state aid due to be distributed under this article  
7 shall be withheld from the defaulting intermediate district immediately, beginning  
8 with the next payment after the failure and continuing with each payment until the  
9 intermediate district complies with this subsection. If an intermediate district does  
10 not comply with this subsection by the end of the fiscal year, the intermediate  
11 district forfeits the amount withheld.

12 (3) Except as otherwise provided in subsections (11) and (12), all of the  
13 following apply to the provision of pupil instruction:

14 (a) Except as otherwise provided in this section, each district shall provide at  
15 least 1,098 hours and, beginning in 2010-2011, the required minimum number of days of  
16 pupil instruction. Beginning in 2014-2015, the required minimum number of days of  
17 pupil instruction is 175. However, all of the following apply to these requirements:

18 (i) If a collective bargaining agreement that provides a complete school  
19 calendar was in effect for employees of a district as of July 1, 2013, and if that  
20 school calendar is not in compliance with this subsection, then this subsection does  
21 not apply to that district until after the expiration of that collective bargaining  
22 agreement. If a district entered into a collective bargaining agreement on or after  
23 July 1, 2013 and if that collective bargaining agreement did not provide for at least  
24 175 days of pupil instruction beginning in 2014-2015, then the department shall  
25 withhold from the district's total state school aid an amount equal to 5% of the



1 funding the district receives in 2014-2015 under sections 22a and 22b.

2 (ii) A district may apply for a waiver under subsection (9) from the  
3 requirements of this subdivision.

4 (b) Beginning in 2016-2017, the required minimum number of days of pupil  
5 instruction is 180. If a collective bargaining agreement that provides a complete  
6 school calendar was in effect for employees of a district as of the effective date of  
7 the amendatory act that added this subdivision, and if that school calendar is not in  
8 compliance with this subdivision, then this subdivision does not apply to that  
9 district until after the expiration of that collective bargaining agreement. A  
10 district may apply for a waiver under subsection (9) from the requirements of this  
11 subdivision.

12 (c) Except as otherwise provided in this article, a district failing to comply  
13 with the required minimum hours and days of pupil instruction under this subsection  
14 shall forfeit from its total state aid allocation an amount determined by applying a  
15 ratio of the number of hours or days the district was in noncompliance in relation to  
16 the required minimum number of hours and days under this subsection. Not later than  
17 August 1, the board of each district shall either certify to the department that the  
18 district was in full compliance with this section regarding the number of hours and  
19 days of pupil instruction in the previous school year, or report to the department, in  
20 a form and manner prescribed by the center, each instance of noncompliance. If the  
21 district did not provide at least the required minimum number of hours and days of  
22 pupil instruction under this subsection, the deduction of state aid shall be made in  
23 the following fiscal year from the first payment of state school aid. A district is  
24 not subject to forfeiture of funds under this subsection for a fiscal year in which a  
25 forfeiture was already imposed under subsection (6).



1 (d) Hours or days lost because of strikes or teachers' conferences shall not be  
2 counted as hours or days of pupil instruction.

3 (e) If a collective bargaining agreement that provides a complete school  
4 calendar is in effect for employees of a district as of October 19, 2009, and if that  
5 school calendar is not in compliance with this subsection, then this subsection does  
6 not apply to that district until after the expiration of that collective bargaining  
7 agreement.

8 (f) Except as otherwise provided in subdivisions (g) and (h), a district not  
9 having at least 75% of the district's membership in attendance on any day of pupil  
10 instruction shall receive state aid in that proportion of 1/180 that the actual  
11 percent of attendance bears to the specified percentage.

12 (g) If a district adds 1 or more days of pupil instruction to the end of its  
13 instructional calendar for a school year to comply with subdivision (a) because the  
14 district otherwise would fail to provide the required minimum number of days of pupil  
15 instruction even after the operation of subsection (4) due to conditions not within  
16 the control of school authorities, then subdivision (f) does not apply for any day of  
17 pupil instruction that is added to the end of the instructional calendar. Instead, for  
18 any of those days, if the district does not have at least 60% of the district's  
19 membership in attendance on that day, the district shall receive state aid in that  
20 proportion of 1/180 that the actual percentage of attendance bears to the specified  
21 percentage. For any day of pupil instruction added to the instructional calendar as  
22 described in this subdivision, the district shall report to the department the  
23 percentage of the district's membership that is in attendance, in the form and manner  
24 prescribed by the department.

25 (h) At the request of a district that operates a department-approved alternative



1 education program and that does not provide instruction for pupils in all of grades K  
2 to 12, the superintendent shall grant a waiver from the requirements of subdivision  
3 (f). The waiver shall indicate that an eligible district is subject to the proration  
4 provisions of subdivision (f) only if the district does not have at least 50% of the  
5 district's membership in attendance on any day of pupil instruction. In order to be  
6 eligible for this waiver, a district must maintain records to substantiate its  
7 compliance with the following requirements:

8 (i) The district offers the minimum hours of pupil instruction as required under  
9 this section.

10 (ii) For each enrolled pupil, the district uses appropriate academic assessments  
11 to develop an individual education plan that leads to a high school diploma.

12 (iii) The district tests each pupil to determine academic progress at regular  
13 intervals and records the results of those tests in that pupil's individual education  
14 plan.

15 (i) All of the following apply to a waiver granted under subdivision (h):

16 (i) If the waiver is for a blended model of delivery, a waiver that is granted  
17 for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it  
18 is revoked by the superintendent.

19 (ii) If the waiver is for a 100% online model of delivery and the educational  
20 program for which the waiver is granted makes educational services available to pupils  
21 for a minimum of at least 1,098 hours during a school year and ensures that each pupil  
22 participates in the educational program for at least 1,098 hours during a school year,  
23 a waiver that is granted for the 2011-2012 fiscal year or a subsequent fiscal year  
24 remains in effect unless it is revoked by the superintendent.

25 (iii) A waiver that is not a waiver described in subparagraph (i) or (ii) is





1 valid for 1 fiscal year and must be renewed annually to remain in effect.

2 (j) The superintendent shall promulgate rules for the implementation of this  
3 subsection.

4 (4) Except as otherwise provided in this subsection, the first 6 days or the  
5 equivalent number of hours for which pupil instruction is not provided because of  
6 conditions not within the control of school authorities, such as severe storms, fires,  
7 epidemics, utility power unavailability, water or sewer failure, or health conditions  
8 as defined by the city, county, or state health authorities, shall be counted as hours  
9 and days of pupil instruction. With the approval of the superintendent of public  
10 instruction, the department shall count as hours and days of pupil instruction for a  
11 fiscal year not more than 3 additional days or the equivalent number of additional  
12 hours for which pupil instruction is not provided in a district due to unusual and  
13 extenuating occurrences resulting from conditions not within the control of school  
14 authorities such as those conditions described in this subsection. Subsequent such  
15 hours or days shall not be counted as hours or days of pupil instruction.

16 (5) A district shall not forfeit part of its state aid appropriation because it  
17 adopts or has in existence an alternative scheduling program for pupils in  
18 kindergarten if the program provides at least the number of hours required under  
19 subsection (3) for a full-time equated membership for a pupil in kindergarten as  
20 provided under section 6(4).

21 (6) In addition to any other penalty or forfeiture under this section, if at any  
22 time the department determines that 1 or more of the following have occurred in a  
23 district, the district shall forfeit in the current fiscal year beginning in the next  
24 payment to be calculated by the department a proportion of the funds due to the  
25 district under this article that is equal to the proportion below the required minimum



1 number of hours and days of pupil instruction under subsection (3), as specified in  
2 the following:

3 (a) The district fails to operate its schools for at least the required minimum  
4 number of hours and days of pupil instruction under subsection (3) in a school year,  
5 including hours and days counted under subsection (4).

6 (b) The board of the district takes formal action not to operate its schools for  
7 at least the required minimum number of hours and days of pupil instruction under  
8 subsection (3) in a school year, including hours and days counted under subsection  
9 (4).

10 (7) In providing the minimum number of hours and days of pupil instruction  
11 required under subsection (3), a district shall use the following guidelines, and a  
12 district shall maintain records to substantiate its compliance with the following  
13 guidelines:

14 (a) Except as otherwise provided in this subsection, a pupil must be scheduled  
15 for at least the required minimum number of hours of instruction, excluding study  
16 halls, or at least the sum of 90 hours plus the required minimum number of hours of  
17 instruction, including up to 2 study halls.

18 (b) The time a pupil is assigned to any tutorial activity in a block schedule  
19 may be considered instructional time, unless that time is determined in an audit to be  
20 a study hall period.

21 (c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12  
22 for whom a reduced schedule is determined to be in the individual pupil's best  
23 educational interest must be scheduled for a number of hours equal to at least 80% of  
24 the required minimum number of hours of pupil instruction to be considered a full-time  
25 equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may



1 receive a reduced schedule under this subsection if the pupil is scheduled for a  
2 number of hours equal to at least 75% of the required minimum number of hours of pupil  
3 instruction to be considered a full-time equivalent pupil.

4 (d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education  
5 program or a special education pupil cannot receive the required minimum number of  
6 hours of pupil instruction solely because of travel time between instructional sites  
7 during the school day, that travel time, up to a maximum of 3 hours per school week,  
8 shall be considered to be pupil instruction time for the purpose of determining  
9 whether the pupil is receiving the required minimum number of hours of pupil  
10 instruction. However, if a district demonstrates to the satisfaction of the department  
11 that the travel time limitation under this subdivision would create undue costs or  
12 hardship to the district, the department may consider more travel time to be pupil  
13 instruction time for this purpose.

14 (e) In grades 7 through 12, instructional time that is part of a junior reserve  
15 officer training corps (JROTC) program shall be considered to be pupil instruction  
16 time regardless of whether the instructor is a certificated teacher if all of the  
17 following are met:

18 (i) The instructor has met all of the requirements established by the United  
19 States Department of Defense and the applicable branch of the armed services for  
20 serving as an instructor in the junior reserve officer training corps program.

21 (ii) The board of the district or intermediate district employing or assigning  
22 the instructor complies with the requirements of sections 1230 and 1230a of the  
23 revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the  
24 same extent as if employing the instructor as a regular classroom teacher.

25 (8) Except as otherwise provided in subsections (11) and (12), the department



1 shall apply the guidelines under subsection (7) in calculating the full-time  
2 equivalency of pupils.

3 (9) Upon application by the district for a particular fiscal year, the  
4 superintendent shall waive for a district the minimum number of hours and days of  
5 pupil instruction requirement of subsection (3) for a department-approved alternative  
6 education program or another innovative program approved by the department, including  
7 a 4-day school week. If a district applies for and receives a waiver under this  
8 subsection and complies with the terms of the waiver, the district is not subject to  
9 forfeiture under this section for the specific program covered by the waiver. If the  
10 district does not comply with the terms of the waiver, the amount of the forfeiture  
11 shall be calculated based upon a comparison of the number of hours and days of pupil  
12 instruction actually provided to the minimum number of hours and days of pupil  
13 instruction required under subsection (3). Pupils enrolled in a department-approved  
14 alternative education program under this subsection shall be reported to the center in  
15 a form and manner determined by the center. All of the following apply to a waiver  
16 granted under this subsection:

17 (a) If the waiver is for a blended model of delivery, a waiver that is granted  
18 for the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it  
19 is revoked by the superintendent.

20 (b) If the waiver is for a 100% online model of delivery and the educational  
21 program for which the waiver is granted makes educational services available to pupils  
22 for a minimum of at least 1,098 hours during a school year and ensures that each pupil  
23 is on track for course completion at proficiency level, a waiver that is granted for  
24 the 2011-2012 fiscal year or a subsequent fiscal year remains in effect unless it is  
25 revoked by the superintendent.



(c) A waiver that is not a waiver described in subdivision (a) or (b) is valid for 1 fiscal year and must be renewed annually to remain in effect.

~~(d) For 2018-2019 only, the department shall grant a waiver to a district that applies for a waiver for a blended model of delivery after the department's application deadline if the district meets the other requirements for a waiver under this subsection.~~

~~(10) Until 2014-2015, a district may count up to 38 hours of qualifying professional development for teachers as hours of pupil instruction. However, if a collective bargaining agreement that provides for the counting of up to 38 hours of qualifying professional development for teachers as pupil instruction is in effect for employees of a district as of July 1, 2013, then until the school year that begins after the expiration of that collective bargaining agreement a district may count up to the contractually specified number of hours of qualifying professional development for teachers as hours of pupil instruction.~~ **QUALIFYING PROFESSIONAL DEVELOPMENT**

**EXCEEDING 5 HOURS IN A SINGLE DAY MAY BE COUNTED AS A DAY OF PUPIL INSTRUCTION. 8**

**HOURS OF QUALIFYING PROFESSIONAL DEVELOPMENT COUNTED AS HOURS OF PUPIL INSTRUCTION**

**UNDER THIS SUBSECTION MUST BE RECOMMENDED BY A DISTRICTWIDE PROFESSIONAL DEVELOPMENT**

**ADVISORY COMMITTEE. THE COMMITTEE SHALL BE APPOINTED BY THE DISTRICT BOARD AND SHALL**

**BE COMPOSED OF TEACHERS EMPLOYED BY THE DISTRICT, REPRESENTING A VARIETY OF GRADES AND**

**SUBJECT MATTER SPECIALIZATIONS, INCLUDING SPECIAL EDUCATION; AND NON-TEACHING STAFF,**

**INCLUDING PARENTS AND ADMINISTRATORS. THE MAJORITY MEMBERSHIP OF THE COMMITTEE SHALL**

**BE COMPOSED OF TEACHING STAFF.** Professional development provided online is allowable

and encouraged, as long as the instruction has been approved by the district. The

department shall issue a list of approved online professional development providers,

which shall include the Michigan Virtual School. As used in this subsection,



"qualifying professional development" means professional development that ~~is focused~~  
~~on 1 or more~~ **MEETS ALL** of the following:

~~(a) Achieving or improving adequate yearly progress as defined under the no  
 child left behind act of 2001, Public Law 107-110.~~

~~(b) Achieving accreditation or improving a school's accreditation status under  
 section 1280 of the revised school code, MCL 380.1280.~~

~~(c) Achieving highly qualified teacher status as defined under the no child left  
 behind act of 2001, Public Law 107-110.~~

~~(d) Integrating technology into classroom instruction.~~

~~(e) Maintaining teacher certification.~~

(A) IS ALIGNED TO THE SCHOOL OR DISTRICT IMPROVEMENT PLAN FOR THE SCHOOL OR  
 DISTRICT IN WHICH THE PROFESSIONAL DEVELOPMENT IS BEING PROVIDED.

(B) IS LINKED TO ONE OF MORE CRITERIA IN THE EVALUATION TOOL DEVELOPED OR  
 ADOPTED BY THE SCHOOL DISTRICT, INTERMEDIATE DISTRICT, OR PUBLIC SCHOOL ACADEMY UNDER  
 SECTION 1249 OF THE REVISED SCHOOL CODE, MCL 380.1249.

(C) HAS BEEN APPROVED BY THE DEPARTMENT AS COUNTING FOR STATE CONTINUING  
 EDUCATION CLOCK HOURS. THE NUMBER OF HOURS OF PROFESSIONAL DEVELOPMENT COUNTED AS  
 HOURS OF PUPIL INSTRUCTION CANNOT EXCEED THE NUMBER OF STATE CONTINUING EDUCATION  
 CLOCK HOURS FOR WHICH THE QUALIFYING PROFESSIONAL DEVELOPMENT WAS APPROVED.

(D) TAKES PLACE AFTER THE FIRST SCHEDULED DAY OF SCHOOL AND BEFORE THE LAST  
 SCHEDULED DAY OF SCHOOL. NO MORE THAN 10 HOURS QUALIFYING PROFESSIONAL DEVELOPMENT MAY  
 BE DELIVERED IN A SINGLE MONTH.

(E) AT LEAST 75% OF TEACHERS SCHEDULED TO PARTICIPATE IN THE PROFESSIONAL  
 DEVELOPMENT ARE IN ATTENDANCE. QUALIFYING PROFESSIONAL DEVELOPMENT MAY ONLY BE COUNTED  
 AS INSTRUCTIONAL HOURS FOR THE STUDENTS OF THOSE TEACHERS SCHEDULED TO PARTICIPATE IN



1 **THE QUALIFYING PROFESSIONAL DEVELOPMENT.**

2 (11) Subsections (3) and (8) do not apply to a school of excellence that is a  
3 cyber school, as defined in section 551 of the revised school code, MCL 380.551, and  
4 is in compliance with section 553a of the revised school code, MCL 380.553a.

5 (12) Subsections (3) and (8) do not apply to eligible pupils enrolled in a  
6 dropout recovery program that meets the requirements of section 23a. As used in this  
7 subsection, "eligible pupil" means that term as defined in section 23a.

8 (13) ~~Beginning in 2013, at~~ **AT** least every 2 years, the superintendent shall  
9 review the waiver standards set forth in the pupil accounting and auditing manuals to  
10 ensure that the waiver standards and waiver process continue to be appropriate and  
11 responsive to changing trends in online learning. The superintendent shall solicit and  
12 consider input from stakeholders as part of this review.

13 Sec. 104. (1) In order to receive state aid under this article, a district shall  
14 comply with sections 1249, 1278a, 1278b, 1279, 1279g, and 1280b of the revised school  
15 code, MCL 380.1249, 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970  
16 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from the state school aid  
17 fund money appropriated in section 11, there is allocated for ~~2017-2018 an amount not~~  
18 ~~to exceed \$29,709,400.00 and there is allocated for 2018-2019~~ **2019-2020** an amount not  
19 to exceed ~~\$32,509,400.00~~ **\$31,009,400.00** for payments on behalf of districts for costs  
20 associated with complying with those provisions of law. In addition, from the federal  
21 funds appropriated in section 11, there is allocated ~~each fiscal year for 2017-2018~~  
22 ~~and for~~ **FISCAL YEAR 2018-2019-2019-2020** an amount estimated at \$6,250,000.00, funded  
23 from DED-OESE, title VI, state assessment funds, and from DED-OSERS, section 504 of  
24 part B of the individuals with disabilities education act, Public Law 94-142, plus any  
25 carryover federal funds from previous year appropriations, for the purposes of



1 complying with the ~~federal no child left behind act of 2001, Public Law 107-110, or~~  
 2 ~~the every student succeeds act, Public Law 114-95.~~

3 (2) The results of each test administered as part of the Michigan student test  
 4 of educational progress (M-STEP), including tests administered to high school  
 5 students, shall include an item analysis that lists all items that are counted for  
 6 individual pupil scores and the percentage of pupils choosing each possible response.  
 7 The department shall work with the center to identify the number of students enrolled  
 8 at the time assessments are given by each district. In calculating the percentage of  
 9 pupils assessed for a district's scorecard, the department shall use only the number  
 10 of pupils enrolled in the district at the time the district administers the  
 11 assessments and shall exclude pupils who enroll in the district after the district  
 12 administers the assessments.

