

**SUBSTITUTE FOR
HOUSE BILL NO. 5579**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 6, 11, 11a, 11j, 11k, 11m, 11s, 15, 18, 19,
20, 20d, 20f, 21f, 21h, 21j, 22a, 22b, 22d, 22m, 22n, 24, 24a, 24c,
25e, 25f, 25g, 26a, 26b, 26c, 31a, 31b, 31d, 31f, 31j, 32d, 32p,
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274, 274c, 274d, 276, 277, 278, 279, 280, 281, 282, and 289 (MCL
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388.1611s, 388.1615, 388.1618, 388.1619, 388.1620, 388.1620d,
388.1620f, 388.1621f, 388.1621h, 388.1621j, 388.1622a, 388.1622b,



388.1622d, 388.1622m, 388.1622n, 388.1624, 388.1624a, 388.1624c,
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 388.1879, 388.1880, 388.1881, 388.1882, and 388.1889), sections 6,
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 264, 265, 265a, 267, 268, 269, 270, 274, 274c, 276, 277, 278, 279,
 280, 281, and 282 as amended and sections 21h, 21j, 22m, 22n, 99k,
 147e, and 274d as added by 2017 PA 108, sections 11, 21f, 25e, 31a,

31j, 32d, 35a, 61c, 64d, 67a, 95b, 99h, 99r, 99t, 102d, 104c, 107, 147a, and 166b as amended and sections 99u and 104e as added by 2017 PA 143, section 19 as amended by 2016 PA 533, and section 289 as amended by 2013 PA 60, and by adding sections 17c, 22o, 25h, 35b, 54d, 68, 68a, 68b, 68c, 110, 167b, 210f, 215, 265b, 265c, 274e, 274f, and 292; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

20 (2) "District and high school graduation rate" means the



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

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

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



1 enrolled and in regular daily attendance in the community district
2 for the immediately preceding school year plus the final audited
3 count from the supplemental count day of pupils in grades K to 12
4 actually enrolled and in regular daily attendance in the education
5 achievement system for the immediately preceding school year. All
6 pupil counts used in this subsection are as determined by the
7 department and calculated by adding the number of pupils registered
8 for attendance plus pupils received by transfer and minus pupils
9 lost as defined by rules promulgated by the superintendent, and as
10 corrected by a subsequent department audit. The amount of the
11 foundation allowance for a pupil in membership is determined under
12 section 20. In making the calculation of membership, all of the
13 following, as applicable, apply to determining the membership of a
14 district, a public school academy, or an intermediate district:

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

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

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

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

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

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

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

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

23 (h) For the purposes of this section and section 6a, for a
24 cyber school, as defined in section 551 of the revised school code,
25 MCL 380.551, that is in compliance with section 553a of the revised
26 school code, MCL 380.553a, a pupil's participation in the cyber
27 school's educational program is considered regular daily



1 attendance, and for a district or public school academy, a pupil's
2 participation in a virtual course as defined in section 21f is
3 considered regular daily attendance.

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

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

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

26 (j) If a district is the authorizing body for a public school
27 academy, then, in the first school year in which pupils are counted



1 in membership on the pupil membership count day in the public
2 school academy, the determination of the district's membership
3 shall exclude from the district's pupil count for the immediately
4 preceding supplemental count day any pupils who are counted in the
5 public school academy on that first pupil membership count day who
6 were also counted in the district on the immediately preceding
7 supplemental count day.

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

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

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

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

25 (A) Is enrolled in a public school academy or an alternative
26 education high school diploma program, that is primarily focused on
27 educating pupils with extreme barriers to education, such as being



1 homeless as defined under 42 USC 11302.

2 (B) Had dropped out of school.

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

5 (iii) If a child does not meet the minimum age requirement to
6 be eligible to attend school for that school year under section
7 1147 of the revised school code, MCL 380.1147, but will be 5 years
8 of age not later than December 1 of that school year, the district
9 may count the child in membership for that school year if the
10 parent or legal guardian has notified the district in writing that
11 he or she intends to enroll the child in kindergarten for that
12 school year.

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

23 (n) If a pupil counted in membership in a public school
24 academy is also educated by a district or intermediate district as
25 part of a cooperative education program, the pupil shall be counted
26 in membership only in the public school academy unless a written
27 agreement signed by all parties designates the party or parties in



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

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

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



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

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

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

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



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

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

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

21 (u) If, as a result of a disciplinary action, a district
22 determines through the district's alternative or disciplinary
23 education program that the best instructional placement for a pupil
24 is in the pupil's home or otherwise apart from the general school
25 population, if that placement is authorized in writing by the
26 district superintendent and district alternative or disciplinary
27 education supervisor, and if the district provides appropriate



1 instruction as described in this subdivision to the pupil at the
2 pupil's home or otherwise apart from the general school population,
3 the district may count the pupil in membership on a pro rata basis,
4 with the proration based on the number of hours of instruction the
5 district actually provides to the pupil divided by the number of
6 hours required under section 101 for full-time equivalency. For the
7 purposes of this subdivision, a district shall be considered to be
8 providing appropriate instruction if all of the following are met:

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

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

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

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

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

27 (w) For a public school academy that has been in operation for



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

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

25 (i) The average of the district's membership for the 3-fiscal-
26 year period ending with that fiscal year, calculated by adding the
27 district's actual membership for each of those 3 fiscal years, as



1 otherwise calculated under this subsection, and dividing the sum of
2 those 3 membership figures by 3.

