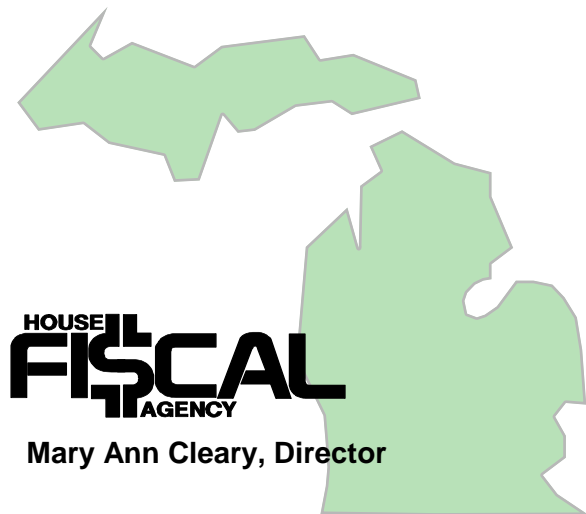


# LINE ITEM AND BOILERPLATE SUMMARY

## SCHOOL AID

Fiscal Year 2017-18  
Article I, Public Act 108 of 2017  
House Bill 4313 as Enacted  
As Amended by Public Act 143 of 2017



Bethany Wicksall, Deputy Director  
Samuel Christensen, Fiscal Analyst

November 2017

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HOUSE FISCAL AGENCY

**MARY ANN CLEARY, DIRECTOR**

P.O. BOX 30014 ■ LANSING, MICHIGAN 48909-7514  
PHONE: (517) 373-8080 ■ FAX: (517) 373-5874  
[www.house.mi.gov/hfa](http://www.house.mi.gov/hfa)

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November 2017

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2017-18 appropriation acts. Each **Summary** contains line-by-line appropriation and revenue source detail, and a brief explanation of each boilerplate section in the appropriation bill.

In this report, line item vetoes are presented in the following manner: appropriation amounts shown in ~~strikeout~~ are those that appear in the enrolled bill; amounts shown directly below ~~strikeout~~ amounts reflect the effect of the veto.

Line Item Summaries are available on the HFA website ([www.house.mi.gov/hfa](http://www.house.mi.gov/hfa)), or from Kathryn Bateson, Administrative Assistant (373-8080 or [kbateson@house.mi.gov](mailto:kbateson@house.mi.gov)).

A handwritten signature in black ink that reads "Mary Ann Cleary".

Mary Ann Cleary, Director



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# GLOSSARY

## **STATE BUDGET TERMS**

### **Line Item**

Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function.

### **Boilerplate**

Specific language sections in an appropriation bill which direct, limit, or restrict line-item expenditures, express legislative intent, and/or require reports.

### **Lapse**

Appropriated amounts that are unspent or unobligated at the end of a fiscal year; appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

### **Work Project**

Account authorized through statutory process which allows appropriated spending authorization from one fiscal year to be utilized for expenditures in a succeeding fiscal year or years for a specific project or purpose.

## **APPROPRIATIONS AND FUND SOURCES**

### **Appropriations**

Authority to expend funds for a particular purpose. An appropriation is not a mandate to spend.

**Gross:** Total of all applicable appropriations in an appropriation bill.

**Adjusted Gross:** Net amount of gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

### **Interdepartmental Grant (IDG) Revenue**

Funds received by one state department from another state department—usually for service(s) provided.

### **Intradepartmental Transfer (IDT) Revenue**

Funds transferred from one appropriation unit to another within the same departmental budget.

### **Federal Revenue**

Federal grant or match revenue; generally dedicated to specific programs or purposes.

### **Local Revenue**

Revenue received from local units of government for state services.

### **Private Revenue**

Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, or gifts and bequests.

### **State Restricted Revenue**

State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue; at year-end, unused restricted revenue generally remains in the restricted fund.

### **General Fund/General Purpose (GF/GP) Revenue**

Unrestricted general fund revenue available to fund basic state programs and other purposes determined by the Legislature; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

## **MAJOR STATE FUNDS**

### **General Fund**

The state's primary operating fund; receives state revenue not dedicated to another state fund.

### **School Aid Fund (SAF)**

A restricted fund that serves as the primary state funding source for K-12 schools and Intermediate School Districts. Constitutionally, SAF revenue may also be used for postsecondary education.

### **Budget Stabilization Fund**

The Countercyclical Economic and Budget Stabilization Fund (also known as the "rainy day fund"); the Management and Budget Act provides guidelines for making deposits into and withdrawals from the fund.



## SCHOOL AID

*The School Aid budget, Article I of the School Aid Act, provides funding for the state's local school districts, public school academies (PSAs) and intermediate school districts (ISDs). It also includes a limited number of grants to other entities.*

Section 11j – School Bond Redemption Fund	\$125,500,000	Payment to School Bond Redemption Fund in the Department of Treasury to make debt service payments on behalf of districts that participate in the School Bond Qualification and Loan Program. Districts qualify for loans if the number of mills necessary to repay a district's capital bonds exceeds 7.
	Funding Source(s):	Restricted      125,500,000
		<i>Related Boilerplate Section(s): 11</i>
<hr/>		
Section 11m – Cash Flow Borrowing Costs	6,500,000	Pays interest costs incurred by the state associated with cash-flow borrowing to meet the requirement to pay local and ISDs over 11 payments.
	Funding Source(s):	Restricted      6,500,000
		<i>Related Boilerplate Section(s): 11</i>
<hr/>		
Section 11s – Flint Declaration of Emergency	8,730,100	Provides \$8.7 million for expanded Great Start Readiness Program (GSRP) eligibility (\$3.0 million), school nurses and social workers (\$2.6 million) in Flint schools, ISD support to Flint residents that attend districts other than Flint (\$2.5 million), and nutrition programs (\$605,000).
	Funding Source(s):	Restricted      100 GF/GP      8,730,000
		<i>Related Boilerplate Section(s): 11</i>
<hr/>		
Section 20f – Categorical Offset Payments	18,000,000	Maintains \$6.0 million for FY 2013-14 per pupil allocations which guaranteed that no district received less than a \$5 per pupil increase for FY 2013-14 when adding together the increases in the foundation allowance and equity payment and the reductions in MPSERS cost offsets that year. Maintains \$12.0 million to guarantee a minimum net increase of \$25 per pupil for FY 2015-16 when adding together the increases in foundation allowances and At-Risk funding and the elimination of Best Practices and District Performance grants.
	Funding Source(s):	Restricted      18,000,000
		<i>Related Boilerplate Section(s): 11</i>
<hr/>		
Section 21h – Partnership Model Districts	6,000,000	Provides funding for interventions in districts identified as needing additional academic supports. Target districts are those not yet under the authority of the School Reform Office. Districts must work with MDE and other stakeholders to complete a comprehensive needs assessment and develop an intervention plan. Funds may be used for professional development, increased instructional time, teacher mentors, and other expenditures that directly impact student achievement.
	Funding Source(s):	Restricted      6,000,000
		<i>Related Boilerplate Section(s): 11</i>

Section 21j – Competency-Based Education District Grants	500,000	Provides for competitive grants to districts that provide an education model that allows the use of multiple and innovative methods to determine pupils' achievement of grade-level competencies and Michigan merit curriculum credit.
		Funding Source(s): GF/GP 500,000
		<i>Related Boilerplate Section(s): 11</i>
Section 22a – Foundations: Proposal A Obligation Payment	5,181,800,000	Funding guarantees FY 1994-95 total state and local per pupil revenue for operating purposes as required by Michigan Constitution; payment is equal to a district's FY 1994-95 foundation allowance multiplied by the total number of general education and special education membership pupils in the district in FY 2016-17, minus the district's local revenue from nonhomestead millage revenue.
		Funding Source(s): Restricted 5,181,800,000
		<i>Related Boilerplate Section(s): 6, 11, 20, 22b, 105, 105c</i>
Section 22b – Foundations: Discretionary Payment	4,037,500,000	Provides funds equal to the sum of amounts calculated under Sec. 20 (total foundation allowances) and under Sec. 51a(2) plus Sec. 51a(3) plus Sec. 51a(11) (total special education), minus amounts under Sec. 22a (Proposal A guaranteed portion of foundation allowance) and Sec. 51c (Headlee obligated special education reimbursements - <i>Durant v State of Michigan</i> ).
		Funding Source(s): Restricted 3,891,760,500 GF/GP 145,739,500
		<i>Related Boilerplate Section(s): 6, 11, 20, 22a, 51a, 51c, 76, 101, 105, 105c</i>
Section 22d – Isolated District Funding	5,000,000	Payment of \$957,300 to certain small, geographically isolated districts and \$4,042,700 to districts that have 7.3 or fewer pupils per square mile.
		Funding Source(s): Restricted 5,000,000
		<i>Related Boilerplate Section(s): 6, 11</i>
Section 22m – Technology Regional Data Hubs	2,200,000	Provides funding for the Michigan Data Hub Network to upgrade school data infrastructure, promote data integration systems, ensure data security and privacy, provide actionable and consistent statewide reports and dashboards, create a governance model to facilitate a sustainable model for the future, and evaluate future data needs.
		Funding Source(s): Restricted 2,200,000
		<i>Related Boilerplate Section(s): 11, 19</i>
Section 22n – High School Per Pupil Bonus	11,000,000	Provides an additional \$25 per pupil in grades 9-12 to reflect the higher costs of high school instruction.
		Funding Source(s): Restricted 11,000,000
		<i>Related Boilerplate Section(s): 11</i>
Section 24 – Court-Placed Pupils	8,000,000	Reimburses educating local school district or ISD for on-grounds program for pupils under court jurisdiction placed in or assigned to attend a juvenile detention facility or child-caring institution.
		Funding Source(s): Restricted 8,000,000
		<i>Related Boilerplate Section(s): 6, 11, 53a</i>