13 (3) All federal funds allocated under this section shall be distributed in  
 14 accordance with federal law and with flexibility provisions outlined in Public Law  
 15 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

16 ~~(4) From the funds allocated in subsection (1), there is allocated an amount not~~  
 17 ~~to exceed \$1,000,000.00 for 2017-2018 and an amount not to exceed \$1,500,000.00 for~~  
 18 ~~2018-2019 to an intermediate district described in this subsection \$2,000,000.00 FOR~~  
 19 ~~2019-2020 to implement a Michigan kindergarten entry observation tool in 2017-2018 and~~  
 20 ~~2018-2019. The funding under this subsection is allocated to an intermediate district~~  
 21 ~~in prosperity region 9 with at least 3,000 kindergarten pupils enrolled in its~~  
 22 ~~constituent districts to continue participation in the Maryland Ohio pilot and cover~~  
 23 ~~the costs of implementing the observation tool, including a contract with a university~~  
 24 ~~for implementation of the observation tool also referred to as the kindergarten~~  
 25 ~~readiness assessment. The intermediate district shall continue implementation of the~~





~~Michigan kindergarten entry observation and the kindergarten readiness assessment shall be conducted in all kindergarten classrooms in districts located in prosperity regions 4, 5, and 9 beginning in August 2018 and, beginning August 1, 2019, in districts located in prosperity regions 2, 3, 4, 5, 6, 7, 8, and 9. A constituent district of an intermediate district located within these prosperity regions shall administer the Maryland Ohio tool within each kindergarten classroom to either the full census of kindergarten pupils or a representative sample of not less than 35% of the enrolled kindergarten pupils in each classroom. The intermediate district receiving the funding allocated under this subsection shall work with other intermediate districts to implement the Michigan kindergarten entry observation, engage with the office of great start and the department, and provide a report to the legislature on the demonstrated readiness of kindergarten pupils. within the participating intermediate districts. That intermediate district may share this funding with the other affected intermediate districts and districts. Allowable costs under this subsection include those incurred in July, August, and September 2017 as well as those incurred in 2017-2018. As used in this subsection, "kindergarten" may include a classroom for young 5-year-olds, commonly referred to as "young 5s" or "developmental kindergarten". The department shall approve the language and literacy domain within the Maryland Ohio tool, also referred to as the "Kindergarten Readiness Assessment", for use by districts as an initial assessment that may be delivered to all kindergarten students to assist with identifying any possible area of concern for a student in English language arts.~~

(4) (A) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$2,500,000.00 FOR 2019-2020 FOR PAYMENTS ON BEHALF OF DISTRICTS FOR THE DEPARTMENT TO IMPLEMENT, ON A SAMPLE BASIS STATEWIDE, A MICHIGAN KINDERGARTEN ENTRY



1 OBSERVATION TOOL, AS PILOTED UNDER THIS SUBSECTION IN 2018-2019.

2 (B) BY JANUARY 1, 2020, THE DEPARTMENT, IN COLLABORATION WITH INTERMEDIATE  
3 DISTRICTS RECEIVING FUNDING UNDER SECTION 32D, SHALL ENSURE THAT THE MICHIGAN  
4 KINDERGARTEN ENTRY OBSERVATION TOOL IS ADMINISTERED TO A REPRESENTATIVE SAMPLE OF NOT  
5 LESS THAN 35% OF THE TOTAL KINDERGARTEN PUPILS ENROLLED STATEWIDE. THE DEPARTMENT MAY  
6 ALSO COLLABORATE WITH A RESEARCH PARTNER TO DRAW STATEWIDE SAMPLES TO ASSESS THE  
7 KINDERGARTEN READINESS OF SUBGROUPS BASED ON POVERTY AND RACE, DIFFERENCES IN  
8 GEOGRAPHIC CHARACTERISTICS, AND TYPE OF PROGRAM THE PUPILS MAY HAVE PARTICIPATED IN  
9 PRIOR TO KINDERGARTEN. BEGINNING IN 2020-2021, THE OBSERVATION TOOL MUST BE CONDUCTED  
10 NO LATER THAN DECEMBER 1 OF EACH YEAR.

11 (C) THE DEPARTMENT, IN COLLABORATION WITH INTERMEDIATE DISTRICTS RECEIVING  
12 FUNDING UNDER SECTION 32D, SHALL IMPLEMENT A "TRAIN THE TRAINER" PROFESSIONAL  
13 DEVELOPMENT MODEL ON THE USAGE OF THE MICHIGAN KINDERGARTEN ENTRY OBSERVATION TOOL.  
14 THIS MODEL SHALL PROVIDE TRAINING TO INTERMEDIATE DISTRICT STAFF SO THAT THEY MAY  
15 PROVIDE SIMILAR TRAINING FOR STAFF OF THE CONSTITUENT DISTRICTS. THIS TRAINING SHALL  
16 ENSURE THAT THE TOOL PRODUCES RELIABLE DATA AND THAT THERE ARE A SUFFICIENT NUMBER OF  
17 TRAINED OBSERVERS STATEWIDE.

18 (D) NOT LATER THAN MARCH 1 OF EACH YEAR, THE DEPARTMENT SHALL REPORT TO THE  
19 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID, THE HOUSE AND SENATE  
20 FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ON THE RESULTS OF THE STATEWIDE SAMPLE,  
21 WHICH SHALL INCLUDE, BUT ARE NOT LIMITED TO, DEMONSTRATED READINESS OF KINDERGARTEN  
22 PUPILS STATEWIDE AND THE EFFECTIVENESS OF THE GREAT START READINESS PROGRAM FUNDED  
23 UNDER SECTION 32D, AND THE EFFECTIVENESS OF OTHER STATE EARLY CHILDHOOD PROGRAMS.

24 (E) AS USED IN THIS SUBSECTION, "REPRESENTATIVE SAMPLE" MEANS A SAMPLE CAPABLE  
25 OF PRODUCING VALID AND RELIABLE ASSESSMENT INFORMATION ON ALL OR MAJOR SUBGROUPS OF



1 **KINDERGARTEN STUDENTS IN THE CONSTITUENT DISTRICT.**

2 ~~(5) The department shall continue to make the kindergarten entry assessment~~  
 3 ~~developed by the department and field tested in 2015-2016 available to districts in~~  
 4 ~~2017-2018.~~

5 (5) ~~(6)~~ The department may recommend, but may not require, districts to allow  
 6 pupils to use an external keyboard with tablet devices for online M-STEP testing,  
 7 including, but not limited to, open-ended test items such as constructed response or  
 8 equation builder items.

9 (6) ~~(7)~~ Notwithstanding section 17b, payments on behalf of districts,  
 10 intermediate districts, and other eligible entities under this section shall be paid  
 11 on a schedule determined by the department.

12 (7) ~~(8)~~ From the allocation in subsection (1), there is allocated an amount not  
 13 to exceed \$3,200,000.00 for 2017-2018 and an amount not to exceed \$500,000.00 for  
 14 ~~2018-2019~~ **2019-2020** for the ~~development or selection~~ **OPERATION** of an online reporting  
 15 tool to provide student-level assessment data in a secure environment to educators,  
 16 parents, and pupils immediately after assessments are scored. The department and the  
 17 center shall ensure that any data collected by the online reporting tool do not  
 18 provide individually identifiable student data to the federal government.

19 (8) ~~(9)~~ As used in this section:

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

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

22 (c) "DED-OSERS" means the DED Office of Special Education and Rehabilitative  
 23 Services.

24 Sec. 104b. (1) In order to receive state aid under this article, a district  
 25 shall comply with this section and shall administer the Michigan merit examination to



pupils in grade 11, and to pupils in grade 12 who did not take the complete Michigan merit examination in grade 11, as provided in this section. The Michigan merit examination consists of a college entrance test, work skills test, and the summative assessment known as the Michigan student test of educational progress (M-STEP).

(2) For the purposes of this section, the department of technology, management, and budget shall contract with 1 or more providers to develop, supply, and score the Michigan merit examination. The Michigan merit examination shall consist of all of the following:

(a) Assessment instruments that measure English language arts, mathematics, reading, and science, and are used by the majority of colleges and universities in this state for entrance purposes. This may include 1 or more writing components. In selecting assessment instruments to fulfill the requirements of this subdivision, the department may consider the degree to which those assessment instruments are aligned to this state's content standards.

(b) One or more tests from 1 or more test developers that assess a pupil's ability to apply at least reading and mathematics skills in a manner that is intended to allow employers to use the results in making employment decisions. The department of technology, management, and budget and the superintendent shall ensure that any test or tests selected under this subdivision have all the components necessary to allow a pupil to be eligible to receive the results of a nationally recognized evaluation of workforce readiness if the pupil's test performance is adequate.

(c) A social studies component.

(d) Any other component that is necessary to obtain the approval of the United States Department of Education to use the Michigan merit examination for the purposes of the ~~no child left behind act of 2001, Public Law 107-110, or the~~ every student



1 succeeds act, Public Law 114-95.

2 (3) In addition to all other requirements of this section, all of the following  
3 apply to the Michigan merit examination:

4 (a) The department of technology, management, and budget and the superintendent  
5 shall ensure that any contractor used for scoring the Michigan merit examination  
6 supplies an individual report for each pupil that will identify for the pupil's  
7 parents and teachers whether the pupil met expectations or failed to meet expectations  
8 for each standard, to allow the pupil's parents and teachers to assess and remedy  
9 problems before the pupil moves to the next grade.

10 (b) The department of technology, management, and budget and the superintendent  
11 shall ensure that any contractor used for scoring, developing, or processing the  
12 Michigan merit examination meets quality management standards commonly used in the  
13 assessment industry, including at least meeting level 2 of the capability maturity  
14 model developed by the Software Engineering Institute of Carnegie Mellon University  
15 for the first year the Michigan merit examination is offered to all grade 11 pupils  
16 and at least meeting level 3 of the capability maturity model for subsequent years.

17 (c) The department of technology, management, and budget and the superintendent  
18 shall ensure that any contract for scoring, administering, or developing the Michigan  
19 merit examination includes specific deadlines for all steps of the assessment process,  
20 including, but not limited to, deadlines for the correct testing materials to be  
21 supplied to schools and for the correct results to be returned to schools, and  
22 includes penalties for noncompliance with these deadlines.

23 (d) The superintendent shall ensure that the Michigan merit examination meets  
24 all of the following:

25 (i) Is designed to test pupils on this state's content standards in all subjects



1 tested.

2 (ii) Complies with requirements of the ~~no child left behind act of 2001, Public~~  
3 ~~Law 107-110 or the every student succeeds act, Public Law 114-95.~~

4 (iii) Is consistent with the code of fair testing practices in education  
5 prepared by the Joint Committee on Testing Practices of the American Psychological  
6 Association.

7 (iv) Is factually accurate. If the superintendent determines that a question is  
8 not factually accurate and should be excluded from scoring, the state board and the  
9 superintendent shall ensure that the question is excluded from scoring.

10 (4) A district shall include on each pupil's high school transcript all of the  
11 following:

12 (a) For each high school graduate who has completed the Michigan merit  
13 examination under this section, the pupil's scaled score on each subject area  
14 component of the Michigan merit examination.

15 (b) The number of school days the pupil was in attendance at school each school  
16 year during high school and the total number of school days in session for each of  
17 those school years.

18 (5) The superintendent shall work with the provider or providers of the Michigan  
19 merit examination to produce Michigan merit examination subject area scores for each  
20 pupil participating in the Michigan merit examination. To the extent that the  
21 department determines that additional test items beyond those included in the college  
22 entrance component of the Michigan merit examination are required in a particular  
23 subject area, the department shall ensure that all test items in that subject area are  
24 scaled and merged for the purposes of producing a Michigan merit examination subject  
25 area score. The superintendent shall design and distribute to districts, intermediate



1 districts, and nonpublic schools a simple and concise document that describes the  
2 scoring for each subject area and indicates the scaled score ranges for each subject  
3 area.

4 (6) The Michigan merit examination shall be administered in each district during  
5 the last 12 weeks of the district's school year. The superintendent shall ensure that  
6 the Michigan merit examination is scored and the scores are returned to pupils, their  
7 parents or legal guardians, and districts not later than the beginning of the pupil's  
8 first semester of grade 12. The returned scores shall indicate at least the pupil's  
9 scaled score for each subject area component and the range of scaled scores for each  
10 subject area. In reporting the scores to pupils, parents, and schools, the  
11 superintendent shall provide standards-specific, meaningful, and timely feedback on  
12 the pupil's performance on the Michigan merit examination.

13 (7) A district shall administer the complete Michigan merit examination to a  
14 pupil only once and shall not administer the complete Michigan merit examination to  
15 the same pupil more than once. If a pupil does not take the complete Michigan merit  
16 examination in grade 11, the district shall administer the complete Michigan merit  
17 examination to the pupil in grade 12. If a pupil chooses to retake the college  
18 entrance examination component of the Michigan merit examination, as described in  
19 subsection (2)(a), the pupil may do so through the provider of the college entrance  
20 examination component and the cost of the retake is the responsibility of the pupil  
21 unless all of the following are met:

22 (a) The pupil has taken the complete Michigan merit examination.

23 (b) The pupil meets the income eligibility criteria for free breakfast, lunch,  
24 or milk, as determined under the Richard B. Russell national school lunch act, 42 USC  
25 1751 to 1769i.



1 (c) The pupil has applied to the provider of the college entrance examination  
2 component for a scholarship or fee waiver to cover the cost of the retake and that  
3 application has been denied.

4 (d) After taking the complete Michigan merit examination, the pupil has not  
5 already received a free retake of the college entrance examination component paid for  
6 either by this state or through a scholarship or fee waiver by the provider.

7 (8) The superintendent shall ensure that the length of the Michigan merit  
8 examination and the combined total time necessary to administer all of the components  
9 of the Michigan merit examination are the shortest possible that will still maintain  
10 the degree of reliability and validity of the Michigan merit examination results  
11 determined necessary by the superintendent. The superintendent shall ensure that the  
12 maximum total combined length of time that schools are required to set aside for  
13 pupils to answer all test questions on the Michigan merit examination does not exceed  
14 8 hours if the superintendent determines that sufficient alignment to applicable  
15 Michigan merit curriculum content standards can be achieved within that time limit.

16 (9) A district shall provide accommodations to a pupil with disabilities for the  
17 Michigan merit examination, as provided under section 504 of title V of the  
18 rehabilitation act of 1973, 29 USC 794; subtitle A of title II of the Americans with  
19 disabilities act of 1990, 42 USC 12131 to 12134; the individuals with disabilities  
20 education act amendments of 1997, Public Law 105-17; and the implementing regulations  
21 for those statutes. The provider or providers of the Michigan merit examination and  
22 the superintendent shall mutually agree upon the accommodations to be provided under  
23 this subsection.

24 (10) To the greatest extent possible, the Michigan merit examination shall be  
25 based on this state's content standards, as appropriate. Annually, after each





1 administration of the Michigan merit examination, the department shall provide a  
2 report of the points per standard so that teachers will know what content will be  
3 covered within the Michigan merit examination. The department may augment the college  
4 entrance and work skills components of the Michigan merit examination to develop the  
5 assessment, depending on the alignment of those components to this state's content  
6 standards. If these components do not align to these standards, the department shall  
7 produce additional components as required by law, while minimizing the amount of time  
8 needed for assessments.

9 (11) A child who is a student in a nonpublic school or home school may take the  
10 Michigan merit examination under this section. To take the Michigan merit examination,  
11 a child who is a student in a home school shall contact the district in which the  
12 child resides, and that district shall administer the Michigan merit examination, or  
13 the child may take the Michigan merit examination at a nonpublic school if allowed by  
14 the nonpublic school. Upon request from a nonpublic school, the superintendent shall  
15 direct the provider or providers to supply the Michigan merit examination to the  
16 nonpublic school and the nonpublic school may administer the Michigan merit  
17 examination. If a district administers the Michigan merit examination under this  
18 subsection to a child who is not enrolled in the district, the scores for that child  
19 are not considered for any purpose to be scores of a pupil of the district.

20 (12) In contracting under subsection (2), the department of technology,  
21 management, and budget shall consider a contractor that provides electronically-scored  
22 essays with the ability to score constructed response feedback in multiple languages  
23 and provide ongoing instruction and feedback.

24 (13) The purpose of the Michigan merit examination is to assess pupil  
25 performance in mathematics, science, social studies, and English language arts for the



1 purpose of improving academic achievement and establishing a statewide standard of  
2 competency. The assessment under this section provides a common measure of data that  
3 will contribute to the improvement of Michigan schools' curriculum and instruction by  
4 encouraging alignment with Michigan's curriculum framework standards and promotes  
5 pupil participation in higher level mathematics, science, social studies, and English  
6 language arts courses. These standards are based upon the expectations of what pupils  
7 should learn through high school and are aligned with national standards.

8 (14) For a pupil enrolled in a middle college program, other than a middle  
9 college operated as a shared educational entity or a specialized shared educational  
10 entity, if the pupil receives at least 50% of his or her instruction at the high  
11 school while in grade 11, the Michigan merit examination shall be administered to the  
12 pupil at the high school at which the pupil receives high school instruction, and the  
13 department shall include the pupil's scores on the Michigan merit examination in the  
14 scores for that high school for all purposes for which a school's or district's  
15 results are reported. The department shall allow the middle college program to use a  
16 5-year graduation rate for determining adequate yearly progress. As used in this  
17 subsection, "middle college" means a program consisting of a series of courses and  
18 other requirements and conditions, including an early college or other program created  
19 under a memorandum of understanding, that allows a pupil to graduate from high school  
20 with both a high school diploma and a certificate or degree from a community college  
21 or state public university.

22 (15) As used in this section:

23 (a) "English language arts" means reading and writing.

24 (b) "Social studies" means United States history, world history, world  
25 geography, economics, and American government.



~~(16) For each report made by the department that includes the statewide assessment results for a school building, the department shall include the scores for the statewide assessment and the graduation rate for consortium pupils with the scores for the school building in the participating district in which the consortium pupil is enrolled or would otherwise attend. The statewide assessment for a consortium pupil may be administered either at the consortium location or at the school building in the participating district in which the consortium pupil is enrolled or would otherwise attend. For the purposes of this subsection, a consortium pupil is a pupil who is enrolled or participating in a participating district in a school or program operated as a consortium or under a cooperative arrangement formed by 2 or more districts or intermediate districts, including, but not limited to, a consortium or cooperative arrangement operated as a program, a shared educational entity, a specialized educational entity, or a special education center program.~~

Sec. 104c. (1) In order to receive state aid under this article, a district shall administer the state assessments described in this section.

(2) For the purposes of this section, the department shall develop and administer the Michigan student test of educational progress (M-STEP) assessments in English language arts and mathematics. These assessments shall be aligned to state standards.

(3) For the purposes of this section, the department shall implement a summative assessment system that is proven to be valid and reliable for administration to pupils as provided under this subsection. The summative assessment system shall meet all of the following requirements:

(a) The summative assessment system shall measure student proficiency on the current state standards, shall measure student growth for consecutive grade levels in



1 which students are assessed in the same subject area in both grade levels, and shall  
2 be capable of measuring individual student performance.

3 (b) The summative assessments for English language arts and mathematics shall be  
4 administered to all public school pupils in grades 3 to 11, including those pupils as  
5 required by the federal individuals with disabilities education act, Public Law 108-  
6 446, and by title I of the federal every student succeeds act (ESSA), Public Law 114-  
7 95.

8 (c) The summative assessments for science shall be administered to all public  
9 school pupils in at least grades 5 and 8, including those pupils as required by the  
10 federal individuals with disabilities education act, Public Law 108-446, and by title  
11 I of the federal every student succeeds act (ESSA), Public Law 114-95.

12 (d) The summative assessments for social studies shall be administered to all  
13 public school pupils in at least grades 5 and 8, including those pupils as required by  
14 the federal individuals with disabilities education act, Public Law 108-446, and by  
15 title I of the federal every student succeeds act (ESSA), Public Law 114-95.

16 (e) The content of the summative assessments shall be aligned to state  
17 standards.

18 (f) The pool of questions for the summative assessments shall be subject to a  
19 transparent review process for quality, bias, and sensitive issues involving educator  
20 review and comment. The department shall post samples from tests or retired tests  
21 featuring questions from this pool for review by the public.

22 (g) The summative assessment system shall ensure that students, parents, and  
23 teachers are provided with reports that convey individual student proficiency and  
24 growth on the assessment and that convey individual student domain-level performance  
25 in each subject area, including representative questions, and individual student



1 performance in meeting state standards.

2 (h) The summative assessment system shall be capable of providing, and the  
3 department shall ensure that students, parents, teachers, administrators, and  
4 community members are provided with, reports that convey aggregate student proficiency  
5 and growth data by teacher, grade, school, and district.

6 (i) The summative assessment system shall ensure the capability of reporting the  
7 available data to support educator evaluations.

8 (j) The summative assessment system shall ensure that the reports provided to  
9 districts containing individual student data are available within 60 days after  
10 completion of the assessments.

11 (k) The summative assessment system shall ensure that access to individually  
12 identifiable student data meets all of the following:

13 (i) Is in compliance with 20 USC 1232g, commonly referred to as the family  
14 educational rights and privacy act of 1974.

15 (ii) Except as may be provided for in an agreement with a vendor to provide  
16 assessment services, as necessary to support educator evaluations pursuant to  
17 subdivision (i), or for research or program evaluation purposes, is available only to  
18 the student; to the student's parent or legal guardian; and to a school administrator  
19 or teacher, to the extent that he or she has a legitimate educational interest.

20 (l) The summative assessment system shall ensure that the assessments are pilot  
21 tested before statewide implementation.