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

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

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

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



1 the district's immediately preceding supplemental count for the
2 purposes of determining the district's membership.

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

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

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



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

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

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

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

25 (gg) If a special education pupil is expelled under section
26 1311 or 1311a of the revised school code, MCL 380.1311 and
27 380.1311a, and is not in attendance on the pupil membership count



1 day because of the expulsion, and if the pupil remains enrolled in
2 the district and resumes regular daily attendance during that
3 school year, the district's membership shall be adjusted to count
4 the pupil in membership as if he or she had been in attendance on
5 the pupil membership count day.

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

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

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

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

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

26 (iii) The department determines that the college or university
27 is an institution that, in the other state, fulfills a function



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

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

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

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

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

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



1 following:

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

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

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

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

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

15 (f) A pupil who has made an official written complaint or
16 whose parent or legal guardian has made an official written
17 complaint to law enforcement officials and to school officials of
18 the pupil's district of residence that the pupil has been the
19 victim of a criminal sexual assault or other serious assault, if
20 the official complaint either indicates that the assault occurred
21 at school or that the assault was committed by 1 or more other
22 pupils enrolled in the school the pupil would otherwise attend in
23 the district of residence or by an employee of the district of
24 residence. A person who intentionally makes a false report of a
25 crime to law enforcement officials for the purposes of this
26 subdivision is subject to section 411a of the Michigan penal code,
27 1931 PA 328, MCL 750.411a, which provides criminal penalties for



1 that conduct. As used in this subdivision:

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

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

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

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

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

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

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

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

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



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

7 (k) An expelled pupil who has been denied reinstatement by the
8 expelling district and is reinstated by another school board under
9 section 1311 or 1311a of the revised school code, MCL 380.1311 and
10 380.1311a.

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

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

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

21 (o) A pupil who enrolls in a district other than the pupil's
22 district of residence as a result of the pupil's school not making
23 adequate yearly progress under the no child left behind act of
24 2001, Public Law 107-110, or the every student succeeds act, Public
25 Law 114-95.

26 However, except for pupils enrolled in the youth challenge
27 program at the site at which the youth challenge program operated



1 for 2015-2016, if a district educates pupils who reside in another
2 district and if the primary instructional site for those pupils is
3 established by the educating district after 2009-2010 and is
4 located within the boundaries of that other district, the educating
5 district must have the approval of that other district to count
6 those pupils in membership.

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

9 (a) Except as provided in subdivision (b), the first Wednesday
10 in October each school year or, for a district or building in which
11 school is not in session on that Wednesday due to conditions not
12 within the control of school authorities, with the approval of the
13 superintendent, the immediately following day on which school is in
14 session in the district or building.

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

17 (i) Fourth Wednesday in July.

18 (ii) First Wednesday in October.

19 (iii) Second Wednesday in February.

20 (iv) Fourth Wednesday in April.

21 (8) "Pupils in grades K to 12 actually enrolled and in regular
22 daily attendance" means pupils in grades K to 12 in attendance and
23 receiving instruction in all classes for which they are enrolled on
24 the pupil membership count day or the supplemental count day, as
25 applicable. Except as otherwise provided in this subsection, a
26 pupil who is absent from any of the classes in which the pupil is
27 enrolled on the pupil membership count day or supplemental count



1 day and who does not attend each of those classes during the 10
2 consecutive school days immediately following the pupil membership
3 count day or supplemental count day, except for a pupil who has
4 been excused by the district, shall not be counted as 1.0 full-time
5 equated membership. A pupil who is excused from attendance on the
6 pupil membership count day or supplemental count day and who fails
7 to attend each of the classes in which the pupil is enrolled within
8 30 calendar days after the pupil membership count day or
9 supplemental count day shall not be counted as 1.0 full-time
10 equated membership. In addition, a pupil who was enrolled and in
11 attendance in a district, intermediate district, or public school
12 academy before the pupil membership count day or supplemental count
13 day of a particular year but was expelled or suspended on the pupil
14 membership count day or supplemental count day shall only be
15 counted as 1.0 full-time equated membership if the pupil resumed
16 attendance in the district, intermediate district, or public school
17 academy within 45 days after the pupil membership count day or
18 supplemental count day of that particular year. Pupils not counted
19 as 1.0 full-time equated membership due to an absence from a class
20 shall be counted as a prorated membership for the classes the pupil
21 attended. For purposes of this subsection, "class" means a period
22 of time in 1 day when pupils and a certificated teacher or ~~legally~~
23 ~~qualified~~ **AN INDIVIDUAL WORKING UNDER A VALID** substitute teacher
24 **PERMIT, AUTHORIZATION, OR APPROVAL ISSUED BY THE DEPARTMENT**, are
25 together and instruction is taking place.