Section 24a – Juvenile Justice Facility Programs	1,339,000	Payments to ISDs for pupils placed in juvenile justice service facilities operated by Department of Health and Human Services (DHHS).
		Funding Source(s): Restricted 1,339,000
		<i>Related Boilerplate Section(s): 11</i>
Section 24c – Youth ChalleNGe Program	1,528,400	Funds the Youth ChalleNGe Program, a boot camp program for at-risk youth administered by the Department of Military and Veterans Affairs with academic and vocational services provided by Marshall Public Schools.
		Funding Source(s): Restricted 1,528,400
		<i>Related Boilerplate Section(s): 11</i>
Section 25f – Strict Discipline Academy Added Costs	750,000	Provides for payments to strict discipline academies to reimburse for added instructional costs.
		Funding Source(s): Restricted 750,000
		<i>Related Boilerplate Section(s): 11, 25e,</i>
Section 25g – Dropout Recovery Programs	750,000	Provides additional payments to districts working with dropout recovery programs under Sec. 23a if participation in the program causes a pupil to be counted as more than 1.0 FTE.
		Funding Source(s): Restricted 750,000
		<i>Related Boilerplate Section(s): 11</i>
Section 26a – Renaissance Zone Reimbursements	17,000,000	Reimburses local school districts and ISDs for property tax revenue losses attributable to implementing the Michigan Renaissance Zone Act.
		Funding Source(s): Restricted 17,000,000
		<i>Related Boilerplate Section(s): 11</i>
Section 26b – Payment In Lieu of Taxes	4,405,100	Reimburses local school districts, ISDs, and community colleges for payment in lieu of taxes obligations per 2004 PA 513.
		Funding Source(s): Restricted 4,405,100
		<i>Related Boilerplate Section(s): 11</i>
Section 26c – Promise Zone Funding	1,500,000	Provides funds to districts and ISDs with an approved Promise Zone development plan for the purposes of the local Promise Zone Authority under the Michigan Promise Zone Authority Act, 2008 PA 549.
		Funding Source(s): Restricted 1,500,000
		<i>Related Boilerplate Section(s): 11</i>

Section 31a – At-Risk Pupil Support, School-based Health Centers, Hearing and Vision Screening	510,207,300	Supports instructional programs and direct noninstructional services for at-risk pupils (\$499.0 million) for the purpose of ensuring that pupils are proficient in English language arts by the end of 3 <sup>rd</sup> grade, pupils are proficient in math by the end of 8 <sup>th</sup> grade, high school graduates are career and college ready, and pupils are attending school regularly. Districts must comply with K-3 reading requirements under MCL 380.1280f as well as provide multi-tiered systems of support in grades 4-8 to qualify.  Eligible districts receive an amount equal to 11.5% of the statewide average foundation allowance per economically disadvantaged pupil, including those eligible for free and reduced price meals, TANF, or SNAP family benefits (cash or food assistance); or children who are migrants, homeless, or in foster care. However, districts with a combined state and local revenue per pupil greater than \$8,289, receive 30% of the allocation for which it would otherwise be eligible, before proration. However, allocations for all districts are prorated because funds appropriated are not sufficient to fully fund the formula. Also includes funding for school based health centers (\$6.1 million) and hearing and vision screening (\$5.2 million).  Funding Source(s): Restricted 510,207,300  <i>Related Boilerplate Section(s): 11, 20</i>
Section 31b –Year-Round Instruction Grants	1,500,000	Provides funding for competitive grants to districts for building modifications or other nonrecurring costs related to implementing a new year-round school.  Funding Source(s): Restricted 1,500,000  <i>Related Boilerplate Section(s): 11</i>
Section 31d – School Lunch Program	545,695,100	Allocates state funds to ensure the state meets its obligation under <i>Durant v. State of Michigan</i> to fund 6.0127% of school lunch programs; allocates federal funds for National School Lunch Program and Emergency Food Assistance Program.  Funding Source(s): Federal 523,200,000 Restricted 22,495,100  <i>Related Boilerplate Section(s): 11</i>
Section 31f – School Breakfast Program	4,500,000	Reimburses districts for costs of providing school breakfast.  Funding Source(s): Restricted 4,500,000  <i>Related Boilerplate Section(s): 11</i>
Section 31j – Local Produce in School Meals	375,000	Allocates funding for a pilot project to support districts in the purchase of locally grown fruits and vegetables for use in school lunches.  Funding Source(s): GF/GP 375,000  <i>Related Boilerplate Section(s): 11</i>

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Section 32d – Great Start Readiness Program	243,900,000	Provides funds to ISDs to operate school readiness preschool programs for four-year-old children in low-income families; comprehensive program includes an age-appropriate curriculum, nutritional services, physical and dental health and developmental screening, and parental involvement. Each allocation is equal to \$7,250 per child for a full-day preschool program. \$10.0 million of the total funding is allocated for transportation reimbursements. Allocates \$300,000 grant to continue a longitudinal evaluation of program.
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Funding Source(s):	Restricted	243,600,000
	GF/GP	300,000

*Related Boilerplate Section(s): 11, 39*

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Section 32p – Early Childhood Block Grants	13,400,000	Provides grants to ISDs to provide early childhood programs including local Great Start Collaboratives, Great Start Parent Coalitions, and \$2.5 million for home visiting programs to improve early literacy.
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Funding Source(s):	Restricted	13,400,000
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*Related Boilerplate Section(s): 11*

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Section 32q – Early Learning Cooperative	175,000	Provides funding for an intermediate district partnering with an early childhood collaborative on a pilot program to evaluate the benefits of 2 years of preschool for vulnerable children. Intended as 2 <sup>nd</sup> of 3 years of funding.
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Funding Source(s):	Restricted	175,000
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*Related Boilerplate Section(s): 11*

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Section 35 – Early Literacy - Implementation	1,000,000	Funds the implementation of the literacy initiatives funded in Section 35a.
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Funding Source(s):	GF/GP	1,000,000
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*Related Boilerplate Section(s): 11, 35a*

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Section 35a – Early Literacy Initiatives	29,400,000	Provides funding to districts and ISDs to improve early literacy with the goal of having all students reading on grade level by the end of 3 <sup>rd</sup> grade. Includes \$20.9 million for professional development, diagnostic tools, and added instructional time distributed to districts in an amount equal to \$210 per 1 <sup>st</sup> grade FTE. Caps funding that may be used for professional development or diagnostic tools at 5% each. Also provides \$6.0 million for teacher coaches and \$2.5 million for the Michigan Education Corps.
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Funding Source(s):	Restricted	26,900,000
	GF/GP	2,500,000

*Related Boilerplate Section(s): 11, 35*

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Section 39a(1) – Federal Grant Programs	731,600,000	Appropriates up to \$731.6 million for federal grant programs under Every Student Succeeds Act including the following estimated funds: Drug-free School and Communities: 1,200,000 Improving Teacher Quality: 100,000,000 Language Acquisition (Limited English Proficient): 11,000,000 Rural and Low Income Schools: 2,800,000 Title I funding for disadvantaged children: 535,000,000 Migrant Education: 9,200,000 21st Century Community Learning Centers: 39,000,000 School Improvement Grants: 18,000,000 Student Support/Academic Enrichment Grants: 15,400,000
		Funding Source(s):   Federal   731,600,000