22 (m) The summative assessment system shall ensure that assessments are designed  
23 so that the maximum total combined length of time that schools are required to set  
24 aside for a pupil to answer all test questions on all assessments that are part of the  
25 system for the pupil's grade level does not exceed that maximum total combined length



of time for the previous statewide assessment system or 9 hours, whichever is less. This subdivision does not limit the amount of time a district may allow a pupil to complete a test.

(n) The total cost of executing the summative assessment system statewide each year, including, but not limited to, the cost of contracts for administration, scoring, and reporting, shall not exceed an amount equal to 2 times the cost of executing the previous statewide assessment after adjustment for inflation.

(o) ~~Beginning with the 2017-2018 school year, the~~ **THE** summative assessment system shall not require more than 3 hours in duration, on average, for an individual pupil to complete the combined administration of the math and English language arts portions of the assessment for any 1 grade level.

(p) The summative assessments for English language arts and mathematics for pupils in grades 8 to 10 must be aligned to the college entrance test portion of the Michigan merit examination required under section 104b.

~~(4) The department shall offer benchmark assessments in the fall and spring of each school year to measure English language arts and mathematics in each of grades K to 2. Full implementation shall occur not later than the 2018-2019 school year. These assessments are necessary to determine a pupil's proficiency level before grade 3.~~

~~(4)~~ ~~(5)~~ This section does not prohibit districts from adopting interim assessments.

~~(5)~~ ~~(6)~~ As used in this section, "English language arts" means that term as defined in section 104b.

Sec. 107. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$30,000,000.00 for ~~2018-2019~~ **2019-2020** for adult education programs authorized under this section. Except as otherwise provided under subsections ~~(14)~~



(15) and ~~(15)~~, (19), funds allocated under this section are restricted for adult education programs as authorized under this section only. A recipient of funds under this section shall not use those funds for any other purpose.

(2) To be eligible for funding under this section, an eligible adult education provider shall employ certificated teachers and qualified administrative staff and shall offer continuing education opportunities for teachers to allow them to maintain certification.

(3) To be eligible to be a participant funded under this section, an individual shall be enrolled in an adult basic education program, an adult secondary education program, an adult English as a second language program, a high school equivalency test preparation program, or a high school completion program, that meets the requirements of this section, and for which instruction is provided, and the individual shall be at least 18 years of age and the individual's graduating class shall have graduated,

**MAKING THE INDIVIDUAL ELIGIBLE JULY 1 AFTER THE INDIVIDUAL TURNS 18 YEARS OF AGE.**

(4) By April 1 of each fiscal year, the intermediate districts within a prosperity region or subregion shall determine which intermediate district will serve as the prosperity region's or subregion's fiscal agent for the next fiscal year and shall notify the department in a form and manner determined by the department. The department shall approve or disapprove of the prosperity region's or subregion's selected fiscal agent. From the funds allocated under subsection (1), an amount as determined under this subsection shall be allocated to each intermediate district serving as a fiscal agent for adult education programs in each of the prosperity regions or subregions identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administration costs for serving as the fiscal agent. ~~Beginning in 2014-2015, 67% of the allocation~~



~~provided to each intermediate district serving as a fiscal agent shall be based on the proportion of total funding formerly received by the adult education providers in that prosperity region or subregion in 2013-2014, and 33% shall be allocated based on the factors in subdivisions (a), (b), and (c). For 2018-2019, 33% of the allocation provided to each intermediate district serving as a fiscal agent shall be based upon the proportion of total funding formerly received by the adult education providers in that prosperity region in 2013-2014 and 67% of the allocation shall be based upon the factors in subdivisions (a), (b), and (c). However, if the allocation to an intermediate district as calculated under the preceding sentence is less than the amount received by the intermediate district under this subsection for 2017-2018, the intermediate district shall instead receive in 2018-2019 an amount equal to what the intermediate district received in 2017-2018. Beginning in 2019-2020, the allocation provided to each intermediate district serving as a fiscal agent shall be equal to what the intermediate district received in 2018-2019. The funding factors for this section are as follows:~~

(a) Sixty percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals between the ages of 18 and 24 that are not high school graduates that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American Community Survey (ACS) from the United States Census Bureau.

(b) Thirty-five percent of this portion of the funding shall be distributed based upon the proportion of the state population of individuals age 25 or older who are not high school graduates that resides in each of the prosperity regions or subregions, as reported by the most recent 5-year estimates from the American Community Survey (ACS) from the United States Census Bureau.





1 (c) Five percent of this portion of the funding shall be distributed based upon  
2 the proportion of the state population of individuals age 18 or older who lack basic  
3 English language proficiency that resides in each of the prosperity regions or  
4 subregions, as reported by the most recent 5-year estimates from the American  
5 Community Survey (ACS) from the United States Census Bureau.

6 (5) To be an eligible fiscal agent, an intermediate district must agree to do  
7 the following in a form and manner determined by the department:

8 (a) Distribute funds to adult education programs in a prosperity region or  
9 subregion as described in this section.

10 (b) Collaborate with the career and educational advisory council, which is an  
11 advisory council of the workforce development boards located in the prosperity region  
12 or subregion, or its successor, to develop a regional strategy that aligns adult  
13 education programs and services into an efficient and effective delivery system for  
14 adult education learners, with special consideration for providing contextualized  
15 learning and career pathways and addressing barriers to education and employment.

16 (c) Collaborate with the career and educational advisory council, which is an  
17 advisory council of the workforce development boards located in the prosperity region  
18 or subregion, or its successor, to create a local process and criteria that will  
19 identify eligible adult education providers to receive funds allocated under this  
20 section based on location, demand for services, past performance, quality indicators  
21 as identified by the department, and cost to provide instructional services. The  
22 fiscal agent shall determine all local processes, criteria, and provider  
23 determinations. However, the local processes, criteria, and provider services must be  
24 approved by the department before funds may be distributed to the fiscal agent.

25 (d) Provide oversight to its adult education providers throughout the program



1 year to ensure compliance with the requirements of this section.

2 (e) Report adult education program and participant data and information as  
3 prescribed by the department.

4 (6) An adult basic education program, an adult secondary education program, or  
5 an adult English as a second language program operated on a year-round or school year  
6 basis may be funded under this section, subject to all of the following:

7 (a) The program enrolls adults who are determined by a department-approved  
8 assessment, in a form and manner prescribed by the department, to be below twelfth  
9 grade level in reading or mathematics, or both, or to lack basic English proficiency.

10 (b) The program tests individuals for eligibility under subdivision (a) before  
11 enrollment and upon completion of the program in compliance with the state-approved  
12 assessment policy.

13 (c) A participant in an adult basic education program is eligible for  
14 reimbursement until 1 of the following occurs:

15 (i) The participant's reading and mathematics proficiency are assessed at or  
16 above the ninth grade level.

17 (ii) The participant fails to show progress on 2 successive assessments after  
18 having completed at least 450 hours of instruction.

19 (d) A participant in an adult secondary education program is eligible for  
20 reimbursement until 1 of the following occurs:

21 (i) The participant's reading and mathematics proficiency are assessed above the  
22 twelfth grade level.

23 (ii) The participant fails to show progress on 2 successive assessments after  
24 having at least 450 hours of instruction.

25 (e) A funding recipient enrolling a participant in an English as a second



1 language program is eligible for funding according to subsection (9) until the  
2 participant meets 1 of the following:

3 (i) The participant is assessed as having attained basic English proficiency as  
4 determined by a department-approved assessment.

5 (ii) The participant fails to show progress on 2 successive department-approved  
6 assessments after having completed at least 450 hours of instruction. The department  
7 shall provide information to a funding recipient regarding appropriate assessment  
8 instruments for this program.

9 (7) A high school equivalency test preparation program operated on a year-round  
10 or school year basis may be funded under this section, subject to all of the  
11 following:

12 (a) The program enrolls adults who do not have a high school diploma or a high  
13 school equivalency certificate.

14 (b) The program shall administer a pre-test approved by the department before  
15 enrolling an individual to determine the individual's literacy levels, shall  
16 administer a high school equivalency practice test to determine the individual's  
17 potential for success on the high school equivalency test, and shall administer a  
18 post-test upon completion of the program in compliance with the state-approved  
19 assessment policy.

20 (c) A funding recipient shall receive funding according to subsection (9) for a  
21 participant, and a participant may be enrolled in the program until 1 of the following  
22 occurs:

23 (i) The participant achieves a high school equivalency certificate.

24 (ii) The participant fails to show progress on 2 successive department-approved  
25 assessments used to determine readiness to take a high school equivalency test after



1 having completed at least 450 hours of instruction.

2 (8) A high school completion program operated on a year-round or school year  
3 basis may be funded under this section, subject to all of the following:

4 (a) The program enrolls adults who do not have a high school diploma.

5 (b) The program tests participants described in subdivision (a) before  
6 enrollment and upon completion of the program in compliance with the state-approved  
7 assessment policy.

8 (c) A funding recipient shall receive funding according to subsection (9) for a  
9 participant in a course offered under this subsection until 1 of the following occurs:

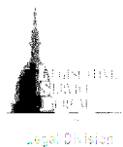
10 (i) The participant passes the course and earns a high school diploma.

11 (ii) The participant fails to earn credit in 2 successive semesters or terms in  
12 which the participant is enrolled after having completed at least 900 hours of  
13 instruction.

14 (9) A funding recipient shall receive payments under this section in accordance  
15 with all of the following:

16 (a) Statewide allocation criteria, including 3-year average enrollments, census  
17 data, and local needs.

18 (b) Participant completion of the adult basic education objectives by achieving  
19 an educational gain as determined by the national reporting system levels; for  
20 achieving basic English proficiency, as determined by the department; for achieving a  
21 high school equivalency certificate or passage of 1 or more individual high school  
22 equivalency tests; for attainment of a high school diploma or passage of a course  
23 required for a participant to attain a high school diploma; for enrollment in a  
24 postsecondary institution, or for entry into or retention of employment, as  
25 applicable.



1 (c) Participant completion of core indicators as identified in the innovation  
2 and opportunity act.

3 (d) Allowable expenditures.

4 (10) A person who is not eligible to be a participant funded under this section  
5 may receive adult education services upon the payment of tuition. In addition, a  
6 person who is not eligible to be served in a program under this section due to the  
7 program limitations specified in subsection (6), (7), or (8) may continue to receive  
8 adult education services in that program upon the payment of tuition. The tuition  
9 level shall be determined by the local or intermediate district conducting the  
10 program.

11 (11) An individual who is an inmate in a state correctional facility shall not  
12 be counted as a participant under this section.

13 (12) A funding recipient shall not commingle money received under this section  
14 or from another source for adult education purposes with any other funds and shall  
15 establish a separate ledger account for funds received under this section. This  
16 subsection does not prohibit a district from using general funds of the district to  
17 support an adult education or community education program.

18 (13) A funding recipient receiving funds under this section may establish a  
19 sliding scale of tuition rates based upon a participant's family income. A funding  
20 recipient may charge a participant tuition to receive adult education services under  
21 this section from that sliding scale of tuition rates on a uniform basis. The amount  
22 of tuition charged per participant shall not exceed the actual operating cost per  
23 participant minus any funds received under this section per participant. A funding  
24 recipient may not charge a participant tuition under this section if the participant's  
25 income is at or below 200% of the federal poverty guidelines published by the United



1 States Department of Health and Human Services.

2 (14) In order to receive funds under this section, a funding recipient shall  
 3 furnish to the department, in a form and manner determined by the department, all  
 4 information needed to administer this program and meet federal reporting requirements;  
 5 shall allow the department or the department's designee to review all records related  
 6 to the program for which it receives funds; and shall reimburse the state for all  
 7 disallowances found in the review, as determined by the department. In addition, a  
 8 funding recipient shall agree to pay to a career and technical education program under  
 9 section 61a the amount of funding received under this section in the proportion of  
 10 career and technical education coursework used to satisfy adult basic education  
 11 programming, as billed to the funding recipient by programs operating under section  
 12 61a. ~~In addition to the funding allocated under subsection (1), there is allocated an~~  
 13 ~~amount not to exceed \$500,000.00 to reimburse funding recipients for administrative~~  
 14 ~~and instructional expenses associated with commingling programming under this section~~  
 15 ~~and section 61a. Payments made to each funding recipient shall be in the same~~  
 16 ~~proportion as funding calculated and allocated under subsection (4).~~

17 (15) From the amount appropriated in subsection (1), an amount not to exceed  
 18 \$4,000,000.00 shall be allocated for ~~2018-2019~~ **2019-2020** for grants to adult education  
 19 or career technical center programs that connect adult education participants with  
 20 employers as provided under this subsection. The grant to each program shall be up to  
 21 \$350,000.00. To be eligible for funding under this subsection, a program must provide  
 22 a collaboration linking adult education programs within the county, the area career  
 23 technical center, and local employers. To receive funding under this subsection, an  
 24 eligible program shall satisfy all of the following:

25 (a) Shall connect adult education participants **ACTIVELY WORKING TOWARD OBTAINING**



1    **A HIGH SCHOOL DIPLOMA OR A HIGH SCHOOL EQUIVALENCY CERTIFICATE** directly with employers  
 2    by linking adult education, career and technical skills, and workforce development.

3            (b) Shall require adult education staff to work with Michigan Works! agency to  
 4    identify a cohort of participants who are most prepared to successfully enter the  
 5    workforce. Participants identified under this subsection shall be dually enrolled in  
 6    adult education programming **ACTIVELY WORKING TOWARD OBTAINING A HIGH SCHOOL DIPLOMA OR**  
 7    **A HIGH SCHOOL EQUIVALENCY CERTIFICATE** and at least 1 technical course at the area  
 8    career and technical center.

9            (c) Shall have an individual staffed as an adult education navigator who will  
 10    serve as a caseworker for each participant identified under subdivision (b). The  
 11    navigator shall work with adult education staff and potential employers to design an  
 12    educational program best suited to the personal and employment needs of the  
 13    participant and shall work with human service agencies or other entities to address  
 14    any barrier in the way of participant access.

15            (16) A program that was a pilot program in 2017-2018 and that was funded under  
 16    this section in 2017-2018 shall be funded in ~~2018-2019-2019-2020~~ unless the program  
 17    ceases operation. The intermediate district in which that pilot program was funded  
 18    shall be the fiscal agent for that program and shall apply for that program's funding  
 19    under subsection (15).

20            (17) Each program funded under subsection (15) will receive funding for 3 years.  
 21    After 3 years of operations and funding, a program must reapply for funding.

22            (18) Not later than December 1, ~~2019~~, **2020**, a program funded under subsection  
 23    (15) shall provide a report to the senate and house appropriations subcommittees on  
 24    school aid, to the senate and house fiscal agencies, and to the state budget director  
 25    identifying the number of participants, graduation rates, and a measure of transition



1 to employment.

2 (19) IN ADDITION TO THE FUNDING ALLOCATED UNDER SUBSECTION (1), THERE IS  
 3 ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 TO REIMBURSE FUNDING RECIPIENTS FOR  
 4 ADMINISTRATIVE AND INSTRUCTIONAL EXPENSES ASSOCIATED WITH COMMINGLING PROGRAMMING  
 5 UNDER THIS SECTION AND SUBSECTION (15). PAYMENTS MADE TO EACH FUNDING RECIPIENT SHALL  
 6 BE IN THE SAME PROPORTION AS FUNDING CALCULATED AND ALLOCATED UNDER SUBSECTION (4).

7 (20) ~~(19)~~—The department shall approve at least 3 high school equivalency tests  
 8 and determine whether a high school equivalency certificate meets the requisite  
 9 standards for high school equivalency in this state.

10 (21) ~~(20)~~—As used in this section:

11 (a) "Career and educational advisory council" means an advisory council to the  
 12 local workforce development boards located in a prosperity region consisting of  
 13 educational, employer, labor, and parent representatives.

14 (b) "Career pathway" means a combination of rigorous and high-quality education,  
 15 training, and other services that comply with all of the following:

16 (i) Aligns with the skill needs of industries in the economy of this state or in  
 17 the regional economy involved.

18 (ii) Prepares an individual to be successful in any of a full range of secondary  
 19 or postsecondary education options, including apprenticeships registered under the act  
 20 of August 16, 1937 (commonly known as the "national apprenticeship act"), 29 USC 50 et  
 21 seq.

22 (iii) Includes counseling to support an individual in achieving the individual's  
 23 education and career goals.

24 (iv) Includes, as appropriate, education offered concurrently with and in the  
 25 same context as workforce preparation activities and training for a specific





1 occupation or occupational cluster.

2 (v) Organizes education, training, and other services to meet the particular  
3 needs of an individual in a manner that accelerates the educational and career  
4 advancement of the individual to the extent practicable.

5 (vi) Enables an individual to attain a secondary school diploma or its  
6 recognized equivalent, and at least 1 recognized postsecondary credential.

7 (vii) Helps an individual enter or advance within a specific occupation or  
8 occupational cluster.

9 (c) "Department" means the department of talent and economic development.

10 (d) "Eligible adult education provider" means a district, intermediate district  
11 a consortium of districts, a consortium of intermediate districts, or a consortium of  
12 districts and intermediate districts that is identified as part of the local process  
13 described in subsection (5) (c) and approved by the department.

14 Sec. 147. (1) The allocation for ~~2018-2019~~ **2019-2020** for the public school  
15 employees' retirement system pursuant to the public school employees retirement act of  
16 1979, 1980 PA 300, MCL 38.1301 to 38.1437, shall be made using the individual  
17 projected benefit entry age normal cost method of valuation and risk assumptions  
18 adopted by the public school employees retirement board and the department of  
19 technology, management, and budget.

20 (2) The annual level percentage of payroll contribution rates for the ~~2018-2019~~  
21 **2019-2020** fiscal year, as determined by the retirement system, are estimated as  
22 follows:

23 (a) For public school employees who first worked for a public school reporting  
24 unit before July 1, 2010 and who are enrolled in the health premium subsidy, the  
25 annual level percentage of payroll contribution rate is estimated at ~~38.39%~~ **39.91%**,



1 with ~~26.18%~~**27.50%** paid directly by the employer.

2 (b) For public school employees who first worked for a public school reporting  
3 unit on or after July 1, 2010 and who are enrolled in the health premium subsidy, the  
4 annual level percentage of payroll contribution rate is estimated at ~~36.60%~~**36.96%**,  
5 with ~~24.39%~~**24.55%** paid directly by the employer.

6 (c) For public school employees who first worked for a public school reporting  
7 unit on or after July 1, 2010 and who participate in the personal healthcare fund, the  
8 annual level percentage of payroll contribution rate is estimated at ~~36.24%~~**36.44%**,  
9 with 24.03% paid directly by the employer.

10 (d) For public school employees who first worked for a public school reporting  
11 unit on or after September 4, 2012, who elect defined contribution, and who  
12 participate in the personal healthcare fund, the annual level percentage of payroll  
13 contribution rate is estimated at ~~33.17%~~**33.37%** with 20.96% paid directly by the  
14 employer.

15 (e) For public school employees who first worked for a public school reporting  
16 unit before July 1, 2010, who elect defined contribution, and who are enrolled in the  
17 health premium subsidy, the annual level percentage of payroll contribution rate is  
18 estimated at ~~33.53%~~**33.89%**, with ~~21.32%~~**21.48%** paid directly by the employer.

19 (f) For public school employees who first worked for a public school reporting  
20 unit before July 1, 2010, who elect defined contribution, and who participate in the  
21 personal healthcare fund, the annual level percentage of payroll contribution rate is  
22 estimated at ~~33.17%~~**33.37%**, with 20.96% paid directly by the employer.

23 (g) For public school employees who first worked for a public school reporting  
24 unit before July 1, 2010 and who participate in the personal healthcare fund, the  
25 annual level percentage of payroll contribution rate is estimated at ~~38.03%~~**39.39%**,



1 with ~~25.82%~~ **26.98%** paid directly by the employer.

2 (h) For public school employees who first worked for a public school reporting  
3 unit after January 31, 2018 and who elect to become members of the MPSERS plan, the  
4 annual level percentage of payroll contribution rate is estimated at ~~39.37%~~ **39.57%**  
5 with 27.16% paid directly by the employer.

6 (3) In addition to the employer payments described in subsection (2), the  
7 employer shall pay the applicable contributions to the Tier 2 plan, as determined by  
8 the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to  
9 38.1437.