*Related Boilerplate Section(s): 11*

Section 39a(2) – Other Federal Funding	30,000,000	Appropriates up to \$30.0 million for other federal grants including the following estimated funds: AIDS Education Grants: 100,000 Homeless Grants: 1,900,000 Mental Health, Subst. Abuse, Violence Prevention: 4,000,000 Career & Technical Education Grants: 24,000,000
		Funding Source(s):   Federal   30,000,000

*Related Boilerplate Section(s): 11*

Section 41 – Bilingual Education	6,000,000	Funds educational programs for students with limited English-speaking ability to districts or ISDs on a per pupil basis with allocations based on pupils' WIDA Access assessments. A pupil may only be counted for funds under this section for up to three years.
		Funding Source(s):   Restricted   6,000,000

*Related Boilerplate Section(s): 11*

Section 51a – Special Education	1,387,746,100	Provides funding for educational programs and services to special education pupils; includes allocations to local school districts and ISDs for special education memberships and for programs and services mandated under the federal Individuals with Disabilities Education Act; specific categorical support to comply with provisions of 1997 <i>Durant v. State of Michigan</i> decision is made from Section 51a funds via Section 51c.
		Funding Source(s):   Federal   431,000,000 Restricted   956,246,100 GF/GP       500,000

*Related Boilerplate Section(s): 6, 11, 51b, 51c, 51d, 52, 53a, 54, 56, 58*

Section 54b – Special Education Task Force Reforms	1,600,000	Provides funding for the implementation of recommendations of the Special Education Reform Task Force published in January 2016. Includes funding for the following purposes: to pilot statewide implementation of the Michigan Integrated Behavior and Learning Support Initiative (MiBLSI), a program of positive behavioral intervention and supports in a number of ISDs; and for training related to the safe implementation of emergency restraints and seclusion.
		Funding Source(s):   GF/GP   1,600,000

*Related Boilerplate Section(s): 11*



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Section 55 – Conductive Learning Study	150,000	Provides \$150,000 as the 3 <sup>rd</sup> of 3 years of funding for an MSU Department of Epidemiology study of the Conductive Learning Center at Aquinas College to evaluate the effectiveness of conductive education for children with cerebral palsy.
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Funding Source(s):   Restricted                   150,000

*Related Boilerplate Section(s): 11*

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Section 61a – Career and Technical Education Programs	37,850,300	Reimburses local districts and secondary area vocational/technical centers for a portion of the added costs of career and technical education (CTE) programs; allocations prioritized on necessary capital and program expenditures, number of pupils, pupil advancement, postsecondary articulation agreements, job placement, job openings and wages, and length of training period. Allocations may not exceed 75% of the total added costs. Includes \$79,000 for a CTE program in culinary arts and restaurant management, \$1.0 million for competitive grants to up to 3 ISDs to hire CTE counselors, and \$160,000 for CTE counselors for 2 school districts (Owosso and Corunna).
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Funding Source(s):   Restricted           37,771,300  
  GF/GP                                   79,000

*Related Boilerplate Section(s): 6, 11, 20d, 107*

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Section 61b – CTE Early/Middle College and Dual Enrollment Programs	8,000,000	Provides funding to expand CTE Middle College and dual enrollment programs statewide and for planning grants for the development or expansion of CTE Early Middle College Programs. Programs are intended to provide high school students with an opportunity to finish an associates' degree, finish technical certification, or earn college credit while taking high school courses. Allocates up to \$500,000 toward planning grants for new or expanded programs.
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Funding Source(s):   Restricted           8,000,000

*Related Boilerplate Section(s): 6, 11*

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Section 61c – CTE Skilled Trades Initiative	12,500,000	Provides \$12.5 million GF/GP for the following purposes: \$7.0 million for across-the-board formula funding to career education planning districts (CEPDs); \$5.0 million for the CTE equipment and innovation competitive grant program to districts, ISDs, or consortia of districts and ISDs with grants ranging from \$100,000 to \$1.0 million; and \$500,000 for a CTE program in mechatronics.
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Funding Source(s):           GF/GP           12,500,000

*Related Boilerplate Section(s): 6, 11*

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Section 62 – ISD Vocational/Technical Education Millage Equalization	9,190,000	Provides funding to support vocational/technical education in ISDs that levy vocational/technical education millages but have low property values. Caps an individual ISD's allocation at no more than 38.4% of the total appropriation, and provides that no ISD shall receive less than 75% of its prior year allocation.
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Funding Source(s):   Restricted           9,190,000

*Related Boilerplate Section(s): 6, 11, 121*

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Section 64b – Dual Enrollment Incentive Payments	1,750,000	Funds payments to districts that provide dual enrollment options to students in grades 9-12 for courses taught in the local district or intermediate district. Payments equal to \$10 per credit hour for up to 3 credits per student enrolled plus \$30 per pupil per course if the pupil successfully completes and is awarded both high school and post-secondary credit for the course.
		Funding Source(s): Restricted 1,750,000
		<i>Related Boilerplate Section(s): 11</i>
Section 64d – Information Technology Certifications	2,300,000	Appropriates funding for the 1 <sup>st</sup> of 3 years of funding for a competitive grant to provide information technology education opportunities to students attending districts, ISDs, PSAs, CTE programs, or Community Colleges.
		Funding Source(s): GF/GP 2,300,000
		<i>Related Boilerplate Section(s): 11</i>
Section 65 – Detroit Area PreCollege Engineering Program	340,000	Provides funding for Detroit Area Pre-College Engineering Program (DAPCEP), which is a K-12 educational program focused on careers related to Science, Technology, Engineering, and Mathematics, with special attention to pupils who are at-risk or underrepresented in technical professions and careers.
		Funding Source(s): GF/GP 340,000
		<i>Related Boilerplate Section(s): 11</i>
Section 67 – Career and College Readiness Tools	3,000,000	Appropriates funds administered through the Michigan College Access Network (MCAN) for programs to inform students about college and career options and provide outreach to increase the number of students prepared to make informed college and career decisions.
		Funding Source(s): GF/GP 3,000,000
		<i>Related Boilerplate Section(s): 11</i>
Section 67a – Online Career Preparation	1,000,000	Provides funds for an online career preparation tool in partnership with ISDs, community colleges, workforce development agencies, and employers to assess student skills, abilities, and preferences to match them with careers of interest, allow them to experience careers firsthand, and prepare them for the job application and interview process.
		Funding Source(s): GF/GP 1,000,000
		<i>Related Boilerplate Section(s): 11, 19b</i>
Section 74 – School Bus Driver Safety Instruction and School Bus Inspections	3,730,300	Provides \$2,025,000 for bus driver safety instruction or evaluation and reimburses districts for non-special education auxiliary services transportation. Provides \$1,705,300 to reimburse the Michigan State Police for the cost of school bus inspections.
		Funding Source(s): Restricted 3,730,300
		<i>Related Boilerplate Section(s): 11</i>
Section 81 – ISD General Operations Support	67,108,000	Supports general operations for ISDs. Each ISD will receive 100% of the allocation for general operations in FY 2017-18 as it received in FY 2016-17.
		Funding Source(s): Restricted 67,108,000
		<i>Related Boilerplate Section(s): 6, 11</i>

Section 94 – Advanced Placement Incentive Program	750,000	Funds districts to pay for all or part of Advance Placement (AP) and International Baccalaureate (IB) fees for low-income students. Payment made up to \$20.00 per test completed or \$150 per IB registration fee. Pupils must pay at least \$5.00 toward the cost of the covered test.
		Funding Source(s): GF/GP 750,000
		<i>Related Boilerplate Section(s): 11</i>
Section 94a – Center for Educational Performance and Information	16,409,500	Funds the collection of education data and reporting requirements of state and federal law. Supports the longitudinal data system and the MI School data web portal.
		Funding Source(s): Federal 193,500 GF/GP 16,216,000
		<i>Related Boilerplate Section(s): 11, 18, 19</i>
Section 95b – Statewide Evaluation Tool	2,500,000	Supports adoption of a statewide value-added growth and projection analytics system that uses student assessments to measure student growth.
		Funding Source(s): GF/GP 2,500,000
		<i>Related Boilerplate Section(s): 11, 21f</i>
Section 98 – Michigan Virtual University (MVU)	7,387,500	Funds operation of the Michigan Virtual University and the Michigan Virtual Learning Research Institute to research best practices for technology-based instruction and virtual learning, to provide professional development on integrating digital learning into instruction, create a statewide catalog of all virtual courses and course syllabi provided by all Michigan public schools, and collaborate with key stakeholders to examine district-level accountability and teacher effectiveness issues related to virtual learning.
		Funding Source(s): GF/GP 7,387,500
		<i>Related Boilerplate Section(s): 11, 21f</i>
Section 99c – Civic Education – <b>VETOED</b>	<del>60,000</del> 0	Grant to a provider of civic education to teach students how to participate responsibly in local and state government and provide students with an innovative course in history and the principles of U.S. constitutional democracy.
		Funding Source(s): GF/GP <del>60,000</del> 0
		<i>Related Boilerplate Section(s): 11</i>
Section 99h – FIRST Robotics	2,800,000	Supports competitive grants to districts to provide students in grades K to 12 with expanded opportunities to improve mathematics, science and technology skills by participating in the FIRST (for inspiration and recognition of science and technology) Robotics program, Jr. Lego League, and Lego League. Provides coaching stipends and covers program expenses like event registrations, materials, and travel. Additionally, provides \$300,000 GF/GP for competitive grants to nonpublic schools for FIRST Robotics or Science Olympiad.
		Funding Source(s): Restricted 2,500,000 GF/GP 300,000
		<i>Related Boilerplate Section(s): 11</i>