10 (4) The contribution rates in subsection (2) reflect an amortization period of  
11 ~~20-19~~ years for ~~2018-2019~~ **2019-2020**. The public school employees' retirement system  
12 board shall notify each district and intermediate district by February 28 of each  
13 fiscal year of the estimated contribution rate for the next fiscal year.

14 Sec. 147a. (1) From the appropriation in section 11, there is allocated for  
15 ~~2018-2019~~ **2019-2020** an amount not to exceed \$100,000,000.00 for payments to  
16 participating districts. A participating district that receives money under this  
17 subsection shall use that money solely for the purpose of offsetting a portion of the  
18 retirement contributions owed by the district for the fiscal year in which it is  
19 received. The amount allocated to each participating district under this subsection  
20 shall be based on each participating district's percentage of the total statewide  
21 payroll for all participating districts for the immediately preceding fiscal year. As  
22 used in this subsection, "participating district" means a district that is a reporting  
23 unit of the Michigan public school employees' retirement system under the public  
24 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that  
25 reports employees to the Michigan public school employees' retirement system for the



1 applicable fiscal year.

2 (2) In addition to the allocation under subsection (1), from the state school  
 3 aid fund money appropriated under section 11, there is allocated an amount not to  
 4 exceed ~~\$88,091,000.00~~ **\$171,986,000.00** for ~~2018-2019~~ **2019-20** for payments to  
 5 participating districts and intermediate districts and from the general fund money  
 6 appropriated under section 11, there is allocated an amount not to exceed ~~\$48,000.00~~  
 7 **\$83,000.00** for ~~2018-2019~~ **2019-2020** for payments to participating district libraries.  
 8 The amount allocated to each participating entity under this subsection shall be based  
 9 on each participating entity's percentage of the total statewide payroll for that type  
 10 of participating entity for the immediately preceding fiscal year. A participating  
 11 entity that receives money under this subsection shall use that money solely for the  
 12 purpose of offsetting a portion of the normal cost contribution rate. As used in this  
 13 subsection:

14 (a) "District library" means a district library established under the district  
 15 library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

16 (b) "Participating entity" means a district, "intermediate district" or district  
 17 library that is a reporting unit of the Michigan public school employees' retirement  
 18 system under the public school employees retirement act of 1979, 1980 PA 300, MCL  
 19 38.1301 to 38.1437, and that reports employees to the Michigan public school  
 20 employees' retirement system for the applicable fiscal year.

21 Sec. 147b. (1) The MPSERS retirement obligation reform reserve fund is created  
 22 as a separate account within the state school aid fund.

23 (2) The state treasurer may receive money or other assets from any source for  
 24 deposit into the MPSERS retirement obligation reform reserve fund. The state treasurer  
 25 shall direct the investment of the MPSERS retirement obligation reform reserve fund.



1 The state treasurer shall credit to the MPSERS retirement obligation reform reserve  
2 fund interest and earnings from the MPSERS retirement obligation reform reserve fund.

3 (3) Money available in the MPSERS retirement obligation reform reserve fund  
4 shall not be expended without a specific appropriation.

5 (4) Money in the MPSERS retirement obligation reform reserve fund at the close  
6 of the fiscal year shall remain in the MPSERS retirement obligation reform reserve  
7 fund and shall not lapse to the state school aid fund or to the general fund. The  
8 department of treasury shall be the administrator of the MPSERS retirement obligation  
9 reform reserve fund for auditing purposes.

10 (5) **FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2020, \$40,000,000.00 FROM THE STATE**  
11 **SCHOOL AID FUND SHALL BE DEPOSITED INTO THE MPSERS RETIREMENT OBLIGATION REFORM**  
12 **RESERVE FUND.**

13 Sec. 147c. From the appropriation in section 11, there is allocated for ~~2018-~~  
14 ~~2019~~ **2019-2020** an amount not to exceed ~~\$1,032,000,000.00~~ **\$1,030,400,000.00** from the  
15 state school aid fund for payments to districts and intermediate districts that are  
16 participating entities of the Michigan public school employees' retirement system. In  
17 addition, from the general fund money appropriated in section 11, there is allocated  
18 for ~~2018-2019~~ **2019-2020** an amount not to exceed ~~\$700,000.00~~ **\$500,000.00** for payments  
19 to district libraries that are participating entities of the Michigan public school  
20 employees' retirement system. All of the following apply to funding under this  
21 subsection:

22 (a) For ~~2018-2019~~, **2019-2020**, the amounts allocated under this subsection are  
23 estimated to provide an average MPSERS rate cap per pupil amount of ~~\$690.00~~ **\$693.00**  
24 and are estimated to provide a rate cap per pupil for districts ranging between \$4.00  
25 and ~~\$3,000.00~~ **\$4,000.00**.



(b) Payments made under this subsection shall be equal to the difference between the unfunded actuarial accrued liability contribution rate as calculated pursuant to section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

(c) The amount allocated to each participating entity under this subsection shall be based on each participating entity's proportion of the total covered payroll for the immediately preceding fiscal year for the same type of participating entities. A participating entity that receives funds under this subsection shall use the funds solely for the purpose of retirement contributions as specified in subdivision (d).

(d) Each participating entity receiving funds under this subsection shall forward an amount equal to the amount allocated under subdivision (c) to the retirement system in a form, manner, and time frame determined by the retirement system.

~~(e) Funds allocated under this subsection should be considered when comparing a district's growth in total state aid funding from 1 fiscal year to the next.~~

(E) ~~(f)~~ Not later than December 20, ~~2018~~, **2019**, the department shall publish and post on its website an estimated MPSERS rate cap per pupil for each district.

(F) ~~(g) It is the intent of the legislature that any funds~~ **FUNDS** allocated under this subsection ~~are~~ **SHALL** first **BE** applied to pension contributions, and if any funds remain after that payment, those remaining funds shall be applied to other postemployment benefit contributions.

(G) ~~(h)~~ As used in this subsection:



(i) "District library" means a district library established under the district library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

(ii) "MPSERS rate cap per pupil" means an amount equal to the quotient of the district's payment under this subsection divided by the district's pupils in membership.

(iii) "Participating entity" means a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(iv) "Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(v) "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

Sec. 147e. (1) From the appropriation in section 11, there is allocated for ~~2018-2019 an amount not to exceed \$31,900,000.00~~ **2019-2020 AN AMOUNT NOT TO EXCEED \$42,571,000.00** ~~from the MPSERS retirement obligation reform reserve fund and \$5,700,000.00 from the state school aid fund~~ for payments to participating entities.

(2) The payment to each participating entity under this section shall be the sum of the amounts under this subsection as follows:

(a) An amount equal to the contributions made by a participating entity for the additional contribution made to a qualified participant's Tier 2 account in an amount equal to the contribution made by the qualified participant not to exceed 3% of the



1 qualified participant's compensation as provided for under section 131(6) of the  
2 public school employees retirement act of 1979, 1980 PA 300, MCL 38.1431.

3 (b) Beginning October 1, 2017, an amount equal to the contributions made by a  
4 participating entity for a qualified participant who is only a Tier 2 qualified  
5 participant under section 81d of the public school employees retirement act of 1979,  
6 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning February 1, 2018, not to  
7 exceed 1%, of the qualified participant's compensation.

8 (c) An amount equal to the increase in employer normal cost contributions under  
9 section 41b(2) of the public school employees retirement act of 1979, 1980 PA 300, MCL  
10 38.1341b, for a member that was hired after February 1, 2018 and chose to participate  
11 in Tier 1, compared to the employer normal cost contribution for a member under  
12 section 41b(1) of the public school employees retirement act of 1979, 1980 PA 300, MCL  
13 38.1341b.

14 (3) As used in this section:

15 (a) "Member" means that term as defined under the public school employees  
16 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

17 (b) "Participating entity" means a district, intermediate district, or community  
18 college that is a reporting unit of the Michigan public school employees' retirement  
19 system under the public school employees retirement act of 1979, 1980 PA 300, MCL  
20 38.1301 to 38.1437, and that reports employees to the Michigan public school  
21 employees' retirement system for the applicable fiscal year.

22 (c) "Qualified participant" means that term as defined under section 124 of the  
23 public school employees retirement act of 1979, 1980 PA 300, MCL 38.1424.

24 Sec. 152a. (1) As required by the court in the consolidated cases known as Adair  
25 v State of Michigan, 486 Mich 468 (2010), from the state school aid fund money





1 appropriated in section 11, there is allocated for ~~2018-2019~~ **2019-2020** an amount not  
2 to exceed \$38,000,500.00 to be used solely for the purpose of paying necessary costs  
3 related to the state-mandated collection, maintenance, and reporting of data to this  
4 state.

5 (2) From the allocation in subsection (1), the department shall make payments to  
6 districts and intermediate districts in an equal amount per-pupil based on the total  
7 number of pupils in membership in each district and intermediate district. The  
8 department shall not make any adjustment to these payments after the final installment  
9 payment under section 17b is made.

10 Sec. 160. If a district or intermediate district requests the superintendent to  
11 grant a waiver for the district or intermediate district from the requirements of  
12 section 1284b of the revised school code, MCL 380.1284b, that district or intermediate  
13 district shall use a portion of its funding under this article to conduct a ~~joint~~  
14 public hearing ~~with the department~~ to be held before the waiver is granted at a  
15 location within the district or intermediate district.



1 **ARTICLE II**

2 **STATE AID TO COMMUNITY COLLEGES**

3 Sec. 201. (1) Subject to the conditions set forth in this article, the amounts  
4 listed in this section are appropriated for community colleges for the fiscal year  
5 ending September 30, ~~2019-2020~~, from the funds indicated in this section. The  
6 following is a summary of the appropriations in this section:

7 (a) The gross appropriation is ~~\$408,215,500.00~~ **\$421,164,000.00**. After deducting  
8 total interdepartmental grants and intradepartmental transfers in the amount of \$0.00,  
9 the adjusted gross appropriation is ~~\$408,215,500.00~~ **\$421,164,000.00**.

10 (b) The sources of the adjusted gross appropriation described in subdivision (a)  
11 are as follows:

12 (i) Total federal revenues, \$0.00.

13 (ii) Total local revenues, \$0.00.

14 (iii) Total private revenues, \$0.00.

15 (iv) Total other state restricted revenues, ~~\$408,215,500.00~~ **\$408,215,500.00**.

16 (v) State general fund/general purpose money, ~~\$0.00~~ **\$12,948,500.00**.

17 (2) Subject to subsection (3), the amount appropriated for community college  
18 operations is ~~\$322,250,900.00~~ **\$331,918,400.00**, allocated as follows:

19 (a) The appropriation for Alpena Community College is ~~\$5,707,600.00~~  
20 **\$5,857,300.00**, ~~\$5,665,900.00~~ **\$5,707,600.00** for operations and ~~\$41,700.00~~ **\$149,700.00**  
21 for performance funding.

22 (b) The appropriation for Bay de Noc Community College is ~~\$5,624,800.00~~  
23 **\$5,776,700.00**, ~~\$5,589,000.00~~ **\$5,624,800.00** for operations and ~~\$35,800.00~~ **\$151,900.00**  
24 for performance funding.

25 (c) The appropriation for Delta College is ~~\$15,104,300.00~~ **\$15,535,300.00**,



1   ~~\$14,990,700.00~~**\$15,104,300.00** for operations and ~~\$113,600.00~~**\$431,000.00** for  
2   performance funding.

3           (d) The appropriation for Glen Oaks Community College is ~~\$2,620,000.00~~  
4   ~~\$2,700,900.00~~, ~~\$2,601,400.00~~**\$2,620,000.00** for operations and ~~\$18,600.00~~**\$80,900.00**  
5   for performance funding.

6           (e) The appropriation for Gogebic Community College is ~~\$4,844,300.00~~  
7   ~~\$4,963,400.00~~, ~~\$4,809,700.00~~**\$4,844,300.00** for operations and ~~\$34,600.00~~**\$119,100.00**  
8   for performance funding.

9           (f) The appropriation for Grand Rapids Community College is ~~\$18,709,300.00~~  
10   ~~\$19,330,000.00~~, ~~\$18,556,800.00~~**\$18,709,300.00** for operations and ~~\$152,500.00~~  
11   ~~\$620,700.00~~ for performance funding.

12           (g) The appropriation for Henry Ford College is ~~\$22,463,600.00~~**\$23,088,400.00**,  
13   ~~\$22,299,200.00~~**\$22,463,600.00** for operations and ~~\$164,400.00~~**\$624,800.00** for  
14   performance funding.

15           (h) The appropriation for Jackson College is ~~\$12,698,200.00~~**\$13,019,900.00**,  
16   ~~\$12,617,200.00~~**\$12,698,200.00** for operations and ~~\$81,000.00~~**\$321,700.00** for  
17   performance funding.

18           (i) The appropriation for Kalamazoo Valley Community College is ~~\$13,046,600.00~~  
19   ~~\$13,432,500.00~~, ~~\$12,948,700.00~~**\$13,046,600.00** for operations and ~~\$97,900.00~~  
20   ~~\$385,900.00~~ for performance funding.

21           (j) The appropriation for Kellogg Community College is ~~\$10,214,400.00~~  
22   ~~\$10,501,400.00~~, ~~\$10,143,600.00~~**\$10,214,400.00** for operations and ~~\$70,800.00~~  
23   ~~\$287,000.00~~ for performance funding.

24           (k) The appropriation for Kirtland Community College is ~~\$3,321,600.00~~  
25   ~~\$3,455,200.00~~, ~~\$3,289,400.00~~**\$3,321,600.00** for operations and ~~\$32,200.00~~**\$133,600.00**



1 for performance funding.

2 (l) The appropriation for Lake Michigan College is ~~\$5,672,100.00~~ **\$5,843,900.00**,  
3 ~~\$5,631,000.00~~ **\$5,672,100.00** for operations and ~~\$41,100.00~~ **\$171,800.00** for performance  
4 funding.

5 (m) The appropriation for Lansing Community College is ~~\$32,725,800.00~~  
6 **\$33,560,800.00**, ~~\$32,515,500.00~~ **\$32,725,800.00** for operations and ~~\$210,300.00~~  
7 **\$835,000.00** for performance funding.

8 (n) The appropriation for Macomb Community College is ~~\$34,124,000.00~~  
9 **\$35,095,600.00**, ~~\$33,863,600.00~~ **\$34,124,000.00** for operations and ~~\$260,400.00~~  
10 **\$971,600.00** for performance funding.

11 (o) The appropriation for Mid Michigan Community College is ~~\$5,112,400.00~~  
12 **\$5,290,200.00**, ~~\$5,068,300.00~~ **\$5,112,400.00** for operations and ~~\$44,100.00~~ **\$177,800.00**  
13 for performance funding.

14 (p) The appropriation for Monroe County Community College is ~~\$4,708,600.00~~  
15 **\$4,880,900.00**, ~~\$4,665,500.00~~ **\$4,708,600.00** for operations and ~~\$43,100.00~~ **\$172,300.00**  
16 for performance funding.

17 (q) The appropriation for Montcalm Community College is ~~\$3,542,900.00~~  
18 **\$3,669,000.00**, ~~\$3,515,200.00~~ **\$3,542,900.00** for operations and ~~\$27,700.00~~ **\$126,100.00**  
19 for performance funding.

20 (r) The appropriation for C.S. Mott Community College is ~~\$16,381,600.00~~  
21 **\$16,848,400.00**, ~~\$16,258,100.00~~ **\$16,381,600.00** for operations and ~~\$123,500.00~~  
22 **\$466,800.00** for performance funding.

23 (s) The appropriation for Muskegon Community College is ~~\$9,264,700.00~~  
24 **\$9,514,200.00**, ~~\$9,203,000.00~~ **\$9,264,700.00** for operations and ~~\$61,700.00~~ **\$249,500.00**  
25 for performance funding.



(t) The appropriation for North Central Michigan College is ~~\$3,402,600.00~~  
~~\$3,523,600.00, \$3,368,400.00~~ **\$3,402,600.00** for operations and ~~\$34,200.00~~ **\$121,000.00**  
 for performance funding.

(u) The appropriation for Northwestern Michigan College is ~~\$9,625,400.00~~  
~~\$9,895,600.00, \$9,559,700.00~~ **\$9,625,400.00** for operations and ~~\$65,700.00~~ **\$270,200.00**  
 for performance funding.

(v) The appropriation for Oakland Community College is ~~\$22,093,000.00~~  
~~\$22,851,200.00, \$21,905,700.00~~ **\$22,093,000.00** for operations and ~~\$187,300.00~~  
**\$758,200.00** for performance funding.

(w) The appropriation for Schoolcraft College is ~~\$13,112,900.00~~ **\$13,590,200.00**,  
~~\$12,991,300.00~~ **\$13,112,900.00** for operations and ~~\$121,600.00~~ **\$477,300.00** for  
 performance funding.

(x) The appropriation for Southwestern Michigan College is ~~\$6,946,900.00~~  
~~\$7,129,900.00, \$6,903,300.00~~ **\$6,946,900.00** for operations and ~~\$43,600.00~~ **\$183,000.00**  
 for performance funding.

(y) The appropriation for St. Clair County Community College is ~~\$7,358,700.00~~  
~~\$7,580,300.00, \$7,300,100.00~~ **\$7,358,700.00** for operations and ~~\$58,600.00~~ **\$221,600.00**  
 for performance funding.

(z) The appropriation for Washtenaw Community College is ~~\$13,764,000.00~~  
~~\$14,285,900.00, \$13,631,400.00~~ **\$13,764,000.00** for operations and ~~\$132,600.00~~  
**\$521,900.00** for performance funding.

(aa) The appropriation for Wayne County Community College is ~~\$17,487,200.00~~  
~~\$18,035,900.00, \$17,338,300.00~~ **\$17,487,200.00** for operations and ~~\$148,900.00~~  
**\$548,700.00** for performance funding.

(bb) The appropriation for West Shore Community College is ~~\$2,573,400.00~~



1 \$2,661,800.00, ~~\$2,556,300.00~~ **\$2,573,400.00** for operations and ~~\$17,100.00~~ **\$88,400.00**  
 2 for performance funding.

3 (3) The amount appropriated in subsection (2) for community college operations  
 4 is ~~\$322,250,900.00~~ **\$331,918,400.00** and is appropriated from the ~~state school aid fund.~~  
 5 **FOLLOWING:**

6 **(A) STATE SCHOOL AID FUND, \$322,250,900.00.**

7 **(B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$9,667,500.00.**

8 (4) From the appropriations described in subsection (1), both of the following  
 9 apply:

10 (a) Subject to section 207a, the amount appropriated for fiscal year ~~2018-2019~~  
 11 **2019-2020** to offset certain fiscal year ~~2018-2019~~ **2019-2020** retirement contributions  
 12 is \$1,733,600.00, appropriated from the state school aid fund.

13 (b) For fiscal year ~~2018-2019~~ **2019-2020**, ~~only~~, there is allocated an amount not  
 14 to exceed ~~\$6,431,000.00~~ **\$12,212,000.00** for payments to participating community  
 15 colleges, appropriated from the ~~state school aid fund~~ **FOLLOWING:**

16 **(I) STATE SCHOOL AID FUND, \$8,931,000.00.**

17 **(II) STATE GENERAL FUND/GENERAL PURPOSE MONEY, \$3,281,000.00.**

18 (C) A community college that receives money under this subdivision shall use  
 19 that money solely for the purpose of offsetting the normal cost contribution rate.

20 (5) From the appropriations described in subsection (1), subject to section  
 21 207b, the amount appropriated for payments to community colleges that are  
 22 participating entities of the retirement system is ~~\$75,300,000.00~~ **\$73,100,000.00**,  
 23 appropriated from the state school aid fund.

24 (6) From the appropriations described in subsection (1), subject to section  
 25 207c, the amount appropriated for renaissance zone tax reimbursements is ~~\$2,500,000.00~~



1 \$2,200,000.00, appropriated from the state school aid fund.

2 Sec. 206. (1) The funds appropriated in section 201 are appropriated for  
3 community colleges with fiscal years ending June 30, ~~2019-2020~~ and shall be paid out  
4 of the state treasury and distributed by the state treasurer to the respective  
5 community colleges in 11 monthly installments on the sixteenth of each month, or the  
6 next succeeding business day, beginning with October 16, ~~2018-2019~~. Each community  
7 college shall accrue its July and August ~~2019-2020~~ payments to its institutional  
8 fiscal year ending June 30, ~~2019-2020~~.