Section 99k – Cyber Security Competitions	500,000	Provides funding for competitive grants to districts to support teams for grades 6-12 participating in cybersecurity competitive events through either the Michigan High School Cyber Challenge or CyberPatriot.	Funding Source(s):	Restricted	500,000
<i>Related Boilerplate Section(s): 11</i>					
Section 99r – Michigan Science, Technology, Engineering, and Mathematics (MiSTEM) Network Staff	250,000	Includes funding for an executive director and executive assistant to administer the MiSTEM Network funding under Sec. 99s.	Funding Source(s):	GF/GP	250,000
<i>Related Boilerplate Section(s): 11, 99s</i>					
Section 99s – MiSTEM Initiatives	12,534,300	Includes funding for various statewide STEM initiatives including \$50,000 for MiSTEM State Advisory Council, \$2.9 million for MiSTEM council grants, \$85,000 for ISD transition costs, \$1.4 million for partial-year costs of starting the MiSTEM Network regional centers, \$8.0 million for Math/Science Centers, and \$150,000 for the Van Andel Education Institute.	Funding Source(s):	Federal Restricted GF/GP	4,700,000 6,234,300 1,600,000
<i>Related Boilerplate Section(s): 11, 99r</i>					
Section 99t – Online Algebra Tool	1,100,000	Provides funding for a statewide online algebra tool that provides algebra related videos, adaptive diagnostics, online supports, practice assessments, and professional development.	Funding Source(s):	GF/GP	1,100,000
<i>Related Boilerplate Section(s): 11, 19b</i>					
Section 99u – Online Mathematics Tool	1,000,000	Provides funding for an online mathematics tool for students statewide aligned to state standards with personalized learning pathways and highly qualified, live teachers.	Funding Source(s):	GF/GP	1,000,000
<i>Related Boilerplate Section(s): 11, 19b</i>					
Section 102d – Financial Data Analysis Tools	1,500,000	Appropriates funds to reimburse districts and intermediate districts for the cost of licensing school data analytical tools.	Funding Source(s):	Restricted	1,500,000
<i>Related Boilerplate Section(s): 11</i>					
Section 104 – Educational Assessments	40,959,400	Funds the third-party contract costs of statewide education assessments including the Michigan Student Test of Educational Progress (M-STEP), the Michigan Merit Exam (MME), the English Language Proficiency Assessment (ELPA) and the MI-Access, an alternative assessment for students with learning disabilities. \$3.2 million of the total is allocated to the development of an online reporting tool to provide student data in a secure environment, and \$5.6 million for implementing a summative assessment system under Section 104c. Allocates \$1.0 million to continue a pilot of a Michigan kindergarten entry observation tool.	Funding Source(s):	Federal Restricted	6,250,000 34,709,400
<i>Related Boilerplate Section(s): 11, 104b, 104c</i>					

Section 104d – Computer Adaptive Tests, Diagnostic/Screening Tools, Benchmark Assessments	4,000,000	Reimburses districts for the purchase of computer adaptive tests, as well as diagnostic and screening tools or benchmark assessments for K-3 pupils intended to increase reading proficiency by 4 <sup>th</sup> grade.	Funding Source(s):	Restricted	4,000,000
<i>Related Boilerplate Section(s): 11</i>					
Section 104e –Digital Literacy Preparation Pilot	250,000	Provides \$250,000 for the implementation of a pilot to assess pupil digital literacy skill levels in grades K-8.	Funding Source(s):	GF/GP	250,000
<i>Related Boilerplate Section(s): 11</i>					
Section 107 – Adult Education	27,000,000	Supports basic literacy, English as a second language (ESL), General Education Development (GED) test preparation, and high school completion courses for eligible adults. Funding received based on statewide allocation criteria including 3-year average enrollments, census data, and local needs; participant completion of education objectives and core indicators; and allowable expenditures. Allocates \$2.5 million for pilot programs linking adult education programs with career and technical education programs.	Funding Source(s):	Restricted	27,000,000
<i>Related Boilerplate Section(s): 6, 11</i>					
Section 147a(1) – MPSERS Cost Offset	100,000,000	Offsets a portion of costs for school districts related to the Michigan Public School Employees Retirement System (MPSERS). Payments are distributed based on each district's share of the total statewide MPSERS payroll for the previous fiscal year.	Funding Source(s):	Restricted	100,000,000
<i>Related Boilerplate Section(s): 11</i>					
Section 147a(2) – MPSERS Normal Cost Offset	48,969,000	Reimburses districts, ISDs, and district libraries for the employer normal cost increases related to the AROR reduction from 8.0% to 7.5% at a cost of \$48.9 million for FY 2017-18 and a total cost of \$97.8 million in FY 2018-19, once fully phased-in over 2 years.	Funding Source(s):	Restricted	48,969,000
<i>Related Boilerplate Section(s): 11</i>					
Section 147c(1) – MPSERS State Share of Unfunded Liability Payments	960,784,000	Appropriates funds to districts, ISDs, and participating local libraries in an amount equal to the State's required share of the MPSERS contribution pursuant to Sec. 41 of the Public School Employees' Retirement Act. Districts, ISDs, and libraries must remit the funds to the MPSERS.	Funding Source(s):	Restricted GF/GP	960,130,000 654,000
<i>Related Boilerplate Section(s): 11</i>					
Section 147c(2) – MPSERS One-time Unfunded Liability Payment	200,000,000	Appropriates \$200.0 million to make additional payments toward reducing the amortization period of the 2010 early retirement incentive costs.	Funding Source(s):	Restricted	200,000,000
<i>Related Boilerplate Section(s): 11</i>					

Section 147e – MPSERS PA 92 Added Costs	23,100,000	Appropriates \$23.1 million from the MPSERS retirement obligation reform reserve fund to reimburse districts, ISDs, and community colleges for the costs of a higher hybrid plan normal cost and a larger employer contribution for the new Defined Contribution plan under PA 92 of 2017.
		Funding Source(s): Restricted 23,100,000
		<i>Related Boilerplate Section(s): 11</i>
Section 152a – Adair Database Payments	38,000,500	Reimburses districts and ISDs for the costs of collecting, maintaining, and reporting data required by the State to satisfy <i>Adair v. State of Michigan</i> .
		Funding Source(s): Restricted 38,000,500
		<i>Related Boilerplate Section(s): 11</i>
Section 152b – Nonpublic School Reimbursements	2,500,000	Reimburses nonpublic schools for the costs related in complying with any health, safety, or welfare requirements mandated by a law or administrative rule.
		Funding Source(s): GF/GP 2,500,000
		<i>Related Boilerplate Section(s): 11</i>
<b>GROSS APPROPRIATION</b>	<b>\$14,584,313,900</b>	<b>Total of all applicable line item appropriations.</b>
Federal revenue	1,726,943,500	Total other federal grant or matchable revenue.
Community District Education Trust Fund	72,000,000	Fund statutorily dedicated to backfilling redirected local revenue for the Community District which replaced Detroit Public Schools.
Water Emergency Reserve Fund	100	Fund created in Section 901 of PA 268 of 2016 for the drinking water declaration of emergency in Flint.
MPSERS retirement obligation reform reserve fund	23,100,000	Fund created as a separate account in the School Aid Fund in Section 147b of the School Aid Act to fund a portion of the costs related to MPSERS reforms.
School Aid Fund revenue	12,547,270,300	State revenue dedicated to School Aid Fund (SAF).
<b>STATE GENERAL FUND/ GENERAL PURPOSE</b>	<b>\$215,000,000</b>	<b>Unrestricted state revenue from taxes and other sources.</b>

## BOILERPLATE INFORMATION SECTION

### **Sec. 2. Definitions**

States that for the purposes of this act the words and phrases defined in sections 3 to 6 have the meanings ascribed to them in those sections.

### **Sec. 3. Definitions: A through D**

Defines average daily attendance, board, center, community district, cooperative education program, department, district, district of residence, and district superintendent.

### **Sec. 4. Definitions: E through H**

Defines elementary pupil, extended school year, fiscal year, high school equivalency certificate, high school equivalency test, high school equivalency test preparation program, and high school pupil.

### **Sec. 5. Definitions: I**

Defines intermediate board, intermediate district, and intermediate superintendent.

### **Sec. 6. Additional Definitions**

Defines center program, district and high school graduation rate, district and high school graduation report, membership, public school academy, pupil, pupil membership count day, pupils in grades K to 12 actually enrolled and in regular daily attendance, rule, Revised School Code, school district of the first class, school fiscal year, state board, superintendent, supplemental count day, tuition pupil, state school aid fund, taxable value, textbook, and total state aid.

### **Sec. 6a. Supplemental Pupil Count**

Requires a supplemental pupil membership count day on the second Wednesday in February.

### **Sec. 6b. Nonresident Pupils**

Describes the method for enrolling and counting in membership a nonresident pupil.

### **Sec. 7. Costs for School Operating Purposes**

States that costs for school operating purposes include all expenditures necessary to carry out the powers and the financial obligations of the district or ISD under the revised school code.

### **Sec. 8b. Assignment of District Codes for Public School Academies**

Requires MDE to assign district codes to public school academies within 30 days after contract is submitted to the department by the authorizer. Provides that for a cyber school that does not provide instruction in a single location, the ISD in which its administrative office is located must provide it with programs and services for as long as it operates.

### **Sec. 11. Total Appropriations**

Contains totals of all line-item appropriations allocated in sections 11j through 152b.

### **Sec. 11a. School Aid Stabilization Fund**

Establishes the school aid stabilization fund in the school aid act.

### **Sec. 11f. Cash Payments Pursuant to Nonplaintiff Districts Due to Durant v State of Michigan**

Formerly appropriated cash payments pursuant to nonplaintiff districts due to *Durant v State of Michigan*.

### **Sec. 11g. Debt Service Payments to Nonplaintiff Districts Due to Durant v State of Michigan**

Formerly appropriated debt service payments pursuant to nonplaintiff districts due to *Durant v State of Michigan*.

### **Sec. 11h. Amounts To Districts For Settlement of Durant v State Of Michigan**

Lists amount paid to each nonplaintiff district that formerly received payments under *Durant v. State of Michigan*.

### **Sec. 11i. Borrowing Money and Issuing Bonds**

Allows districts that formerly received funds under Section 11g to borrow from Michigan Finance Authority.

### **Sec. 11j. School Loan Bond Redemption Fund**

Provides payments to School Loan Bond Redemption Fund on behalf of local and ISDs.

### **Sec. 11k. School Loan Revolving Fund**

Assigns school bond loan fund repayments to the Michigan Finance Authority.

## BOILERPLATE INFORMATION SECTION

**Sec. 11m. Cash Flow Borrowing Costs**

Provides funds to pay the state interest costs for funds borrowed to make state aid payments due to the School Aid Fund's negative cash flow.

**Sec. 11s. Flint Declaration of Emergency**

Provides funds for early childhood services in Flint due to the drinking water declaration of emergency.

**Sec. 13. Basis of Apportionments and Limitations of Apportionments**

Provides that apportionments, except otherwise provided, shall be based on pupil memberships, number of teachers and other professionals and taxable values.

**Sec. 14. Defective Data and Duties of Department**

Allows MDE to withhold payments for certain defective paperwork.

**Sec. 15. Apportionment of Deficiency or Deduction of Excess in Remaining Apportionment**

Allows MDE to adjust apportioned amounts under certain circumstances. Provides for district repayment schedule if an audit or other information results in a reduction in a district's current or previous allocation.

**Sec. 17a. Withholding Payments to Local or ISDs**

Allows state aid to be withheld in order to repay debts upon which districts have defaulted.

**Sec. 17b. Amounts to be Distributed in Installments to Districts**

Provides for state aid to be made in 11 equal payments on the 20th of each month from October through August.

**Sec. 18. Application of Money Received Under Act and Financial Reporting**

Describes allowable uses of unrestricted state aid received under this act; requires that annual audits, financial reports, and district budgets be made available on district websites. Districts and ISDs must also report expenses and personnel costs, salary and benefit information, deficit elimination plans, identification of all district credit cards, and costs of out-of-state travel by school administrators on their websites. Establishes reporting requirements for financial data, audits, pupil accounting reports, virtual courses provided under Section 21f, and allocations made to associations.

**Sec. 18a. Grant Funds to be Expended by End of State Fiscal Year**

Requires grant funds to be spent by the end of the state fiscal year following the fiscal year in which they were awarded and requires return of non-expended funds.

**Sec. 18b. Property of Public School Academy to be Transferred to State**

Requires transfer of assets that are publicly purchased by public school academies to the state if an academy ceases operations.

**Sec. 18c. Contract Between Public School Academy and Third Party**

Exempts the state from liability for certain debts incurred by public school academies.

**Sec. 19. State and Federal Reporting Requirements**

Requires districts and ISDs to comply with all applicable state and federal reporting requirements including, most notably, the annual graduation reports, educational personnel reports, and safety practices and criminal incident reports.

**Sec. 19b. Grant Program Reports**

Requires reporting on the efficacy and usefulness for certain designated programs in the School Aid Act, which currently apply to Sections 67a, 99t, and 99u.

**Sec. 20. Foundation Allowances**

Describes the calculation of districts' foundation allowances.

**Sec. 20d. Requirements for Final Determination Under Section 20**

States requirements for making the final determination of amounts calculated under Section 20 related to former Sections 146 and 147 as they were in effect prior to Proposal A.



## BOILERPLATE INFORMATION SECTION

### **Sec. 20f. Categorical Offset Payments**

Provides funds so that no district received less than a \$5 increase for FY 2013-14 compared with FY 2012-13 when adding certain increases and decreases in other funding sections. Also provides funds so that no district received less than a \$25 increase for FY 2015-16 when compared with FY 2014-15 when adding certain increases and decreases in other funding sections.

### **Sec. 20m. Foundation Calculations for Hold Harmless Districts**

Describes the calculation for districts with a foundation allowance above the state maximum foundation allowance when the foundation increase is greater than the rate of inflation.

### **Sec. 21b. Postsecondary Tuition**

Requires districts to pay tuition and certain related fees for pupils at eligible postsecondary institutions under the Postsecondary Enrollment Options Act or the Career and Technical Preparation Act by paying eligible charges on behalf of the pupil as required under those acts.

### **Sec. 21f. Virtual Courses**

Requires districts to allow students in at least grades 6 through 12 to take up to two virtual courses per semester provided by any public school or community college. A pupil may take more than two virtual courses per term if additional conditions are met.

### **Sec. 21h. Partnership Model Districts**

Allows the superintendent to assign districts to participate in partnerships to coordinate resources and improve student achievement through identifying district needs, developing intervention plans, and partner with public, private, and nonprofit organizations. Provides funding to participating districts.

### **Sec. 21j. Competency-Based Education District Grants**

Provides funding for a competitive grant to districts for the design and implementation of competency-based education programs to provide pupils with choices for the completion of the requirements for grades K through a high school diploma.

### **Sec. 22a. Proposal A Obligation Payment**

Allocates funds to pay school districts an amount sufficient to guarantee an amount equal to FY 1994-95 total state and local per pupil revenue for school operating purposes as required by the State Constitution.

### **Sec. 22b. Discretionary Payment**

Makes payments to districts using the foundation allowance and special education calculations in Sections 20 and 51a.

### **Sec. 22d. Isolated District Funding**

Allocates a portion of the funds to small, rural and Upper Peninsula or island districts with fewer than 250 students and with school buildings located at least 30 miles from any other school building, or located on an island not accessible by a bridge. Allocates a portion of the funds to districts that have 7.3 or fewer pupils per square mile.

### **Sec. 22m. Technology Regional Data Hubs**

Provides funding for the integration of local data systems into the Michigan Data Hub Network based on common standards and applications.

### **Sec. 22n. High School Per Pupil Bonus**

Provides additional payments to districts for the higher instructional costs for educating high school pupils.

### **Sec. 23a. Dropout Recovery Program**

Allows certain dropout recovery programs to count students based on an alternative definition of membership in Sec. 6 and with an exemption from the number of days and hours of instruction required under Sec. 101.

### **Sec. 24. Court-Placed Pupils**

Provides funding to pay for the added costs related to educating pupils assigned by a court or the Department of Health and Human Services to reside in a juvenile detention facility or child caring institution.