9 (2) If the state budget director determines that a community college failed to  
10 submit any of the information described in subdivisions (a) to (f) in the form and  
11 manner specified by the center, the state treasurer shall, ~~subject to subdivision (g),~~  
12 withhold the monthly installments from that community college until those data are  
13 submitted:

14 (a) The Michigan community colleges verified data inventory data for the  
15 preceding academic year to the center by **THE FIRST BUSINESS DAY OF** November ~~1~~ of each  
16 year as specified in section 217.

17 (b) The college credit opportunity data set as specified in section 209.

18 (c) The longitudinal data set for the preceding academic year to the center as  
19 specified in section 219.

20 (d) The annual independent audit as specified in section 222.

21 (e) Tuition and mandatory fees information for the current academic year as  
22 specified in section 225.

23 (f) The number and type of associate degrees and other certificates awarded  
24 during the previous academic year as specified in section 226.

25 ~~(g) The state budget director shall notify the chairs of the house and senate~~



~~appropriations subcommittees on community colleges at least 10 days before withholding funds from any community college.~~

Sec. 207a. All of the following apply to the allocation of the fiscal year ~~2018-2019~~ **2019-2020** appropriations described in section 201(4):

(a) A community college that receives money under section 201(4) shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the college for that fiscal year.

(b) The amount allocated to each participating community college under section 201(4) shall be based on each college's percentage of the total covered payroll for all community colleges that are participating colleges in the immediately preceding fiscal year.

Sec. 207b. All of the following apply to the allocation of the fiscal year ~~2018-2019~~ **2019-2020** appropriations described in section 201(5) for payments to community colleges that are participating entities of the retirement system:

(a) The amount of a payment under section 201(5) shall be the difference between the unfunded actuarial accrued liability contribution rate as calculated under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

(b) The amount allocated to each community college under section 201(5) shall be based on each community college's percentage of the total covered payroll for all community colleges that are participating colleges in the immediately preceding fiscal year. A community college that receives funds under this subdivision shall use the





1 funds solely for the purpose of retirement contributions under section 201(5).

2 (c) Each participating college that receives funds under section 201(5) shall  
3 forward an amount equal to the amount allocated under subdivision (b) to the  
4 retirement system in a form and manner determined by the retirement system.

5 Sec. 207c. All of the following apply to the allocation of the appropriations  
6 described in section 201(6) to community colleges described in section 12(3) of the  
7 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692:

8 (a) The amount allocated to each community college under section 201(6) for  
9 fiscal year ~~2018-2019~~**2019-2020** shall be based on that community college's proportion  
10 of total revenue lost by community colleges as a result of the exemption of property  
11 taxes levied in ~~2018-2019~~ under the Michigan renaissance zone act, 1996 PA 376, MCL  
12 125.2681 to 125.2696.

13 (b) The appropriations described in section 201(6) shall be made to each  
14 eligible community college within 60 days after the department of treasury certifies  
15 to the state budget director that it has received all necessary information to  
16 properly determine the amounts payable to each eligible community college under  
17 section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

18 Sec. 209. (1) Within 30 days after the board of a community college adopts its  
19 annual operating budget for the following fiscal year, or after the board adopts a  
20 subsequent revision to that budget, the community college shall make all of the  
21 following available through a link on its website homepage:

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

23 (b) A link to the most recent "Michigan Community College Data Inventory  
24 Report".

25 (c) General fund revenue and expenditure projections for the current fiscal year



1 and the next fiscal year.

2 (d) A listing of all debt service obligations, detailed by project, anticipated  
3 payment of each project, and total outstanding debt for the current fiscal year.

4 (e) Links to all of the following for the community college:

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

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

10 (iii) Audits and financial reports for the most recent fiscal year for which  
11 they are available.

12 (iv) A copy of the board of trustees resolution regarding compliance with best  
13 practices for the local strategic value component described in section 230(2).

14 (2) For statewide consistency and public visibility, community colleges must use  
15 the icon badge provided by the department of technology, management, and budget  
16 consistent with the icon badge developed by the department of education for K-12  
17 school districts. It must appear on the front of each community college's homepage.  
18 The size of the icon may be reduced to 150 x 150 pixels.

19 ~~(3) The state budget director shall determine whether a community college has~~  
20 ~~complied with this section. The state budget director may withhold a community~~  
21 ~~college's monthly installments described in section 206 until the community college~~  
22 ~~complies with this section. The state budget director shall notify the chairs of the~~  
23 ~~house and senate appropriations subcommittee on community colleges at least 10 days~~  
24 ~~before withholding funds from any community college.~~

25 (3) ~~(4)~~ Each community college shall report the following information to the



senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget office by November 15 of each fiscal year and post that information on its website as required under subsection (1):

- (a) Budgeted current fiscal year general fund revenue from tuition and fees.
- (b) Budgeted current fiscal year general fund revenue from state appropriations.
- (c) Budgeted current fiscal year general fund revenue from property taxes.
- (d) Budgeted current fiscal year total general fund revenue.
- (e) Budgeted current fiscal year total general fund expenditures.

~~(4) (5)~~ By **THE FIRST BUSINESS DAY OF** November 15 of each year, a community college shall report the following information to the center and post the information on its website under the budget transparency icon badge:

(a) Opportunities for earning college credit through the following programs:

(i) State approved career and technical education or a tech prep articulated program of study.

(ii) Direct college credit or concurrent enrollment.

(iii) Dual enrollment.

(iv) An early college/middle college program.

(b) For each program described in subdivision (a) that the community college offers, all of the following information:

(i) The number of high school students participating in the program.

(ii) The number of school districts that participate in the program with the community college.

(iii) Whether a college professor, qualified local school district employee, or other individual teaches the course or courses in the program.

(iv) The total cost to the community college to operate the program.



1 (v) The cost per credit hour for the course or courses in the program.

2 (vi) The location where the course or courses in the program are held.

3 (vii) Instructional resources offered to the program instructors.

4 (viii) Resources offered to the student in the program.

5 (ix) Transportation services provided to students in the program.

6 Sec. 209a. (1) A public community college shall develop, maintain, and update a  
7 "campus safety information and resources" link, prominently displayed on the homepage  
8 of its website, to a section of its website containing all of the information required  
9 under subsection (2).

10 (2) The "campus safety information and resources" section of a public community  
11 college's website shall include, but not be limited to, all of the following  
12 information:

13 (a) Emergency contact numbers for police, fire, health, and other services.

14 (b) Hours, locations, phone numbers, and electronic mail contacts for campus  
15 public safety offices and title IX offices.

16 (c) A list of safety and security services provided by the community college,  
17 including transportation, escort services, building surveillance, anonymous tip lines,  
18 and other available security services.

19 (d) A public community college's policies applicable to minors on community  
20 college property.

21 (e) A directory of resources available at the community college or surrounding  
22 community for students or employees who are survivors of sexual assault or sexual  
23 abuse.

24 (f) An electronic copy of "A Resource Handbook for Campus Sexual Assault  
25 Survivors, Friends and Family", published in 2018 by the office of the governor in



1 conjunction with the first lady of Michigan.

2 (g) Campus security policies and crime statistics pursuant to the student right-  
3 to-know and campus security act, Public Law 101-542, 104 Stat 2381. Information shall  
4 include all material prepared pursuant to the public information reporting  
5 requirements under the crime awareness and campus security act of 1990, title II of  
6 the student right-to-know and campus security act, Public Law 101-542, 104 Stat 2381.

7 (3) A community college shall certify to the state budget director by August 31,  
8 ~~2018~~ 2019 that it is in compliance with this section. The state budget director may  
9 withhold a public community college's monthly installments described in section 206  
10 until the public community college complies with this section.

11 Sec. 210b. By March 1, ~~2019~~ 2020, the Michigan Community College Association and  
12 the Michigan Association of State Universities shall submit a report to the senate and  
13 house appropriations subcommittees on community colleges, the senate and house fiscal  
14 agencies, and the state budget director on the activities and programs of the transfer  
15 steering committee since the March 1, ~~2018~~ 2019 report required under this section,  
16 including all of the following:

17 (a) The alignment of learning outcomes in gateway mathematics courses in the  
18 quantitative reasoning, college algebra, and statistics pathways and the  
19 transferability of mathematics gateway courses between and among community colleges  
20 and universities.

21 (b) The development of program-specific, statewide transfer pathways that meet  
22 program requirements for both associate and bachelor's degree programs.

23 (c) The development of an enhanced online communication tool to share  
24 information about postsecondary options in Michigan, course equivalencies, and  
25 transfer pathways that are clearly articulated.



1 (d) The establishment of clear timelines for developing and implementing  
2 transfer pathways.

3 (e) A progress report on the implementation of the Michigan transfer agreement.

4 Sec. 217. (1) The center shall do all of the following:

5 (a) Establish, maintain, and coordinate the state community college database  
6 commonly known as the "Michigan Community College Data Inventory".

7 (b) Collect data concerning community colleges and community college programs in  
8 this state, including data required by law.

9 (c) Establish procedures to ensure the validity and reliability of the data and  
10 the collection process.

11 (d) Develop model data collection policies, including, but not limited to,  
12 policies that ensure the privacy of any individual student data. Privacy policies  
13 shall ensure that student social security numbers are not released to the public for  
14 any purpose.

15 (e) Provide data in a useful manner to allow state policymakers and community  
16 college officials to make informed policy decisions.

17 (f) Work with the talent investment agency in the department of talent and  
18 economic development to compile and publish electronically the demographic enrollment  
19 profile.

20 (2) There is created within the center the Michigan Community College Data  
21 Inventory advisory committee. The committee shall provide advice to the director of  
22 the center regarding the management of the state community college database,  
23 including, but not limited to:

24 (a) Determining what data are necessary to collect and maintain to enable state  
25 and community college officials to make informed policy decisions.



1 (b) Defining the roles of all stakeholders in the data collection system.

2 (c) Recommending timelines for the implementation and ongoing collection of  
3 data.

4 (d) Establishing and maintaining data definitions, data transmission protocols,  
5 and system specifications and procedures for the efficient and accurate transmission  
6 and collection of data.

7 (e) Establishing and maintaining a process for ensuring the accuracy of the  
8 data.

9 (f) Establishing and maintaining policies related to data collection, including,  
10 but not limited to, privacy policies related to individual student data.

11 (g) Ensuring that the data are made available to state policymakers and citizens  
12 of this state in the most useful format possible.

13 (h) Addressing other matters as determined by the director of the center or as  
14 required by law.

15 (3) The Michigan Community College Data Inventory advisory committee created in  
16 subsection (2) shall consist of the following members:

17 (a) One representative from the house fiscal agency, appointed by the director  
18 of the house fiscal agency.

19 (b) One representative from the senate fiscal agency, appointed by the director  
20 of the senate fiscal agency.

21 (c) One representative from the workforce development agency, appointed by the  
22 director of the workforce development agency.

23 (d) One representative from the center, appointed by the director of the center.

24 (e) One representative from the state budget office, appointed by the state  
25 budget director.



(f) One representative from the governor's policy office, appointed by that office.

(g) Four representatives of the Michigan Community College Association, appointed by the president of the association. ~~From the groupings of community colleges given in the Michigan Community College Data Inventory database described in subsection (1), the association shall appoint 1 representative each from group 1, group 2, and group 3, and 1 representative from either group 3 or 4.~~

Sec. 225. Each community college shall report to the center by **THE LAST BUSINESS DAY OF** August ~~31~~ of each year the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the current academic year. ~~This report should also include the annual cost of tuition and fees based on a full time course load of 30 credits.~~ This report must also specify the amount that tuition and fees have increased for each institution from the prior academic year. Each community college shall also report any revisions to the reported current academic year tuition and mandatory fees adopted by the college governing board to the center within 15 days of being adopted. The center shall provide this information and any revisions to the house and senate fiscal agencies and the state budget director.

Sec. 229a. Included in the fiscal year ~~2018-2019~~ **2019-2020** appropriations for the department of technology, management, and budget are appropriations totaling ~~\$36,378,100.00~~ **\$34,181,600.00** to provide funding for the state share of costs for previously constructed capital projects for community colleges. Those appropriations for state building authority rent represent additional state general fund support for community colleges, and the following is an estimate of the amount of that support to each community college:





- 1 (a) Alpena Community College, ~~\$876,300.00~~ **\$702,500.00.**
- 2 (b) Bay de Noc Community College, ~~\$677,000.00~~ **\$679,000.00.**
- 3 (c) Delta College, ~~\$3,798,700.00~~ **\$3,905,300.00.**
- 4 (d) Glen Oaks Community College, ~~\$123,000.00~~ **\$123,400.00.**
- 5 (e) Gogebic Community College, ~~\$56,000.00~~ **\$56,200.00.**
- 6 (f) Grand Rapids Community College, ~~\$2,536,500.00~~ **\$2,208,700.00.**
- 7 (g) Henry Ford College, ~~\$1,028,000.00~~ **\$1,031,000.00.**
- 8 (h) Jackson College, ~~\$2,164,000.00~~ **\$2,170,400.00.**
- 9 (i) Kalamazoo Valley Community College, ~~\$1,942,000.00~~ **\$1,947,700.00.**
- 10 (j) Kellogg Community College, ~~\$681,300.00~~ **\$715,300.00.**
- 11 (k) Kirtland Community College, ~~\$591,800.00~~ **\$639,100.00.**
- 12 (l) Lake Michigan College, ~~\$975,800.00~~ **\$532,300.00.**
- 13 (m) Lansing Community College, ~~\$1,141,000.00~~ **\$1,144,300.00.**
- 14 (n) Macomb Community College, ~~\$1,649,000.00~~ **\$1,653,900.00.**
- 15 (o) Mid Michigan Community College, ~~\$1,615,000.00~~ **\$1,619,700.00.**
- 16 (p) Monroe County Community College, ~~\$1,544,300.00~~ **\$1,604,900.00.**
- 17 (q) Montcalm Community College, ~~\$971,000.00~~ **\$973,900.00.**
- 18 (r) C.S. Mott Community College, ~~\$2,107,200.00~~ **\$1,808,300.00.**
- 19 (s) Muskegon Community College, ~~\$989,000.00~~ **\$1,076,800.00.**
- 20 (t) North Central Michigan College, ~~\$668,000.00~~ **\$490,900.00.**
- 21 (u) Northwestern Michigan College, ~~\$1,844,900.00~~ **\$1,471,300.00.**
- 22 (v) Oakland Community College, ~~\$465,000.00~~ **\$466,400.00.**
- 23 (w) Schoolcraft College, ~~\$2,296,000.00~~ **\$1,550,600.00.**
- 24 (x) Southwestern Michigan College, ~~\$887,500.00~~ **\$890,100.00.**
- 25 (y) St. Clair County Community College, ~~\$723,500.00~~ **\$799,300.00.**



(z) Washtenaw Community College, ~~\$1,826,000.00~~ **\$1,680,900.00**.

(aa) Wayne County Community College, ~~\$1,462,000.00~~ **\$1,466,300.00**.

(bb) West Shore Community College, ~~\$738,300.00~~ **\$773,100.00**.

Sec. 230. (1) Money included in the appropriations for community college operations under section 201(2) in fiscal year ~~2018-2019~~ **2019-2020** for performance funding is distributed based on the following formula:

(a) Allocated proportionate to fiscal year ~~2017-2018~~ **2018-2019** base appropriations, 30%.

(b) Based on a weighted student contact hour formula as provided for in the 2016 recommendations of the performance indicators task force, 30%.

(c) Based on the performance improvement as provided for in the 2016 recommendations of the performance indicators task force, 10%.

(d) Based on the performance completion number as provided for in the 2016 recommendations of the performance indicators task force, 10%.

(e) Based on the performance completion rate as provided for in the 2016 recommendations of the performance indicators task force, 10%.

(f) Based on administrative costs, 5%.

(g) Based on the local strategic value component, as developed in cooperation with the Michigan Community College Association and described in subsection (2), 5%.

(2) Money included in the appropriations for community college operations under section 201(2) for local strategic value shall be allocated to each community college that certifies to the state budget director, through a board of trustees resolution on or before October 15, ~~2018~~ **2019**, that the college has met 4 out of 5 best practices listed in each category described in subsection (3). The resolution shall provide specifics as to how the community college meets each best practice measure within each



category. One-third of funding available under the strategic value component shall be allocated to each category described in subsection (3). Amounts distributed under local strategic value shall be on a proportionate basis to each college's fiscal year ~~2017-2018-2018-2019~~ operations funding. Payments to community colleges that qualify for local strategic value funding shall be distributed with the November installment payment described in section 206.

(3) For purposes of subsection (2), the following categories of best practices reflect functional activities of community colleges that have strategic value to the local communities and regional economies:

(a) For Category A, economic development and business or industry partnerships, the following:

(i) The community college has active partnerships with local employers including hospitals and health care providers.

(ii) The community college provides customized on-site training for area companies, employees, or both.

(iii) The community college supports entrepreneurship through a small business assistance center or other training or consulting activities targeted toward small businesses.

(iv) The community college supports technological advancement through industry partnerships, incubation activities, or operation of a Michigan technical education center or other advanced technology center.

(v) The community college has active partnerships with local or regional workforce and economic development agencies.

(b) For Category B, educational partnerships, the following:

(i) The community college has active partnerships with regional high schools,



1 intermediate school districts, and career-tech centers to provide instruction through  
2 dual enrollment, concurrent enrollment, direct credit, middle college, or academy  
3 programs.

4 (ii) The community college hosts, sponsors, or participates in enrichment  
5 programs for area K-12 students, such as college days, summer or after-school  
6 programming, or Science Olympiad.

7 (iii) The community college provides, supports, or participates in programming  
8 to promote successful transitions to college for traditional age students, including  
9 grant programs such as talent search, upward bound, or other activities to promote  
10 college readiness in area high schools and community centers.

11 (iv) The community college provides, supports, or participates in programming to  
12 promote successful transitions to college for new or reentering adult students, such  
13 as adult basic education, a high school equivalency test preparation program and  
14 testing, or recruiting, advising, or orientation activities specific to adults. As  
15 used in this subparagraph, "high school equivalency test preparation program" means  
16 that term as defined in section 4.

17 (v) The community college has active partnerships with regional 4-year colleges  
18 and universities to promote successful transfer, such as articulation, 2+2, or reverse  
19 transfer agreements or operation of a university center.

20 (c) For Category C, community services, the following:

21 (i) The community college provides continuing education programming for leisure,  
22 wellness, personal enrichment, or professional development.

23 (ii) The community college operates or sponsors opportunities for community  
24 members to engage in activities that promote leisure, wellness, cultural or personal  
25 enrichment such as community sports teams, theater or musical ensembles, or artist



1 guilds.

2 (iii) The community college operates public facilities to promote cultural,  
3 educational, or personal enrichment for community members, such as libraries, computer  
4 labs, performing arts centers, museums, art galleries, or television or radio  
5 stations.

6 (iv) The community college operates public facilities to promote leisure or  
7 wellness activities for community members, including gymnasiums, athletic fields,  
8 tennis courts, fitness centers, hiking or biking trails, or natural areas.

9 (v) The community college promotes, sponsors, or hosts community service  
10 activities for students, staff, or community members.

11 (4) Payments for performance funding under section 201(2) shall be made to a  
12 community college only if that community college actively participates in the Michigan  
13 Transfer Network sponsored by the Michigan Association of Collegiate Registrars and  
14 Admissions Officers and submits timely updates, including updated course equivalencies  
15 at least every 6 months, to the Michigan transfer network. The state budget director  
16 shall determine if a community college has not satisfied this requirement. The state  
17 budget director may withhold payments for performance funding until a community  
18 college is in compliance with this section.