### **Sec. 24a. Pupils in Juvenile Justice Facilities**

Provides funding for educating pupils in juvenile justice facilities operated by the Department of Health and Human Services.

## BOILERPLATE INFORMATION SECTION

### **Sec. 24b. Parents or Legal Guardian Residing in Different Districts**

Allows students to enroll in a district in which either of the child's parents or legal guardian resides regardless of custody.

### **Sec. 24c. Youth ChalleNGe Program**

Provides funding for the Youth ChalleNGe Program administered by the Department of Military and Veterans Affairs.

### **Sec. 25e. Pupil Transfer Process**

Allows districts to report pupil transfers after the fall membership count day through a CEPI application and requires the MDE to adjust the membership count and funding to districts accordingly. Transfers must be completed before the supplemental count day in February. CEPI with MDE must report to the Legislature with data on the implementation of this section including the number of transfers and the net change in pupil memberships by district and ISD.

### **Sec. 25f. Strict Discipline Academy Pupil Payments**

Provides for payments to strict discipline academies for the added costs of instruction for SDA pupils.

### **Sec. 25g. Dropout Recovery Programs**

Provides additional payments to districts working with dropout recovery programs under Sec. 23a if participation in the program causes a pupil to be counted as more than 1.0 FTE.

### **Sec. 26. Receipt of Funds Under Other Acts**

Requires that the amount of funds received by a district or ISD from local finance authorities established under several acts be deducted from its payments under sections 22b, 56, or 62.

### **Sec. 26a. Renaissance Zone Reimbursement**

Provides reimbursement to local and ISDs for property tax revenue losses attributable to implementing the Michigan Renaissance Zone Act.

### **Sec. 26b. Payment in Lieu of Taxes (PILT) Reimbursement**

Provides reimbursement funding to local and ISDs and community colleges for PILT obligations.

### **Sec. 26c. Promise Zone Funding**

Provides funding to districts and ISDs for promise zones established under the Michigan Promise Zone Authority Act.

### **Sec. 31a. At-Risk Pupil Support, School-based Health Centers, Hearing and Vision Screening**

Provides funding for pupils at risk of academic failure to ensure that pupils are proficient in reading by the end of 3rd grade and in math by the end of 8<sup>th</sup> grade, that high school graduates are career and college ready, and that pupils are attending school regularly; also funds school-based health centers, mental health services, and hearing and vision screening administered by the Department of Health and Human Services.

### **Sec. 31b. Year-round Instructional Program**

Provides competitive grant funding to districts for building modifications or other nonrecurring costs related to implementing a new year-round school.

### **Sec. 31d. School Lunch Program**

Provides funds to reimburse districts for 6.0127% of the necessary costs of the state-mandated portion of school lunch programs and appropriates federal dollars.

### **Sec. 31f. School Breakfast Program**

Provides funding for the school breakfast program.

### **Sec. 31j. Local Produce in School Meals**

Provides funding for a pilot project to support districts in the purchase of locally grown fruits and vegetables for use in school lunches in prosperity regions 2, 4, and 9.

### **Sec. 32d. Great Start Readiness Program**

Provides funds for school readiness programs for 4-year-old children from low-income families (primarily less than 250% of the federal poverty level), including children in foster care, who are homeless, or have an individual education plan recommending placement in an inclusive preschool program; lists requirements for districts to meet to receive funding; and defines teacher paraprofessionals and subcontracted employee qualifications to teach in the program. Requires 30% of ISD allocations to go to community-based organizations and defines steps MDE and ISDs must take to verify its efforts to meet this requirement.

## BOILERPLATE INFORMATION SECTION

### **Sec. 32p. Early Childhood Block Grants**

Provides funds to ISDs for early childhood programs for children from birth to age 8 and supports creation of local great start collaboratives and parent coalitions. Provides funding to provide home visits to at-risk children and their families.

### **Sec. 32q. Early Learning Collaborative Partnership**

Provides funds for an intermediate district partnering with an early childhood collaborative on a pilot program to evaluate the benefits of 2 years of preschool for vulnerable children.

### **Sec. 35. Early Literacy – Implementation**

Funds the administration of the new literacy initiatives funded in Section 35a.

### **Sec. 35a. Early Literacy Initiatives**

Provides funding to districts and ISDs to improve early literacy with the goal of having all students reading on grade level by the end of 3<sup>rd</sup> grade.

### **Sec. 39. Great Start School Readiness Program Funding Distribution Formula**

Calculates of the number of children eligible in and the funding allocations awarded to each ISD. Establishes an initial goal, the statewide percentage benchmark, to provide additional funds to ISDs so that at least 60% of eligible children in each ISD are served.

### **Sec. 39a. Federal Funding**

Appropriates federal Every Student Succeeds Act funds and other federal funds.

### **Sec. 41. Bilingual Education**

Provides funds to districts to provide instruction to students with limited English-speaking ability.

### **Sec. 51a. Special Education Calculation**

Provides funding for special education and describes the method for calculating funding.

### **Sec. 51b. School District and ISD Compliance With Rules**

Requires districts and ISDs to comply with Article 3 (refers to Special Education) of Revised School Code.

### **Sec. 51c. Special Education Payment**

Allocates funds to reimburse districts for special education services as required under *Durant v State of Michigan*. The state must reimburse 28.6138% of total approved costs of special education and 70.4165% of total approved costs of special education transportation.

### **Sec. 51d. Federally Funded Special Education Programs**

Allocates funds for certain federally funded special education programs for individuals with disabilities, including funds for infants and toddlers and preschool students.

### **Sec. 52. Limit on Special Education Reimbursement**

States reimbursement for special education programs and services shall not exceed 75% of total program cost.

### **Sec. 53a. Special Education Programs for Certain Pupils**

Describes methods to calculate reimbursement for certain types of special education costs for pupils assigned to a district or ISD through a court or state-ordered placement program, residents of institutions operated by the Department of Health and Human Services, students with a developmental disability placed in a community setting, or residents of certain childcare institutions.

### **Sec. 54. Michigan Schools for the Deaf and Blind**

Appropriates funds for education of pupils at the Michigan Schools for the Deaf and Blind.

### **Sec. 54b. Special Education Reforms**

Allocates funds for the implementation of recommendations of the Special Education Reform Task Force published in January 2016.

### **Sec. 55. Conductive Learning Study**

Provides funds to develop and implement an evaluation of the effectiveness of conductive education for children with cerebral palsy.

## BOILERPLATE INFORMATION SECTION

**Sec. 56. ISD Special Education Millage Equalization**

Allocates funds to reimburse certain ISDs with low taxable values per pupil levying millages for special education.

**Sec. 58. Special Education Transportation Services**

Requires reimbursement for special education transportation services to be based on data reported by districts.

**Sec. 61a. Career and Technical Education (CTE) Programs**

Appropriates funds for the added costs of career and technical education programming.

**Sec. 61b. CTE Early/Middle College and Dual Enrollment Programs**

Appropriates funds to expand CTE Early/Middle College and dual enrollment programs statewide.

**Sec. 61c. CTE Skilled Trades Initiative**

Appropriates funds for CTE equipment upgrades through across-the-board formula funding for career educational planning districts (CEPDs) to upgrade CTE equipment and infrastructure; competitive grants for CTE equipment and innovation; and grants to districts for updating mechatronics program equipment.

**Sec. 62. ISD Vocational-Technical Education Millage Equalization**

Appropriates funds to reimburse certain ISDs with low taxable values per pupil levying millages for vocational-technical education.

**Sec. 64b. Dual Enrollment Incentive Payments**

Appropriates funds for payments to districts that provide dual enrollment options to students in grades 9-12. Includes eligibility and payment criteria.

**Sec. 64d. Information Technology Certifications**

Provides funds for a competitive grant providing certification in information technology education skills and competencies for grades K-12, career tech centers and academies, community colleges, and universities.

**Sec. 65. Detroit Area PreCollege Engineering Program**

Provides funds for the Detroit Area PreCollege Engineering program.

**Sec. 67. Career and College Readiness Tools**

Appropriates funds for the Michigan College Access Network (MCAN) for programs to inform students of college and career options and to provide outreach to increase the number of students prepared to make informed college and career decisions.

**Sec. 67a. Online Career Preparation**

Provides funds to expand an eligible web-based career preparation and readiness platform to additional prosperity regions.

**Sec. 74. School Bus Driver Safety Instruction and School Bus Inspections**

Appropriates funds for the School Bus Driver Safety Instruction program and for school bus inspections provided by the Michigan State Police.

**Sec. 76. Transporting Nonpublic School Students**

Requires districts that received transportation funds prior to Proposal A that were rolled into foundation allowances to use those funds calculated under Section 20 to transport nonpublic school students.