19 **SEC. 231. (1) PAYMENTS UNDER SECTION 230 FOR PERFORMANCE FUNDING FOR FISCAL**  
20 **YEARS 2019-2020 SHALL ONLY BE MADE TO A PUBLIC COMMUNITY COLLEGE THAT CERTIFIES TO THE**  
21 **STATE BUDGET DIRECTOR BY AUGUST 31, 2019 THAT ITS BOARD WILL NOT ADOPT AN INCREASE IN**  
22 **TUITION AND FEE RATES FOR RESIDENT STUDENTS FOR THE 2019-2020 ACADEMIC YEAR THAT IS**  
23 **GREATER THAN 3.2%, OR \$128, WHICHEVER IS GREATER. AS USED IN THIS SUBSECTION:**

24 (A) "FEE" MEANS ANY BOARD-AUTHORIZED FEE THAT WILL BE PAID BY MORE THAN 1/2 OF  
25 ALL RESIDENT STUDENTS AT LEAST ONCE DURING THEIR ENROLLMENT AT A PUBLIC COMMUNITY



1 COLLEGE. A COMMUNITY COLLEGE INCREASING A FEE THAT APPLIES TO A SPECIFIC SUBSET OF  
2 STUDENTS OR COURSES SHALL PROVIDE SUFFICIENT INFORMATION TO PROVE THAT THE INCREASE  
3 APPLIED TO THAT SUBSET WILL NOT CAUSE THE INCREASE IN THE AVERAGE AMOUNT OF BOARD-  
4 AUTHORIZED TOTAL TUITION AND FEES PAID BY RESIDENT STUDENTS IN THE 2019-2020 ACADEMIC  
5 YEAR TO EXCEED THE LIMIT ESTABLISHED IN THIS SUBSECTION.

6 (B) "TUITION AND FEE RATE" MEANS THE AVERAGE OF FULL-TIME RATES PAID BY A  
7 MAJORITY OF STUDENTS IN EACH UNDERGRADUATE CLASS, BASED ON AN UNWEIGHTED AVERAGE OF  
8 THE RATES AUTHORIZED BY THE COMMUNITY COLLEGE BOARD AND ACTUALLY CHARGED TO STUDENTS,  
9 DEDUCTING ANY UNIFORMLY REBATED OR REFUNDED AMOUNTS, FOR THE 2 SEMESTERS WITH THE  
10 HIGHEST LEVELS OF FULL-TIME EQUATED RESIDENT ENROLLMENT DURING THE ACADEMIC YEAR.

11 (2) THE STATE BUDGET DIRECTOR SHALL IMPLEMENT UNIFORM REPORTING REQUIREMENTS TO  
12 ENSURE THAT A PUBLIC COMMUNITY COLLEGE RECEIVING A PAYMENT UNDER SECTION 230 FOR  
13 PERFORMANCE FUNDING HAS SATISFIED THE TUITION RESTRAINT REQUIREMENTS OF THIS  
14 SUBSECTION. THE STATE BUDGET DIRECTOR SHALL HAVE THE SOLE AUTHORITY TO DETERMINE IF A  
15 PUBLIC COMMUNITY COLLEGE HAS MET THE REQUIREMENTS OF THIS SUBSECTION. INFORMATION  
16 REPORTED BY A PUBLIC COMMUNITY COLLEGE TO THE STATE BUDGET DIRECTOR UNDER THIS  
17 SUBSECTION SHALL ALSO BE REPORTED TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES  
18 ON COMMUNITY COLLEGES AND THE HOUSE AND SENATE FISCAL AGENCIES.



1 **ARTICLE III**

2 **STATE AID FOR UNIVERSITIES AND STUDENT FINANCIAL AID**

3 Sec. 236. (1) Subject to the conditions set forth in this article, the amounts  
4 listed in this section are appropriated for higher education for the fiscal year  
5 ending September 30, ~~2019-2020~~, from the funds indicated in this section. The  
6 following is a summary of the appropriations in this section:

7 (a) The gross appropriation is ~~\$1,669,732,600.00~~ **\$1,711,321,800.00**. After  
8 deducting total interdepartmental grants and intradepartmental transfers in the amount  
9 of \$0.00, the adjusted gross appropriation is ~~\$1,669,732,600.00~~ **\$1,711,321,800.00**.

10 (b) The sources of the adjusted gross appropriation described in subdivision (a)  
11 are as follows:

12 (i) Total federal revenues, \$123,526,400.00.

13 (ii) Total local revenues, \$0.00.

14 (iii) Total private revenues, \$0.00.

15 (iv) Total other state restricted revenues, ~~\$500,188,300.00~~ **\$0.00**.

16 (v) State general fund/general purpose money, ~~\$1,046,017,900.00~~  
17 **\$1,587,795,400.00**.

18 (2) Amounts appropriated for public universities are as follows:

19 (a) The appropriation for Central Michigan University is ~~\$87,415,000.00~~  
20 **\$90,037,500.00**, ~~\$85,654,400.00~~ **\$87,415,000.00** for operations and ~~\$1,760,600.00~~  
21 **\$2,622,500.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING**.

22 (b) The appropriation for Eastern Michigan University is ~~\$76,979,300.00~~  
23 **\$79,288,700.00**, ~~\$75,169,900.00~~ **\$76,979,300.00** for operations and ~~\$1,809,400.00~~  
24 **\$2,309,400.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING**.

25 (c) The appropriation for Ferris State University is ~~\$54,950,700.00~~



1 \$56,599,200.00, ~~\$53,595,500.00~~ **\$54,950,700.00** for operations and ~~\$1,355,200.00~~  
 2 **\$1,648,500.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

3 (d) The appropriation for Grand Valley State University is ~~\$72,056,600.00~~  
 4 **\$74,218,300.00**, ~~\$70,100,100.00~~ **\$72,056,600.00** for operations and ~~\$1,956,500.00~~  
 5 **\$2,161,700.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

6 (e) The appropriation for Lake Superior State University is ~~\$13,987,000.00~~  
 7 **\$14,406,600.00**, ~~\$13,775,000.00~~ **\$13,987,000.00** for operations and ~~\$212,000.00~~  
 8 **\$419,600.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

9 (f) The appropriation for Michigan State University is ~~\$350,703,300.00~~  
 10 **\$361,224,300.00**, ~~\$281,239,100.00~~ **\$286,274,200.00** for operations, ~~\$5,035,100.00~~  
 11 **\$8,588,200.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING**, ~~\$34,591,400.00~~  
 12 **\$35,629,100.00** for MSU AgBioResearch, and ~~\$29,837,700.00~~ **\$30,732,800.00** for MSU  
 13 Extension.

14 (g) The appropriation for Michigan Technological University is ~~\$49,949,600.00~~  
 15 **\$51,448,100.00**, ~~\$49,052,200.00~~ **\$49,949,600.00** for operations and ~~\$897,400.00~~  
 16 **\$1,498,500.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

17 (h) The appropriation for Northern Michigan University is ~~\$47,998,400.00~~  
 18 **\$49,438,400.00**, ~~\$47,137,400.00~~ **\$47,998,400.00** for operations and ~~\$861,000.00~~  
 19 **\$1,440,000.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

20 (i) The appropriation for Oakland University is ~~\$52,819,200.00~~ **\$54,403,800.00**,  
 21 ~~\$51,235,900.00~~ **\$52,819,200.00** for operations and ~~\$1,583,300.00~~ **\$1,584,600.00** for  
 22 ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

23 (j) The appropriation for Saginaw Valley State University is ~~\$30,528,000.00~~  
 24 **\$31,443,800.00**, ~~\$29,766,100.00~~ **\$30,528,000.00** for operations and ~~\$761,900.00~~  
 25 **\$915,800.00** for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**





(k) The appropriation for University of Michigan - Ann Arbor is ~~\$320,782,400.00~~  
~~\$330,405,800.00~~, ~~\$314,589,100.00~~ ~~\$320,782,400.00~~ for operations and ~~\$6,193,300.00~~  
~~\$9,623,400.00~~ for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

(l) The appropriation for University of Michigan - Dearborn is ~~\$26,071,800.00~~  
~~\$26,854,000.00~~, ~~\$25,421,900.00~~ ~~\$26,071,800.00~~ for operations and ~~\$649,900.00~~  
~~\$782,200.00~~ for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

(m) The appropriation for University of Michigan - Flint is ~~\$23,585,400.00~~  
~~\$24,293,000.00~~, ~~\$23,061,800.00~~ ~~\$23,585,400.00~~ for operations and ~~\$523,600.00~~  
~~\$707,600.00~~ for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

(n) The appropriation for Wayne State University is ~~\$202,363,200.00~~  
~~\$208,434,100.00~~, ~~\$199,169,800.00~~ ~~\$202,363,200.00~~ for operations and ~~\$3,193,400.00~~  
~~\$6,070,900.00~~ for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

(o) The appropriation for Western Michigan University is ~~\$111,151,000.00~~  
~~\$114,485,500.00~~, ~~\$109,376,800.00~~ ~~\$111,151,000.00~~ for operations and ~~\$1,774,200.00~~  
~~\$3,334,500.00~~ for ~~performance funding~~ **STUDENT AFFORDABILITY FUNDING.**

(3) The amount appropriated in subsection (2) for public universities is  
~~\$1,566,981,100.00~~, appropriated from the ~~following:~~ **STATE GENERAL FUND/GENERAL PURPOSE**  
**MONEY.**

~~(a) State school aid fund, \$494,286,300.00.~~

~~(b) State general fund/general purpose money, \$1,027,054,600.00.~~

(4) The amount appropriated for Michigan public school employees' retirement  
system reimbursement is ~~\$5,133,000.00~~ ~~\$5,017,000.00~~, appropriated from the state  
~~school aid fund~~ **GENERAL FUND/GENERAL PURPOSE MONEY.**

(5) The amount appropriated for state and regional programs is \$315,000.00,  
appropriated from general fund/general purpose money and allocated as follows:



(a) Higher education database modernization and conversion, \$200,000.00.

(b) Midwestern Higher Education Compact, \$115,000.00.

(6) The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated from general fund/general purpose money and allocated as follows:

(a) Select student support services, \$1,956,100.00.

(b) Michigan college/university partnership program, \$586,800.00.

(c) Morris Hood, Jr. educator development program, \$148,600.00.

(7) Subject to subsection (8), the amount appropriated for grants and financial aid is ~~\$139,583,200.00~~, **\$135,083,200.00**, allocated as follows:

(a) State competitive scholarships, \$32,361,700.00.

(b) Tuition grants, \$38,021,500.00.

(c) Tuition incentive program, ~~\$64,300,000.00~~, **\$59,800,000.00**.

(d) Children of veterans and officer's survivor tuition grant programs, \$1,400,000.00.

(e) Project GEAR-UP, \$3,200,000.00.

(f) North American Indian tuition waiver, \$300,000.00.

(8) The money appropriated in subsection (7) for grants and financial aid is appropriated from the following:

(a) Federal revenues under the United States Department of Education, Office of Elementary and Secondary Education, GEAR-UP program, \$3,200,000.00.

(b) Federal revenues under the social security act, temporary assistance for needy families, \$120,326,400.00.

~~(c) Contributions to children of veterans tuition grant program, \$100,000.00.~~

~~(d) State general fund/general purpose money, \$15,956,800.00~~ **\$11,556,800.00**.



(9) For fiscal year ~~2018-2019 only~~, **2019-2020**, in addition to the allocation under subsection (4), from the appropriations described in subsection (1), there is allocated an amount not to exceed ~~\$669,000.00~~ **\$1,234,000.00** for payments to participating public universities, appropriated from the state ~~school aid fund~~ **GENERAL FUND/GENERAL PURPOSE MONEY**. A university that receives money under this subsection shall use that money solely for the purpose of offsetting the normal cost contribution rate. As used in this subsection, "participating public universities" means public universities that are a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that pay contributions to the Michigan public school employees' retirement system for the state fiscal year.

Sec. 236b. In addition to the funds appropriated in section 236, there is appropriated for grants and financial aid in fiscal year ~~2018-2019~~ **2019-2020** an amount not to exceed \$6,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this article.

Sec. 236c. In addition to the funds appropriated for fiscal year ~~2018-2019~~ **2019-2020** in section 236, appropriations to the department of technology, management, and budget in the act providing general appropriations for fiscal year ~~2018-2019~~ **2019-2020** for state building authority rent, totaling an estimated ~~\$155,478,500.00~~ **\$144,995,300.00**, provide funding for the state share of costs for previously constructed capital projects for state universities. These appropriations for state building authority rent represent additional state general fund support provided to public universities, and the following is an estimate of the amount of that support to



1 each university:

- 2 (a) Central Michigan University, ~~\$12,936,500.00~~ **\$12,141,800.00.**
- 3 (b) Eastern Michigan University, ~~\$7,083,900.00~~ **\$7,673,600.00.**
- 4 (c) Ferris State University, ~~\$8,275,000.00~~ **\$8,434,200.00.**
- 5 (d) Grand Valley State University, ~~\$8,800,000.00~~ **\$6,752,400.00.**
- 6 (e) Lake Superior State University, ~~\$2,285,800.00~~ **\$1,856,100.00.**
- 7 (f) Michigan State University, ~~\$16,790,400.00~~ **\$15,514,900.00.**
- 8 (g) Michigan Technological University, ~~\$6,782,000.00~~ **\$6,912,500.00.**
- 9 (h) Northern Michigan University, ~~\$7,309,000.00~~ **\$7,449,600.00.**
- 10 (i) Oakland University, ~~\$12,665,000.00~~ **\$12,908,600.00.**
- 11 (j) Saginaw Valley State University, ~~\$10,984,000.00~~ **\$10,670,900.00.**
- 12 (k) University of Michigan - Ann Arbor, ~~\$11,861,000.00~~ **\$9,795,900.00.**
- 13 (l) University of Michigan - Dearborn, ~~\$10,918,000.00~~ **\$9,522,700.00.**
- 14 (m) University of Michigan - Flint, ~~\$6,244,800.00~~ **\$4,128,900.00.**
- 15 (n) Wayne State University, ~~\$16,480,200.00~~ **\$16,008,000.00.**
- 16 (o) Western Michigan University, ~~\$16,062,900.00~~ **\$15,225,200.00.**

17 Sec. 241. (1) Subject to sections 244 and 265a, the funds appropriated in  
 18 section 236 to public universities shall be paid out of the state treasury and  
 19 distributed by the state treasurer to the respective institutions in 11 equal monthly  
 20 installments on the sixteenth of each month, or the next succeeding business day,  
 21 beginning with October 16, ~~2018~~ **2019**. Except for Wayne State University, each  
 22 institution shall accrue its July and August ~~2019~~ **2020** payments to its institutional  
 23 fiscal year ending June 30, ~~2019~~ **2020**.

24 (2) All public universities shall submit higher education institutional data  
 25 inventory (HEIDI) data and associated financial and program information requested by



and in a manner prescribed by the state budget director. For public universities with fiscal years ending June 30, ~~2018-2019~~, these data shall be submitted to the state budget director by October 15, ~~2018-2019~~. Public universities with a fiscal year ending September 30, ~~2018-2019~~ shall submit preliminary HEIDI data by November 15, ~~2018-2019~~ and final data by December 15, ~~2018-2019~~. If a public university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer may withhold the monthly installments under subsection (1) to the public university until those data are submitted.

Sec. 242. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. ~~The acceptance and use of federal or private funds do not place an obligation on the legislature to continue the purposes for which the funds are made available.~~

Sec. 245. (1) A public university shall maintain a public transparency website available through a link on its website homepage. The public university shall update this website within 30 days after the university's governing board adopts its annual operating budget for the next academic year, or after the governing board adopts a subsequent revision to that budget.

(2) The website required under subsection (1) shall include all of the following concerning the public university:

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

(b) A summary of current expenditures for the most recent fiscal year for which they are available, expressed as pie charts in the following 2 categories:

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

(A) Earnings and wages.



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

3 (C) Retirement benefit costs.

4 (D) All other personnel costs.

5 (ii) A chart of all current expenditures the public university reported as part  
6 of its higher education institutional data inventory data under section 241(2), broken  
7 into the same subcategories in which it reported those data.

8 (c) Links to all of the following for the public university:

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

10 (ii) Each health care benefits plan, including, but not limited to, medical,  
11 dental, vision, disability, long-term care, or any other type of benefits that would  
12 constitute health care services, offered to any bargaining unit or employee of the  
13 public university.

14 (iii) Audits and financial reports for the most recent fiscal year for which  
15 they are available.

16 (d) A list of all positions funded partially or wholly through institutional  
17 general fund revenue that includes the position title and annual salary or wage amount  
18 for each position.

19 (e) General fund revenue and expenditure projections for the current fiscal year  
20 and the next fiscal year.

21 (f) A listing of all debt service obligations, detailed by project, anticipated  
22 fiscal year payment for each project, and total outstanding debt for the current  
23 fiscal year.

24 (g) The institution's policy regarding the transferability of core college  
25 courses between community colleges and the university.



1 (h) A listing of all community colleges that have entered into reverse transfer  
2 agreements with the university.

3 (3) On the website required under subsection (1), a public university shall  
4 provide a dashboard or report card demonstrating the university's performance in  
5 several "best practice" measures. The dashboard or report card shall include at least  
6 all of the following for the 3 most recent academic years for which the data are  
7 available:

8 (a) Enrollment.

9 (b) Student retention rate.

10 (c) Six-year graduation rates.

11 (d) Number of Pell grant recipients and graduating Pell grant recipients.

12 (e) Geographic origination of students, categorized as in-state, out-of-state,  
13 and international.

14 (f) Faculty to student ratios and total university employee to student ratios.

15 (g) Teaching load by faculty classification.

16 (h) Graduation outcome rates, including employment and continuing education.

17 (4) For statewide consistency and public visibility, public universities must  
18 use the icon badge provided by the department of technology, management, and budget  
19 consistent with the icon badge developed by the department of education for K-12  
20 school districts. It must appear on the front of each public university's homepage.  
21 The size of the icon may be reduced to 150 x 150 pixels. The font size and style for  
22 this reporting must be consistent with other documents on each university's website.

23 ~~(5) The state budget director shall determine whether a public university has~~  
24 ~~complied with this section. The state budget director may withhold a public~~  
25 ~~university's monthly installments described in section 241 until the public university~~



1 ~~complies with this section.~~

2 (5) ~~(6)~~ By **THE FIRST BUSINESS DAY OF** November 15 of each year, a public  
3 university shall report the following information to the center and post the  
4 information on its website under the budget transparency icon badge:

5 (a) Opportunities for earning college credit through the following programs:

6 (i) State approved career and technical education or a tech prep articulated  
7 program of study.

8 (ii) Direct college credit or concurrent enrollment.

9 (iii) Dual enrollment.

10 (iv) An early college/middle college program.

11 (b) For each program described in subdivision (a) that the public university  
12 offers, all of the following information:

13 (i) The number of high school students participating in the program.

14 (ii) The number of school districts that participate in the program with the  
15 public university.

16 (iii) Whether a university professor, qualified local school district employee,  
17 or other individual teaches the course or courses in the program.

18 (iv) The total cost to the public university to operate the program.

19 (v) The cost per credit hour for the course or courses in the program.

20 (vi) The location where the course or courses in the program are held.

21 (vii) Instructional resources offered to the program instructors.

22 (viii) Resources offered to the student in the program.

23 (ix) Transportation services provided to students in the program.

24 Sec. 251. (1) Payments of the amounts included in section 236 for the state  
25 competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL





1 390.971 to 390.981.

2 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the department of  
3 treasury shall determine an actual maximum state competitive scholarship award per  
4 student, which shall be not less than \$1,000.00, that ensures that the aggregate  
5 payments for the state competitive scholarship program do not exceed the appropriation  
6 contained in section 236 for the state competitive scholarship program. If the  
7 department determines that insufficient funds are available to establish a maximum  
8 award amount equal to at least \$1,000.00, the department shall immediately report to  
9 the house and senate appropriations subcommittees on higher education, the house and  
10 senate fiscal agencies, and the state budget director regarding the estimated amount  
11 of additional funds necessary to establish a \$1,000.00 maximum award amount.

12 (3) The department of treasury shall implement a proportional competitive  
13 scholarship maximum award level for recipients enrolled less than full-time in a given  
14 semester or term.

15 (4) If a student who receives an award under this section has his or her tuition  
16 and fees paid under the Michigan educational trust program, pursuant to the Michigan  
17 education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, and still has financial  
18 need, the funds awarded under this section may be used for educational expenses other  
19 than tuition and fees.

20 (5) If the department of treasury increases the maximum award per eligible  
21 student from that provided in the previous fiscal year, it shall not have the effect  
22 of reducing the number of eligible students receiving awards in relation to the total  
23 number of eligible applicants. Any increase in the maximum grant shall be proportional  
24 for all eligible students receiving awards.

25 (6) Veterans Administration benefits shall not be considered in determining



1 eligibility for the award of scholarships under 1964 PA 208, MCL 390.971 to 390.981.