**Sec. 77. Transportation for Students in Cooperative Education Agreement**

Requires a district providing high school for another district through a cooperative agreement to provide transportation for the students of the other district.

**Sec. 81. ISD General Operations Support**

Appropriates funds for the general operations of ISDs.

**Sec. 91a. Cessation of a Pilot ISD Schools of Choice Program**

Requires districts to continue enrolling pupils enrolled in a district under a pilot ISD school of choice program under former Section 91 even if the program ceases to exist or if the school district ceases to participate.

## BOILERPLATE INFORMATION SECTION

### **Sec. 91c. Participation in Interscholastic Competition**

Prohibits pupils enrolled in a district under a pilot ISD schools of choice program under former Section 91 from participating in interscholastic athletic competition for one semester.

### **Sec. 94. Advanced Placement Incentive Program**

Appropriates funds to districts to pay for some or all of Advanced Placement (AP) and International Baccalaureate (IB) test and registration fees for low income students.

### **Sec. 94a. Center for Educational Performance and Information (CEPI)**

Appropriates funds for the CEPI and the state education data collection.

### **Sec. 95a. Educator and Administrator Evaluations**

Creates an educator evaluation reserve fund to be expended if a spending plan is submitted and approved for implementing evaluation systems for public school teachers and school administrators.

### **Sec. 95b. Statewide Evaluation Tool**

Provides funds for the department to adopt a model value-added growth and project analytics system and to incorporate that model into its reporting requirements under the Every Student Succeeds Act (ESSA).

### **Sec. 98. Michigan Virtual University**

Appropriates funds for the Michigan Virtual University to operate the Michigan Virtual School and the Michigan Virtual Learning Research Institute and maintain a statewide catalog of virtual courses supported by Michigan public schools.

### **Sec. 99h. FIRST Robotics Grants**

Appropriates funds to districts and ISDs to provide students in grades K to 12 with expanded opportunities to improve mathematics, science and technology skills by participating in the FIRST (for inspiration and recognition of science and technology) Robotics program, Jr. Lego League, and Lego League.

### **Sec. 99k. Cyber Security Competitions**

Appropriates funds for competitive grants to districts to support teams for grades 6-12 participating in cyber security competitions.

### **Sec. 99r. MiSTEM Staff**

Appropriates funds to support a permanent executive director and an executive assistant for the MiSTEM network.

### **Sec. 99s. STEM Initiatives**

Appropriates funds for various STEM initiatives including the MiSTEM Advisory Council, MiSTEM council grants, MiSTEM Network regional centers, ISD transition costs, Math/Science Centers, and Van Andel Education Institute.

### **Sec. 99t. Online Algebra Tool**

Allocates funds for a statewide online algebra tool that provides algebra related videos, adaptive diagnostics, online supports, practice assessments, and professional development.

### **Sec. 99u. Online Mathematics Tool**

Funds an online mathematics tool for students statewide aligned to state standards with personalized support.

### **Sec. 101. Eligibility to Receive State Aid**

Describes requirements districts must meet in order to receive state aid, including providing a certain number of instructional days and hours. A district must provide at least 1,098 hours and at least 180 days. Allows for seat-time waivers for certain alternative instructional models.

### **Sec. 102. Deficit and Enhanced Deficit Elimination Plans**

Allows MDE and Treasury to withhold state aid payments to districts required to submit a deficit or enhanced deficit elimination plan if necessary to incentivize the elimination of a deficit, a budget amendment, or an approved deficit or enhanced deficit elimination plan.

### **Sec. 102d. Financial Analysis Tools**

Appropriates funds to reimburse districts or intermediate districts for the cost of school data analytical tools for financial forecasting and transparency reporting.

### **Sec. 104. Educational Assessments**

Provides state and federal funding for statewide educational assessments.

## BOILERPLATE INFORMATION SECTION

### **Sec. 104b. Michigan Merit Examination (MME)**

Provides that the MME include a college entrance exam, work skills exam and a summative Michigan Student Test of Educational Progress (M-STEP). Requires districts to comply and administer the exam to all 11th graders.

### **Sec. 104c. State Student Assessments**

Establishes requirements for state assessments. Requires MDE to develop and provide direction for the M-STEP, the state summative exam, for grades 3-11. Also, requires MDE to do the following for the implementation for a common formative/benchmark assessment system in the state: requires a request for information no later than November 1, 2017 for at least 3 formative/benchmark assessments for grades 3 through 7; requires the approval of at least 3 benchmark assessments that were part of the request for information; and requires MDE to create a budget request for formative/benchmark assessments based on the request for information. Finally, MDE must begin field testing assessments for grades K-2 with full implementation by FY 2018-19.

### **Sec. 104d. Computer Adaptive Test**

Reimburses districts for the purchase of computer adaptive tests, as well as diagnostic and screening tools or benchmark assessments for K-3 pupils intended to increase reading proficiency by 4<sup>th</sup> grade.

### **Sec. 104e. Digital Literacy Preparation Pilot**

Provides funding for an assessment digital literacy preparation pilot project for pupils enrolled in grades K to 8.

### **Sec. 105. Schools of Choice Within ISDs**

Provides requirements for schools of choice within ISDs.

### **Sec. 105b. ISD Pilot Schools of Choice Program**

Exempts an ISD that operates a pilot school of choice program (and its constituent districts) from Section 105.

### **Sec. 105c. Schools of Choice Among Contiguous ISDs**

Provides requirements for schools of choice among contiguous ISDs.

### **Sec. 106. Pupils Not Counted in Membership**

Prohibits pupils enrolled in a program fully subsidized with federal/state funds from being counted in membership.

### **Sec. 107. Adult Education**

Appropriates and outlines distribution of funds for adult education programs.

### **Sec. 109. Pupil Requiring Hospitalization or Confinement at Home**

Requires districts to provide instruction to pupils who require hospitalization or confinement at home for more than five school days.

### **Sec. 111. Tuition Rates**

Describes the requirements for determining tuition rates for nonresident pupils.

### **Sec. 112. Full-day Kindergarten Tuition Prohibition**

Prohibits districts from charging tuition for a full-day kindergarten program.

### **Sec. 118. Requirement to Pay Tuition**

Requires districts to pay tuition for residents of the district sent to be educated outside of the district's boundaries.

### **Sec. 121. Determination of a District's Property Value**

Describes the determination of property values for the purposes of calculating state aid.

### **Sec. 122. Deducting Valuation of Property from Valuation of District**

Allows value of certain properties to be deducted from district property valuation if taxes are not collected on them.

### **Sec. 124. Adjustments of a District's Property Value**

Describes adjustments to property values for the purposes of calculating state aid.

### **Sec. 147. Allocations to Michigan Public School Employees' Retirement System (MPERS)**

Reports the annual estimates of employer payroll contribution rates for MPERS.

## BOILERPLATE INFORMATION SECTION

### **Sec. 147a. MPERS Cost Offset**

Payment to districts to partially offset increases in MPERS employer contribution rates in 2012 and to offset normal cost increases related to the reduction in the assumed rate of return from 8.0% to 7.5%. Distributions are calculated based on each district's share of the statewide MPERS payroll.

### **Sec. 147b. MPERS Reserve for Retirement Obligation Reform**

Establishes the MPERS retirement obligation reform reserve fund within the School Aid Fund.

### **Sec. 147c. MPERS State Contribution**

Appropriates funds to pay for the required pension and retiree health care prefunding amounts that exceed the cap on the employer rate for unfunded accrued liabilities of 20.96% of payroll and to make a one-time additional MPERS payment to accelerate the payoff of the 2010 early retirement incentive.

### **Sec. 147e. MPERS Employer Defined Contribution Match**

Appropriates funds to reimburse districts, ISDs, and community colleges for the costs of a higher hybrid plan normal cost and a larger employer contribution for the new Defined Contribution plan under PA 92 of 2017.

### **Sec. 151. Statement of Taxable Value**

Requires county treasurers to submit a statement of taxable value to the state; describes duties of tax tribunals.

### **Sec. 152. Reporting Requirements**

Requires districts to submit certain reports to the MDE.

### **Sec. 152a. Reimbursements for Data Costs**

Reimburses districts and ISDs for the costs of collecting, maintaining, and reporting data required by the State to satisfy *Adair v. State of Michigan*.

### **Sec. 152b. Reimbursements to Nonpublic Schools**

Allocates funds to reimburse nonpublic schools for actual costs incurred by nonpublic schools in complying with a health, safety, or welfare requirement mandated by a law or administrative rule of this state.

### **Sec. 153. Furnishing Information to the Fiscal Agencies**

Requires districts and ISDs to provide the fiscal agencies with any requested information relative to expenditure of school aid funds.