2 (7) Any unexpended and unencumbered funds remaining on September 30, ~~2019-2020~~  
3 from the amounts appropriated in section 236 for the state competitive scholarship  
4 program for fiscal year ~~2018-2019-2019-2020~~ do not lapse on September 30, ~~2019-2020~~,  
5 but continue to be available for the expenditure for state competitive scholarships  
6 provided in the ~~2019-2020-2020-2021~~ fiscal year under a work project account. The use  
7 of these unexpended fiscal year ~~2018-2019-2019-2020~~ funds terminates at the end of the  
8 ~~2019-2020-2020-2021~~ fiscal year.

9 Sec. 252. (1) The amounts appropriated in section 236 for the state tuition  
10 grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

11 (2) Tuition grant awards shall be made to all eligible Michigan residents  
12 enrolled in undergraduate degree programs who are qualified and who apply ~~before~~ **BY**  
13 March 1 of each year for the next academic year.

14 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to  
15 subsections (7) and (8), the department of treasury shall determine an actual maximum  
16 tuition grant award per student, which shall be no less than \$2,400.00, that ensures  
17 that the aggregate payments for the tuition grant program do not exceed the  
18 appropriation contained in section 236 for the state tuition grant program. If the  
19 department determines that insufficient funds are available to establish a maximum  
20 award amount equal to at least \$2,400.00, the department shall immediately report to  
21 the house and senate appropriations subcommittees on higher education, the house and  
22 senate fiscal agencies, and the state budget director regarding the estimated amount  
23 of additional funds necessary to establish a \$2,400.00 maximum award amount. If the  
24 department determines that sufficient funds are available to establish a maximum award  
25 amount equal to at least \$2,400.00, the department shall immediately report to the



1 house and senate appropriations subcommittees on higher education, the house and  
2 senate fiscal agencies, and the state budget director regarding the maximum award  
3 amount established and the projected amount of any projected year-end appropriation  
4 balance based on that maximum award amount. By February 18 of each fiscal year, the  
5 department shall analyze the status of award commitments, shall make any necessary  
6 adjustments, and shall confirm that those award commitments will not exceed the  
7 appropriation contained in section 236 for the tuition grant program. The  
8 determination and actions shall be reported to the state budget director and the house  
9 and senate fiscal agencies no later than the final day of February of each year. If  
10 award adjustments are necessary, the students shall be notified of the adjustment by  
11 March 4 of each year.

12 (4) Any unexpended and unencumbered funds remaining on September 30, ~~2019-2020~~  
13 from the amounts appropriated in section 236 for the tuition grant program for fiscal  
14 year ~~2018-2019-2019-2020~~ do not lapse on September 30, ~~2019,~~ 2020, but continue to be  
15 available for expenditure for tuition grants provided in the ~~2019-2020-2020-2021~~  
16 fiscal year under a work project account.

17 (5) The department of treasury shall continue a proportional tuition grant  
18 maximum award level for recipients enrolled less than full-time in a given semester or  
19 term.

20 (6) If the department of treasury increases the maximum award per eligible  
21 student from that provided in the previous fiscal year, it shall not have the effect  
22 of reducing the number of eligible students receiving awards in relation to the total  
23 number of eligible applicants. Any increase in the maximum grant shall be proportional  
24 for all eligible students receiving awards for that fiscal year.

25 (7) Except as provided in subsection (4), the department of treasury shall not



1 award more than \$4,200,000.00 in tuition grants to eligible students enrolled in the  
2 same independent nonprofit college or university in this state. Any decrease in the  
3 maximum grant shall be proportional for all eligible students enrolled in that college  
4 or university, as determined by the department. ~~The limit described in this subsection~~  
5 ~~does not apply to any other student financial aid program or in combination with any~~  
6 ~~other student financial aid program.~~

7 (8) The department of treasury shall not award tuition grants to otherwise  
8 eligible students enrolled in an independent college or university that does not  
9 report, in a form and manner directed by and satisfactory to the department of  
10 treasury, by October 31 of each year, all of the following:

11 (a) The number of students in the most recently completed academic year who in  
12 any academic year received a state tuition grant at the reporting institution and  
13 successfully completed a program or graduated.

14 (b) The number of students in the most recently completed academic year who in  
15 any academic year received a state tuition grant at the reporting institution and took  
16 a remedial education class.

17 (c) The number of students in the most recently completed academic year who in  
18 any academic year received a Pell grant at the reporting institution and successfully  
19 completed a program or graduated.

20 (9) By February 1, ~~2019~~ 2020, each independent college and university  
21 participating in the tuition grant program shall report to the senate and house  
22 appropriations subcommittees on higher education, the senate and house fiscal  
23 agencies, and the state budget director on its efforts to develop and implement sexual  
24 assault response training for the institution's title IX coordinator, campus law  
25 enforcement personnel, campus public safety personnel, and any other campus personnel



1 charged with responding to on-campus incidents, including information on sexual  
2 assault response training materials and the status of implementing sexual assault  
3 response training for institutional personnel.

4 Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive  
5 program shall be distributed as provided in this section and pursuant to the  
6 administrative procedures for the tuition incentive program of the department of  
7 treasury.

8 (2) As used in this section:

9 (a) "Phase I" means the first part of the tuition incentive program defined as  
10 the academic period of 80 semester or 120 term credits, or less, leading to an  
11 associate degree or certificate. Students must be enrolled in a certificate or  
12 associate degree program and taking classes within the program of study for a  
13 certificate or associate degree. Tuition will not be covered for courses outside of a  
14 certificate or associate degree program.

15 (b) "Phase II" means the second part of the tuition incentive program which  
16 provides assistance in the third and fourth year of 4-year degree programs.

17 (c) "Department" means the department of treasury.

18 (d) "High school equivalency certificate" means that term as defined in section  
19 4.

20 (3) An individual shall meet the following basic criteria and financial  
21 thresholds to be eligible for tuition incentive program benefits:

22 (a) To be eligible for phase I, an individual shall meet all of the following  
23 criteria:

24 (i) Apply for certification to the department any time after he or she begins  
25 the sixth grade but before August 31 of the school year in which he or she graduates



1 from high school or before achieving a high school equivalency certificate.

2 (ii) Be less than 20 years of age at the time he or she graduates from high  
3 school with a diploma or certificate of completion or achieves a high school  
4 equivalency certificate or, for students attending a 5-year middle college approved by  
5 the Michigan department of education, be less than 21 years of age when he or she  
6 graduates from high school.

7 (iii) Be a United States citizen and a resident of this state according to  
8 institutional criteria.

9 (iv) Be at least a half-time student, earning less than 80 semester or 120 term  
10 credits at a participating educational institution within 4 years of high school  
11 graduation or achievement of a high school equivalency certificate. All program  
12 eligibility expires 6 years from high school graduation or achievement of a high  
13 school equivalency certificate.

14 (v) Meet the satisfactory academic progress policy of the educational  
15 institution he or she attends.

16 (b) To be eligible for phase II, an individual shall meet either of the  
17 following criteria in addition to the criteria in subdivision (a):

18 (i) Complete at least 56 transferable semester or 84 transferable term credits.

19 (ii) Obtain an associate degree or certificate at a participating institution.

20 (c) To be eligible for phase I or phase II, an individual must not be  
21 incarcerated and must be financially eligible as determined by the department. An  
22 individual is financially eligible for the tuition incentive program if he or she was  
23 eligible for Medicaid from this state for 24 months within the 36 consecutive months  
24 before application. The department shall accept certification of Medicaid eligibility  
25 only from the department of health and human services for the purposes of verifying if



1 a person is Medicaid eligible for 24 months within the 36 consecutive months before  
 2 application. Certification of eligibility may begin in the sixth grade. As used in  
 3 this subdivision, "incarcerated" does not include detention of a juvenile in a state-  
 4 operated or privately operated juvenile detention facility.

5 (4) For phase I, the department shall provide payment on behalf of a person  
 6 eligible under subsection (3). The department shall only accept standard per-credit  
 7 hour tuition billings and shall reject billings that are excessive or outside the  
 8 guidelines for the type of educational institution.

9 (5) For phase I, all of the following apply:

10 (a) Payments for associate degree or certificate programs shall not be made for  
 11 more than 80 semester or 120 term credits for any individual student at any  
 12 participating institution.

13 (b) For persons enrolled at a Michigan community college, the department shall  
 14 pay the current in-district tuition and mandatory fees. For persons residing in an  
 15 area that is not included in any community college district, the out-of-district  
 16 tuition rate may be authorized.

17 (c) For persons enrolled at a Michigan public university, the department shall  
 18 pay lower division resident tuition and mandatory fees for the current year **AND A PER-**  
 19 **CREDIT PAYMENT THAT DOES NOT EXCEED 3.0 TIMES THE AVERAGE COMMUNITY COLLEGE IN-**  
 20 **DISTRICT PER-CREDIT TUITION RATE AS REPORTED ON AUGUST 1, FOR THE IMMEDIATELY**  
 21 **PRECEDING ACADEMIC YEAR.**

22 (d) For persons enrolled at a Michigan independent, nonprofit degree-granting  
 23 college or university, or a Michigan federal tribally controlled community college, or  
 24 Focus: HOPE, the department shall pay mandatory fees for the current year and a per-  
 25 credit payment that does not exceed the average community college in-district per-



1 credit tuition rate as reported on August 1, for the immediately preceding academic  
2 year.

3 (6) A person participating in phase II may be eligible for additional funds not  
4 to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00  
5 subject to the following conditions:

6 (a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year  
7 college or university.

8 (b) The tuition reimbursement is for coursework completed within 30 months of  
9 completion of the phase I requirements.

10 (7) The department shall work closely with participating institutions to develop  
11 an application and eligibility determination process that will provide the highest  
12 level of participation and ensure that all requirements of the program are met.

13 (8) Applications for the tuition incentive program may be approved at any time  
14 after the student begins the sixth grade. If a determination of financial eligibility  
15 is made, that determination is valid as long as the student meets all other program  
16 requirements and conditions.

17 (9) Each institution shall ensure that all known available restricted grants for  
18 tuition and fees are used prior to billing the tuition incentive program for any  
19 portion of a student's tuition and fees.

20 (10) The department shall ensure that the tuition incentive program is well  
21 publicized and that eligible Medicaid clients are provided information on the program.  
22 The department shall provide the necessary funding and staff to fully operate the  
23 program.

24 (11) Any unexpended and unencumbered funds remaining on September 30, ~~2019~~ 2020  
25 from the amounts appropriated in section 236 for the tuition incentive program for





fiscal year ~~2018-2019-2019-2020~~ do not lapse on September 30, ~~2019-2020~~, but continue to be available for expenditure for tuition incentive program funds provided in the ~~2019-2020~~ **2020-2021** fiscal year under a work project account. The use of these unexpended fiscal year ~~2018-2019-2019-2020~~ funds terminates at the end of the ~~2019-2020-2020-2021~~ fiscal year.

(12) The department of treasury shall collaborate with the center to use the P-20 longitudinal data system to report the following information for each qualified postsecondary institution:

(a) The number of phase I students in the most recently completed academic year who in any academic year received a tuition incentive program award and who successfully completed a degree or certificate program. Cohort graduation rates for phase I students shall be calculated using the established success rate methodology developed by the center in collaboration with the postsecondary institutions.

(b) The number of students in the most recently completed academic year who in any academic year received a Pell grant at the reporting institution and who successfully completed a degree or certificate program. Cohort graduation rates for students who received Pell grants shall be calculated using the established success rate methodology developed by the center in collaboration with the postsecondary institutions.

~~(13) If a qualified postsecondary institution does not report the data necessary to comply with subsection (12) to the P-20 longitudinal data system, the institution shall report, in a form and manner satisfactory to the department of treasury and the center, all of the information needed to comply with subsection (12) by December 1, 2019.~~

(13) ~~(14)~~ Beginning in fiscal year 2019-2020, if a qualified postsecondary



1 institution does not report the data necessary to complete the reporting in subsection  
 2 (12) to the P-20 longitudinal data system by October 15 for the prior academic year,  
 3 the department of treasury shall not award phase I tuition incentive program funding  
 4 to otherwise eligible students enrolled in that institution until the data are  
 5 submitted.

6 Sec. 263. (1) Included in the appropriation in section 236 for fiscal year ~~2018-~~  
 7 ~~2019-2019-2020~~ for MSU AgBioResearch is \$2,982,900.00 and included in the  
 8 appropriation in section 236 for MSU Extension is \$2,645,200.00 for Project GREEN.  
 9 Project GREEN is intended to address critical regulatory, food safety, economic, and  
 10 environmental problems faced by this state's plant-based agriculture, forestry, and  
 11 processing industries. "GREEN" is an acronym for Generating Research and Extension to  
 12 Meet Environmental and Economic Needs.

13 (2) The department of agriculture and rural development and Michigan State  
 14 University, in consultation with agricultural commodity groups and other interested  
 15 parties, shall develop Project GREEN and its program priorities.

16 Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2018-2019~~  
 17 ~~2019-2020~~ for Michigan State University is \$80,000.00 for the Michigan Future Farmers  
 18 of America Association. This \$80,000.00 allocation shall not supplant any existing  
 19 support that Michigan State University provides to the Michigan Future Farmers of  
 20 America Association.

21 Sec. 265. (1) Payments under section 265a for ~~performance~~ **STUDENT AFFORDABILITY**  
 22 funding for fiscal ~~years 2018-2019, 2019-2020, and 2020-2021~~ **YEAR 2019-2020** shall only  
 23 be made to a public university that certifies to the state budget director by August  
 24 31, ~~2018-2019~~ that its board did not adopt an increase in tuition and fee rates for  
 25 resident undergraduate students after September 1, ~~2017-2018~~ for the ~~2017-2018-2018-~~



1 2019 academic year and that its board will not adopt an increase in tuition and fee  
 2 rates for resident undergraduate students for the ~~2018-2019~~ 2019-2020 academic year  
 3 that is greater than ~~3.8-3.2%~~ or ~~\$490.00-\$427.00~~, whichever is greater. As used in  
 4 this subsection:

5 (a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of  
 6 all resident undergraduate students at least once during their enrollment at a public  
 7 university, as described in the higher education institutional data inventory (HEIDI)  
 8 user manual. A university increasing a fee that applies to a specific subset of  
 9 students or courses shall provide sufficient information to prove that the increase  
 10 applied to that subset will not cause the increase in the average amount of board-  
 11 authorized total tuition and fees paid by resident undergraduate students in the ~~2018-~~  
 12 ~~2019-2019-2020~~ academic year to exceed the limit established in this subsection.

13 (b) "Tuition and fee rate" means the average of full-time rates paid by a  
 14 majority of students in each undergraduate class, based on an unweighted average of  
 15 the rates authorized by the university board and actually charged to students,  
 16 deducting any uniformly rebated or refunded amounts, for the 2 semesters with the  
 17 highest levels of full-time equated resident undergraduate enrollment during the  
 18 academic year, as described in the higher education institutional data inventory  
 19 (HEIDI) user manual.

20 (2) The state budget director shall implement uniform reporting requirements to  
 21 ensure that a public university receiving a payment under section 265a for ~~performance~~  
 22 **STUDENT AFFORDABILITY** funding has satisfied the tuition restraint requirements of this  
 23 section. The state budget director shall have the sole authority to determine if a  
 24 public university has met the requirements of this section. Information reported by a  
 25 public university to the state budget director under this subsection shall also be



1 reported to the house and senate appropriations subcommittees on higher education and  
2 the house and senate fiscal agencies.

3 ~~(3) Universities that exceed the tuition and fee rate cap described in~~  
4 ~~subsection (1) shall not receive a planning or construction authorization for a state-~~  
5 ~~funded capital outlay project in fiscal year 2019-2020, fiscal year 2020-2021, or~~  
6 ~~fiscal year 2021-2022.~~

7 ~~(4) Notwithstanding any other provision of this act, the legislature may at any~~  
8 ~~time adjust appropriations for a university that adopts an increase in tuition and fee~~  
9 ~~rates for resident undergraduate students that exceeds the rate cap established in~~  
10 ~~subsection (1).~~

11 Sec. 265a. (1) Appropriations to public universities in section 236 for fiscal  
12 ~~years 2018-2019, 2019-2020, and 2020-2021~~ **YEAR 2019-2020** for ~~performance~~ **STUDENT**  
13 **AFFORDABILITY** funding shall be paid only to a public university that complies with  
14 section 265 and certifies to the state budget director, the house and senate  
15 appropriations subcommittees on higher education, and the house and senate fiscal  
16 agencies by August 31, ~~2018-2019~~ that it complies with all of the following  
17 requirements:

18 (a) The university participates in reverse transfer agreements described in  
19 section 286 with at least 3 Michigan community colleges.

20 (b) The university does not and will not consider whether dual enrollment  
21 credits earned by an incoming student were utilized towards his or her high school  
22 graduation requirements when making a determination as to whether those credits may be  
23 used by the student toward completion of a university degree or certificate program.

24 (c) The university actively participates in and submits timely updates to the  
25 Michigan Transfer Network created as part of the Michigan Association of Collegiate



1 Registrars and Admissions Officers transfer agreement.

2 (2) Any ~~performance~~ **STUDENT AFFORDABILITY** funding amounts under section 236 that  
 3 are not paid to a public university because it did not comply with 1 or more  
 4 requirements under subsection (1) are unappropriated and reappropriated for  
 5 ~~performance~~ **STUDENT AFFORDABILITY** funding to those public universities that meet the  
 6 requirements under subsection (1), distributed in proportion to their ~~performance~~  
 7 **STUDENT AFFORDABILITY** funding appropriation amounts under section 236.

8 (3) The state budget director shall report to the house and senate  
 9 appropriations subcommittees on higher education and the house and senate fiscal  
 10 agencies by September 30, ~~2018~~, **2019**, regarding any ~~performance~~ **STUDENT AFFORDABILITY**  
 11 funding amounts that are not paid to a public university because it did not comply  
 12 with 1 or more requirements under subsection (1) and any reappropriation of funds  
 13 under subsection (2).

14 (4) ~~Performance~~ **STUDENT AFFORDABILITY** funding amounts described in section 236  
 15 are distributed ~~based on the following formula:~~ **SUCH THAT EACH PUBLIC UNIVERSITY**  
 16 **RECEIVES A 3 PERCENT INCREASE IN OPERATIONS FUNDING BETWEEN FISCAL YEAR 2018-2019 AND**  
 17 **FISCAL YEAR 2019-2020.**

18 ~~(a) Proportional to each university's share of total operations funding~~  
 19 ~~appropriated in fiscal year 2010-2011, 50%.~~

20 ~~(b) Based on weighted undergraduate completions in critical skills areas, 11.1%.~~

21 ~~(c) Based on research and development expenditures, for universities classified~~  
 22 ~~in Carnegie classifications as doctoral universities: moderate research activity,~~  
 23 ~~doctoral universities: higher research activity, or doctoral universities: highest~~  
 24 ~~research activity only, 5.6%.~~

25 ~~(d) Based on 6 year graduation rate, total degree completions, and institutional~~



~~support as a percentage of core expenditures, and the percentage of students receiving Pell grants, scored against national Carnegie classification peers and weighted by total undergraduate fiscal year equated students, 33.3%.~~

~~(5) For purposes of determining the score of a university under subsection (4) (d), each university is assigned 1 of the following scores:~~

~~(a) A university classified as in the top 20%, a score of 3.~~

~~(b) A university classified as above national median, a score of 2.~~

~~(c) A university classified as improving, a score of 2. It is the intent of the legislature that, beginning in the 2019-2020 state fiscal year, a university classified as improving is assigned a score of 1.~~

~~(d) A university that is not included in subdivision (a), (b), or (c), a score of 0.~~

~~(6) As used in this section, "Carnegie classification" means the basic classification of the university according to the most recent version of the Carnegie classification of institutions of higher education, published by the Carnegie Foundation for the Advancement of Teaching.~~

~~(7) It is the intent of the legislature to allocate more funding based on performance metrics in future years.~~

Sec. 265b. (1) Appropriations to public universities in section 236 for the fiscal year ending September 30, ~~2019-2020~~ for operations funding shall be reduced by 10% pursuant to the procedures described in subdivision (a) for a public university that fails to submit certification to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies by August 31, ~~2018-2019~~ that the university complies with sections 274c and 274d and that it complies with all of the requirements described in subdivisions (b)



1 to (i), as follows:

2 (a) If a university fails to submit certification, the state budget director  
3 shall withhold 10% of that university's annual operations funding until the university  
4 submits certification. If a university fails to submit certification by the end of the  
5 fiscal year, the 10% of its annual operations funding that is withheld shall lapse to  
6 the general fund.

7 (b) For title IX investigations of alleged sexual misconduct, the university  
8 prohibits the use of medical experts that have an actual or apparent conflict of  
9 interest.

10 (c) For title IX investigations of alleged sexual misconduct, the university  
11 prohibits the issuance of divergent reports to complainants, respondents, and  
12 administration and instead requires that identical reports be issued to them.

13 (d) Consistent with the university's obligations under 20 USC 1092(f), the  
14 university notifies each individual who reports having experienced sexual assault by a  
15 student, faculty member, or staff member of the university that the individual has the  
16 option to report the matter to law enforcement, to the university, to both, or to  
17 neither, as the individual may choose.

18 (e) The university provides both of the following:

19 (i) For all freshmen and incoming transfer students enrolled, an in-person  
20 sexual misconduct prevention presentation or course, which must include contact  
21 information for the title IX office of the university.

22 (ii) For all students not considered freshmen or incoming transfer students, an  
23 online or electronic sexual misconduct prevention presentation or course.

24 (f) The university prohibits seeking compensation from the recipient of any  
25 medical procedure, treatment, or care provided by a medical professional who has been



1 convicted of a felony arising out of the medical procedure, treatment, or care.

2 (g) The university ~~has or plans to have~~ **HAD** a third party review its title IX  
3 compliance office and related policies and procedures by the end of the 2018-2019  
4 academic year. A copy of the third-party review shall be transmitted to the state  
5 budget director, the house and senate appropriations subcommittees on higher  
6 education, and the house and senate fiscal agencies. After the third-party review has  
7 been conducted for the 2018-2019 academic year, the university shall have a third-  
8 party review once every three years and a copy of the third-party review shall be  
9 transmitted to the state budget director, the house and senate appropriations  
10 subcommittees on higher education, and the house and senate fiscal agencies.

11 (h) The university requires that the governing board and the president or  
12 chancellor of the university receive not less than quarterly reports from their title  
13 IX coordinator or title IX office. The report shall contain aggregated data of the  
14 number of sexual misconduct reports that the office received for the academic year,  
15 the types of reports received, including reports received against employees, and a  
16 summary of the general outcomes of the reports and investigations. A member of the  
17 governing board may request to review a title IX investigation report involving a  
18 complaint against an employee, and the university shall provide the report in a manner  
19 it considers appropriate. The university shall protect the complainant's anonymity,  
20 and the report shall not contain specific identifying information.

21 (i) If allegations against an employee are made in more than 1 title IX  
22 complaint that resulted in the university finding that no misconduct occurred, the  
23 university requires that the title IX officer promptly notify the president or  
24 chancellor and a member of the university's governing board in writing and take all  
25 appropriate steps to ensure that the matter is being investigated thoroughly,





1 including hiring an outside investigator for future cases involving that employee. A  
 2 third-party title IX investigation under this subdivision does not prohibit the  
 3 university from simultaneously conducting its own title IX investigation through its  
 4 own title IX coordinator.

5 (2) Each public university that receives an appropriation in section 236 shall  
 6 also certify that its president or chancellor and a member of its governing board has  
 7 reviewed all title IX reports involving the alleged sexual misconduct of an employee  
 8 of the university, and shall send the certification to the house and senate  
 9 appropriations subcommittees on higher education, the house and senate fiscal  
 10 agencies, and the state budget director by August 31, ~~2018.~~ **2019.**

11 (3) For purposes of this section, "sexual misconduct" includes, but is not  
 12 limited to, any of the following:

- 13 (a) Intimate partner violence.
- 14 (b) Nonconsensual sexual conduct.
- 15 (c) Sexual assault.
- 16 (d) Sexual exploitation.
- 17 (e) Sexual harassment.
- 18 (f) Stalking.

19 Sec. 265d. ~~The legislature encourages each~~ **EACH** public university that receives  
 20 an appropriation in section 236 **IS ENCOURAGED** to enter into a memorandum of  
 21 understanding with at least 1 local law enforcement agency with jurisdiction on or  
 22 around campus for the communication and coordination of responses to incidents of  
 23 sexual assault.

24 Sec. 267. All public universities shall submit the amount of tuition and fees  
 25 actually charged to a full-time resident undergraduate student for academic year ~~2018-~~



1 ~~2019-2019-2020~~ as part of their higher education institutional data inventory (HEIDI)  
 2 data by August 31 of each year. A public university shall report any revisions for any  
 3 semester of the reported academic year ~~2018-2019~~ **2019-2020** tuition and fee charges to  
 4 HEIDI within 15 days of being adopted.

5 Sec. 268. ~~(1) For the fiscal year ending September 30, 2019, it is the intent of~~  
 6 ~~the legislature that funds be allocated for unfunded North American Indian tuition~~  
 7 ~~waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to~~  
 8 ~~390.1253, from the general fund.~~

9 ~~(1)~~ ~~(2)~~ Appropriations in section 236(7)(f) for North American Indian tuition  
 10 waivers shall be paid to universities under section 2a of 1976 PA 174, MCL 390.1252a.  
 11 Allocations shall be adjusted for amounts included in university operations  
 12 appropriations. If funds are insufficient to support the entire cost of waivers,  
 13 amounts shall be prorated proportionate to each institution's shortfall as a  
 14 percentage of its fiscal year ~~2018-2019~~ **2019-2020** state appropriation for operations.

15 ~~(2)~~ ~~(3)~~ By February 15 of each year, the department of civil rights shall  
 16 annually submit to the state budget director, the house and senate appropriations  
 17 subcommittees on higher education, and the house and senate fiscal agencies a report  
 18 on North American Indian tuition waivers for the preceding academic year that  
 19 includes, but is not limited to, all of the following information:

20 (a) The number of waiver applications received and the number of waiver  
 21 applications approved.

22 (b) For each university submitting information under subsection ~~(4)~~, ~~(3)~~, all of  
 23 the following:

24 (i) The number of graduate and undergraduate North American Indian students  
 25 enrolled each term for the previous academic year.



(ii) The number of North American Indian waivers granted each term, including to continuing education students, and the monetary value of the waivers for the previous academic year.

(iii) The number of graduate and undergraduate students attending under a North American Indian tuition waiver who withdrew from the university each term during the previous academic year. For purposes of this subparagraph, a withdrawal occurs when a student who has been awarded the waiver withdraws from the institution at any point during the term, regardless of enrollment in subsequent terms.

(iv) The number of graduate and undergraduate students attending under a North American Indian tuition waiver who successfully complete a degree or certificate program, separated by degree or certificate level, and the graduation rate for graduate and undergraduate students attending under a North American Indian tuition waiver who complete a degree or certificate within 150% of the normal time to complete, separated by the level of the degree or certificate.

(3) ~~(4)~~—A public university that receives funds under section 236 shall provide to the department of civil rights any information necessary for preparing the report detailed in subsection ~~(3)~~, **(2)**, using guidelines and procedures developed by the department of civil rights.

(4) ~~(5)~~—The department of civil rights may consolidate the report required under this section with the report required under section 223, but a consolidated report must separately identify data for universities and data for community colleges.

Sec. 269. For fiscal year ~~2018-2019~~, **2019-2020**, from the amount appropriated in section 236 to Central Michigan University for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.



1           Sec. 270. For fiscal year ~~2018-2019~~, ~~2019-2020~~, from the amount appropriated in  
2   section 236 to Lake Superior State University for operations, \$100,000.00 shall be  
3   paid to Bay Mills Community College for the costs of waiving tuition for North  
4   American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

5           Sec. 274c. By February 1, ~~2019~~, ~~2020~~, each university receiving funds under  
6   section 236 shall report to the senate and house appropriations subcommittees on  
7   higher education, the senate and house fiscal agencies, and the state budget director  
8   on its efforts to develop and implement sexual assault response training for the  
9   university's title IX coordinator, campus law enforcement personnel, campus public  
10   safety personnel, and any other campus personnel charged with responding to on-campus  
11   incidents, including information on sexual assault response training materials and the  
12   status of implementing sexual assault response training for campus personnel.

13          Sec. 276. (1) Included in the appropriation for fiscal year ~~2018-2019~~ ~~2019-2020~~  
14   for each public university in section 236 is funding for the Martin Luther King, Jr. -  
15   Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool  
16   of academically or economically disadvantaged candidates pursuing faculty teaching  
17   careers in postsecondary education. Preference may not be given to applicants on the  
18   basis of race, color, ethnicity, gender, or national origin. Institutions should  
19   encourage applications from applicants who would otherwise not adequately be  
20   represented in the graduate student and faculty populations. Each public university  
21   shall apply the percentage change applicable to every public university in the  
22   calculation of appropriations in section 236 to the amount of funds allocated to the  
23   future faculty program.

24          (2) The program shall be administered by each public university in a manner  
25   prescribed by the workforce development agency. The workforce development agency shall



1 use a good faith effort standard to evaluate whether a fellowship is in default.

2 Sec. 277. (1) Included in the appropriation for fiscal year ~~2018-2019~~**2019-2020**  
3 for each public university in section 236 is funding for the Martin Luther King, Jr. -  
4 Cesar Chavez - Rosa Parks college day program that is intended to introduce  
5 academically or economically disadvantaged schoolchildren to the potential of a  
6 college education. Preference may not be given to participants on the basis of race,  
7 color, ethnicity, gender, or national origin. Public universities should encourage  
8 participation from those who would otherwise not adequately be represented in the  
9 student population.

10 (2) Individual program plans of each public university shall include a budget of  
11 equal contributions from this program, the participating public university, the  
12 participating school district, and the participating independent degree-granting  
13 college. College day funds shall not be expended to cover indirect costs. Not more  
14 than 20% of the university match shall be attributable to indirect costs. Each public  
15 university shall apply the percentage change applicable to every public university in  
16 the calculation of appropriations in section 236 to the amount of funds allocated to  
17 the college day program.

18 (3) The program described in this section shall be administered by each public  
19 university in a manner prescribed by the workforce development agency.

20 Sec. 278. (1) Included in section 236 for fiscal year ~~2018-2019~~**2019-2020** is  
21 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student  
22 support services program for developing academically or economically disadvantaged  
23 student retention programs for 4-year public and independent educational institutions  
24 in this state. Preference may not be given to participants on the basis of race,  
25 color, ethnicity, gender, or national origin. Institutions should encourage



1 participation from those who would otherwise not adequately be represented in the  
2 student population.

3 (2) An award made under this program to any 1 institution shall not be greater  
4 than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college  
5 or university basis.

6 (3) The program described in this section shall be administered by the workforce  
7 development agency.

8 Sec. 279. (1) Included in section 236 for fiscal year ~~2018-2019~~ **2019-2020** is  
9 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university  
10 partnership program between 4-year public and independent colleges and universities  
11 and public community colleges, which is intended to increase the number of  
12 academically or economically disadvantaged students who transfer from community  
13 colleges into baccalaureate programs. Preference may not be given to participants on  
14 the basis of race, color, ethnicity, gender, or national origin. Institutions should  
15 encourage participation from those who would otherwise not adequately be represented  
16 in the transfer student population.

17 (2) The grants shall be made under the program described in this section to  
18 Michigan public and independent colleges and universities. An award to any 1  
19 institution shall not be greater than \$150,000.00, and the amount awarded shall be  
20 matched on a 70% state, 30% college or university basis.

21 (3) The program described in this section shall be administered by the workforce  
22 development agency.

23 Sec. 280. (1) Included in the appropriation for fiscal year ~~2018-2019~~ **2019-2020**  
24 for each public university in section 236 is funding for the Martin Luther King, Jr. -  
25 Cesar Chavez - Rosa Parks visiting professors program which is intended to increase



1 the number of instructors in the classroom to provide role models for academically or  
 2 economically disadvantaged students. Preference may not be given to participants on  
 3 the basis of race, color, ethnicity, gender, or national origin. Public universities  
 4 should encourage participation from those who would otherwise not adequately be  
 5 represented in the student population.

6 (2) The program described in this section shall be administered by the workforce  
 7 development agency.

8 Sec. 281. (1) Included in the appropriation for fiscal year ~~2018-2019~~ **2019-2020**  
 9 in section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa  
 10 Parks initiative for the Morris Hood, Jr. educator development program which is  
 11 intended to increase the number of academically or economically disadvantaged students  
 12 who enroll in and complete K-12 teacher education programs at the baccalaureate level.  
 13 Preference may not be given to participants on the basis of race, color, ethnicity,  
 14 gender, or national origin. Institutions should encourage participation from those who  
 15 would otherwise not adequately be represented in the teacher education student  
 16 population.

17 (2) The program described in this section shall be administered by each state-  
 18 approved teacher education institution in a manner prescribed by the workforce  
 19 development agency.

20 (3) Approved teacher education institutions may and are encouraged to use  
 21 student support services funding in coordination with the Morris Hood, Jr. funding to  
 22 achieve the goals of the program described in this section.

23 Sec. 282. Each institution receiving funds for fiscal year ~~2018-2019~~ **2019-2020**  
 24 under section 278, 279, or 281 shall provide to the workforce development agency by  
 25 April 15, ~~2019~~ **2020** the unobligated and unexpended funds as of March 31, ~~2019-2020~~ and



1 a plan to expend the remaining funds by the end of the fiscal year. Notwithstanding  
 2 the award limitations in sections 278 and 279, the amount of funding reported as not  
 3 being expended will be reallocated to the institutions that intend to expend all  
 4 funding received under section 278, 279, or 281.

5 Sec. 289. (1) ~~Not less than~~ **AT LEAST ONCE** every 4 years, the auditor general  
 6 shall audit higher education institutional data inventory (HEIDI) data submitted by  
 7 all public universities under section 241 and may perform audits of selected public  
 8 universities if determined necessary. The audits shall be based upon the definitions,  
 9 requirements, and uniform reporting categories established by the state budget  
 10 director in consultation with the HEIDI advisory committee. The auditor general shall  
 11 submit a report of findings to the house and senate appropriations committees and the  
 12 state budget director no later than July 1 of each year an audit takes place.

13 (2) Student credit hours reports shall not include the following:

14 (a) Student credit hours generated through instructional activity by faculty or  
 15 staff in classrooms located outside Michigan, with the exception of instructional  
 16 activity related to study-abroad programs or field programs.

17 ~~(b) Student credit hours generated through distance learning instruction for~~  
 18 ~~students not eligible for the public university's in-state main campus resident~~  
 19 ~~tuition rate. However, in instances where a student is enrolled in distance education~~  
 20 ~~and non-distance education credit hours in a given term and the student's non-distance~~  
 21 ~~education enrollment is at a campus or site located within Michigan, student credit~~  
 22 ~~hours per the student's eligibility for in-state or out-of-state tuition rates may be~~  
 23 ~~reported.~~

24 (B) ~~(c)~~ Student credit hours generated through credit by examination.

25 ~~(d) Student credit hours generated through inmate prison programs regardless of~~





1 ~~teaching location.~~

2 (C) ~~(e)~~ Student credit hours generated in new degree programs created on or  
3 after January 1, 1975 and before January 1, 2013, that were not specifically  
4 authorized for funding by the legislature, except spin-off programs converted from  
5 existing core programs, and student credit hours generated in any new degree programs  
6 created after January 1, 2013, that are specifically excluded from reporting by the  
7 legislature under this section.

8 ~~(3) "Distance learning instruction" as used in subsection (2) means instruction~~  
9 ~~that occurs solely in other than a traditional classroom setting where the student and~~  
10 ~~instructor are in the same physical location and for which a student receives course~~  
11 ~~credits and is charged tuition and fees. Examples of distance learning instruction are~~  
12 ~~instruction delivered solely through the internet, cable television, teleconference,~~  
13 ~~or mail.~~



## ARTICLE VI

## SUMMARY OF ANTICIPATED APPROPRIATIONS

SEC. 298. (1) SUBJECT TO THE CONDITIONS SET FORTH IN THIS ACT, THE AMOUNTS APPROPRIATED IN THIS ACT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2020 FOR THE PUBLIC SCHOOLS, INTERMEDIATE SCHOOL DISTRICTS, COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES OF THIS STATE, AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION ARE ANTICIPATED TO BE THE SAME AMOUNTS APPROPRIATED FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2021, WITH THE FOLLOWING EXCEPTIONS:

## (2) APPROPRIATIONS FOR SCHOOL AID (ARTICLE I)

	FOR FISCAL YEAR ENDING SEPT. 30, 2020	FOR FISCAL YER ENDING SEPT. 30, 2021
SCHOOL AID FUND BORROWING COSTS .....	\$ 56,000,000	\$
66,000,000		
DRINKING WATER DECLARATION OF EMERGENCY .....	8,075,100	8,075,000
PROPOSAL A OBLIGATION PAYMENT.....	4,953,000,000	
4,860,000,000		
RENAISSANCE ZONE REIMBURSEMENT PAYMENT .....	15,300,000	
18,400,000		
SPECIAL EDUCATION FOUNDATIONS .....	297,800,000	
309,200,000		
SPECIAL EDUCATION HEADLEE OBLIGATION .....	689,500,000	
716,000,000		
SCHOOL BUS INSPECTION PROGRAMS .....	1,747,900	1,735,100
CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION ....	16,457,200	
16,371,100		
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM ....	1,245,540,000	



1 1,438,857,000

2 (3) APPROPRIATIONS FOR COMMUNITY COLLEGES (ARTICLE II)

3 MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM..... \$ 87,045,600 \$

4 98,506,600

5 (4) APPROPRIATIONS FOR UNIVERSITIES AND STUDENT FINANCIAL AID (ARTICLE III)

6 MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM..... \$ 6,251,000 \$ 7,264,000

7 Enacting section 1. (1) In accordance with section 30 of article I of the state  
8 constitution of 1963, total state spending on school aid under article I as amended by  
9 this amendatory act from state sources for fiscal year 2019-2020 is estimated at  
10 \$13,621,660,400.00 and state appropriations for school aid to be paid to local units  
11 of government for fiscal year 2019-2020 are estimated at \$13,406,340,600.00.

12 (2) In accordance with section 30 of article IX of the state constitution of  
13 1963, total state spending from state sources for community colleges for fiscal year  
14 2019-2020 under article II as amended by this amendatory act is estimated at  
15 \$421,164,000.00 and the amount of that state spending from state sources to be paid to  
16 local units of government for fiscal year 2019-2020 is estimated at \$421,164,000.00.

17 (3) In accordance with section 30 of article IX of the state constitution of  
18 1963, total state spending from state sources for higher education for fiscal year  
19 2019-2020 under article III as amended by this amendatory act is estimated at  
20 \$1,587,795,400.00 and the amount of that state spending from state sources to be paid  
21 to local units of government for fiscal year 2019-2020 is estimated at \$0.

22 Enacting section 2. Sections 17c, 20m, 22p, 24c, 25f, 25g, 25h, 31b, 32q, 35b,  
23 55, 61c, 61d, 61f, 61g, 61h, 64b, 64d, 65, 74a, 95b, 99t, 99u, 99v, 99w, 99x, 99y,  
24 102d, 104d, 104f, 152b, 153, 164g, 164h, 201a, 208, 210f, 212, 227, 228, 236a, 261,  
25 265c, 265e, 271a, 274, and 275a of the state school aid act of 1979, 1979 PA 94, MCL



1 388.1617c, 388.1620m, 388.1622p, 388.1624c, 388.1625f, 388.1625g, 388.1625h,  
2 388.1631b, 388.1632q, 388.1635b, 388.1655, 388.1661c, 388.1661d, 388.1661f, 388.1661g,  
3 388.1661h, 388.1664b, 388.1664d, 388.1665, 388.1674a, 388.1695b, 388.1699t, 388.1699u,  
4 388.1699v, 388.1699w, 388.1699x, 388.1699y, 388.1702d, 388.1704d, 388.1704f,  
5 388.1752b, 388.1753, 388.1764g, 388.1764h, 388.1801a, 388.1808, 388.1810f, 388.1812,  
6 388.1827, 388.1828, 388.1836a, 388.1861, 388.1865c, 388.1865e, 388.1871a, 388.1874,  
7 and 388.1875a are repealed effective October 1, 2019.