### **Sec. 160. Labor Day Waiver Hearing**

Requires that if a district requests a waiver to begin school before Labor Day, the district must hold a joint hearing with the MDE to be held in the district before said waiver can be granted.

### **Sec. 161. School Board Member Responsibility**

States that a school official or board member who violates the School Aid Act provisions is guilty of a misdemeanor.

### **Sec. 161a. False Report**

Requires anyone making a false report of a crime under section 6(6)(f) to pay the district of residence the amount it would have received if the pupil had been counted in membership.

### **Sec. 162. Failure to File Reports**

States that a district that fails to file reports required by the School Aid Act will forfeit a day's worth of state aid for each day the reports are late.

### **Sec. 163. Educator Certification Requirements**

Requires districts to hire certified educators and counselors.

### **Sec. 163a. Enrollment of Homeless Children**

Requires districts to enroll homeless children residing in the district.

### **Sec. 164. Expenditures for Chauffeurs and Automobiles**

Requires districts to forfeit the amount of expenditures spent on chauffeurs or purchasing, leasing or renting cars for school board members or administrators.

### **Sec. 164a. Payment in Lieu of Vacation Time**

Prohibits districts from paying school administrators in lieu of leave time to increase their retirement benefits.

## BOILERPLATE INFORMATION SECTION

### **Sec. 164b. Reimbursement of Board Member Expenses**

Describes requirements for reimbursement of board members.

### **Sec. 164c. Purchase of Foreign Goods or Services**

Prohibits districts from purchasing foreign goods or services if competitively priced American goods or services of comparable quality are available. Gives preference to Michigan and veteran-owned businesses.

### **Sec. 164d. Discriminatory Rules**

Prohibits districts from implementing policy or practices that discriminate against personnel solely because they have graduated from a particular state university.

### **Sec. 164e. Discrimination Against Student Teachers**

Prohibits discrimination against a student teacher because the state university in which the person is enrolled serves as the authorizing body for one or more public school academies.

### **Sec. 164f. Diesel Fuel Procurement**

Allows up to 25% of a district's diesel fuel budget to be procured by a swap, hedge, derivative, or similar agreement for diesel fuel procurement.

### **Sec. 164g. Legal Action Against the State**

Establishes a penalty in an amount equal to the amount spent if a district or ISD uses funds appropriated under this act to pay for an expense relating to any legal action initiated by the district or ISD against the state.

### **Sec. 164h. Collective Bargaining Agreement Penalty**

Establishes a penalty equal to 5% of total state aid if a district or ISD enters into a collective bargaining agreement that does any of the following: establishes racial and religious preferences for employees; automatically deducts union dues from employee compensation; is in conflict with any state or federal laws regarding district transparency; has a method of compensation that does not comply with the requirements of section 1250 of the Revised School Code, MCL 380.1250.

### **Sec. 165. Reimbursement for Shared Time Agreement**

Requires reimbursement for contractual shared time agreements under certain circumstances.

### **Sec. 166. Distributing Family Planning Drugs and Devices**

Requires a district to adopt a disciplinary policy for school officials or staff for violations of MCL 380.1507 (regarding sex education and prohibits distribution of family planning drugs or devices) or for making abortion referrals. Includes a \$100,000 state aid penalty to a district for failing to adopt a disciplinary policy.

### **Sec. 166a. Requirements Related to Sex Education**

Provides requirements related to the provision of reproductive health and sex education.

### **Sec. 166b. Shared-Time Instruction for Nonpublic or Home School Pupils**

Establishes the rules under which a nonpublic or home-schooled pupil may be counted in membership in a public school through shared-time instruction for non-core classes.

### **Sec. 166d. Cyber School Disclosure**

Prohibits a school of excellence that is a cyber school from forbidding an employee from disclosing salary or other compensation. Includes a state aid penalty.

### **Sec. 166e. Competitive Bid Process for Construction Projects**

Requires districts to use competitive bidding for building construction and repair contracts.

### **Sec. 167. Immunization Process**

Requires districts to report immunization status of pupils in grades K through 12 to their local health department.

### **Sec. 167a. Expelled or Suspended Pupils**

Requires a district to implement a plan to reduce expulsions and suspensions exceeding ten days, and provides legislative intent to reduce state aid in FY 2017-18 for districts that have not implemented a plan.

### **Sec. 168. Access to Records and Audits**

Requires districts to give the MDE access to certain records and to audit certain records for programs funded with state funds. Requires district to reimburse the state for any disallowances found in the audit.



## BOILERPLATE INFORMATION SECTION

**Sec. 168a. Removing Asbestos**

Prohibits removal of asbestos unless removal is required.

**Sec. 169. Advertisement by Public School Academies**

Requires public school academies to advertise their enrollment opportunities and application processes.

**Sec. 169a. Information About the Michigan Schools for the Deaf and Blind**

Requires information about the schools and services to be given to deaf and blind pupils.

**Sec. 169b. Board Member Conflicts of Interest**

Prohibits school board members from voting on any contract in which the board member has a conflict of interest.

**Sec. 171. Repealer Section**

Repeals certain sections in this act or a former act.

**ARTICLE IV: GENERAL PROVISIONS**

**Sec. 296. School Aid Fund Proration**

Provides for school aid appropriation amounts funded from School Aid Fund revenue to be reduced (along with Higher Education and Community College appropriations) if total School Aid Fund appropriations are greater than the revenue available in the fund.





Mary Ann Cleary, Director  
 Bethany Wicksall, Deputy Director  
 517.373.8080

**AREAS OF RESPONSIBILITY**

<b>Agriculture and Rural Development</b> .....	William E. Hamilton
<b>Attorney General</b> .....	Michael Crossen
<b>Auditor General</b> .....	Benjamin Gielczyk
<b>Bill Analysis</b> .....	Rick Yuille
	Edith Best; Jennifer McInerney; Patrick Morris; Emily Smith; Sue Stutzky
<b>Capital Outlay</b> .....	Benjamin Gielczyk
<b>Civil Rights</b> .....	Michael Crossen
<b>Community Colleges</b> .....	Perry Zielak
<b>Corrections</b> .....	Robin R. Risko
<b>Economic and Revenue Forecasting</b> .....	Jim Stansell
<b>Education (Department)</b> .....	Samuel Christensen
<b>Environmental Quality</b> .....	Austin Scott
<b>Executive Office</b> .....	Benjamin Gielczyk
<b>Fiscal Oversight, Audit, and Litigation</b> .....	Mary Ann Cleary
<b>Health and Human Services:</b>	
<b>Human Services</b> .....	Viola Bay Wild
<b>Medicaid, Physical and Behavioral Health</b> .....	Kevin Koorstra
<b>Public Health, Aging, Departmentwide Administration</b> .....	Susan Frey
<b>Higher Education</b> .....	Perry Zielak
<b>Insurance and Financial Services</b> .....	Marcus Coffin
<b>Judiciary</b> .....	Robin R. Risko
<b>Legislature</b> .....	Benjamin Gielczyk
<b>Licensing and Regulatory Affairs</b> .....	Marcus Coffin
<b>Local Finance</b> .....	Benjamin Gielczyk
<b>Lottery</b> .....	Benjamin Gielczyk
<b>Michigan Strategic Fund</b> .....	Benjamin Gielczyk
<b>Military and Veterans Affairs</b> .....	Kent Dell
<b>Natural Resources</b> .....	Austin Scott
<b>Natural Resources Trust Fund</b> .....	Benjamin Gielczyk; Austin Scott
<b>Retirement</b> .....	Bethany Wicksall
<b>Revenue Forecasting</b> .....	Jim Stansell
<b>Revenue Sharing</b> .....	Jim Stansell; Benjamin Gielczyk
<b>School Aid</b> .....	Bethany Wicksall; Samuel Christensen
<b>State (Department)</b> .....	Michael Crossen
<b>State Police</b> .....	Kent Dell
<b>Supplemental Coordinator</b> .....	Robin R. Risko
<b>Talent and Economic Development</b> .....	Benjamin Gielczyk
<b>Tax Analysis</b> .....	Jim Stansell; Benjamin Gielczyk
<b>Technology, Management, and Budget</b> .....	Michael Crossen
<b>Transfer Coordinator</b> .....	Viola Bay Wild
<b>Transportation</b> .....	William E. Hamilton
<b>Treasury</b> .....	Benjamin Gielczyk
<b>Unemployment Insurance</b> .....	Marcus Coffin



P.O. Box 30014 ■ Lansing, MI 48909-7514  
(517) 373-8080  
[www.house.mi.gov/hfa](http://www.house.mi.gov/hfa)