26 (9) "Rule" means a rule promulgated pursuant to the
27 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to



1 24.328.

2 (10) "The revised school code" means 1976 PA 451, MCL 380.1 to
3 380.1852.

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

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

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

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

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

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

27 (17) "State school aid fund" means the state school aid fund



1 established in section 11 of article IX of the state constitution
2 of 1963.

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

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

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

16 Sec. 11. (1) ~~For the fiscal year ending September 30, 2017,~~
17 ~~there is appropriated for the public schools of this state and~~
18 ~~certain other state purposes relating to education the sum of~~
19 ~~\$12,069,644,300.00 from the state school aid fund, the sum of~~
20 ~~\$179,100,000.00 from the general fund, an amount not to exceed~~
21 ~~\$72,000,000.00 from the community district education trust fund~~
22 ~~created under section 12 of the Michigan trust fund act, 2000 PA~~
23 ~~489, MCL 12.262, and an amount not to exceed \$100.00 from the water~~
24 ~~emergency reserve fund. For the fiscal year ending September 30,~~
25 ~~2018, there is appropriated for the public schools of this state~~
26 ~~and certain other state purposes relating to education the sum of~~
27 ~~\$12,547,270,300.00~~ **\$12,561,077,200.00** from the state school aid



1 fund, the sum of ~~\$215,000,000.00~~ **\$190,000,000.00** from the general
 2 fund, an amount not to exceed \$72,000,000.00 from the community
 3 district education trust fund created under section 12 of the
 4 Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not to
 5 exceed \$23,100,000.00 from the MPERS retirement obligation reform
 6 reserve fund, and an amount not to exceed \$100.00 from the water
 7 emergency reserve fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30,**
 8 **2019, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE**
 9 **AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF**
 10 **\$12,849,145,400.00 FROM THE STATE SCHOOL AID FUND, THE SUM OF**
 11 **\$45,000,000.00 FROM THE GENERAL FUND, AN AMOUNT NOT TO EXCEED**
 12 **\$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND**
 13 **CREATED UNDER SECTION 12 OF THE MICHIGAN TRUST FUND ACT, 2000 PA**
 14 **489, MCL 12.262, AN AMOUNT NOT TO EXCEED \$31,900,000.00 FROM THE**
 15 **MPERS RETIREMENT OBLIGATION REFORM RESERVE FUND, AN AMOUNT NOT TO**
 16 **EXCEED \$100,000,000.00 FROM THE TALENT INVESTMENT FUND, AND AN**
 17 **AMOUNT NOT TO EXCEED \$100.00 FROM THE WATER EMERGENCY RESERVE FUND.**
 18 In addition, all available federal funds are appropriated each
 19 fiscal year for the fiscal years ending September 30, ~~2017-2018~~ and
 20 September 30, ~~2018-2019~~.

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

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



1 the school aid stabilization fund created under section 11a.

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

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

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

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

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

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

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

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



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

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

18 Sec. 11j. From the appropriation in section 11, there is
19 allocated an amount not to exceed \$125,500,000.00 for ~~2017-2018~~
20 **2018-2019** for payments to the school loan bond redemption fund in
21 the department of treasury on behalf of districts and intermediate
22 districts. Notwithstanding section 296 or any other provision of
23 this act, funds allocated under this section are not subject to
24 proration and shall be paid in full.

25 Sec. 11k. For ~~2017-2018,~~ **2018-2019**, there is appropriated from
26 the general fund to the school loan revolving fund an amount equal
27 to the amount of school bond loans assigned to the Michigan finance



1 authority, not to exceed the total amount of school bond loans held
 2 in reserve as long-term assets. As used in this section, "school
 3 loan revolving fund" means that fund created in section 16c of the
 4 shared credit rating act, 1985 PA 227, MCL 141.1066c.

5 Sec. 11m. From the appropriation in section 11, ~~there is~~
 6 ~~allocated for 2016-2017 an amount not to exceed \$5,500,000.00 and~~
 7 there is allocated for 2017-2018 an amount not to exceed
 8 ~~\$6,500,000.00~~ **\$18,000,000.00 AND THERE IS ALLOCATED FOR 2018-2019**
 9 **AN AMOUNT NOT TO EXCEED \$24,000,000.00** for fiscal year cash-flow
 10 borrowing costs solely related to the state school aid fund
 11 established by section 11 of article IX of the state constitution
 12 of 1963.

13 Sec. 11s. (1) From the general fund appropriation in section
 14 11, ~~there is allocated \$10,142,500.00 for 2016-2017 and there is~~
 15 ~~allocated \$8,730,000.00 for 2017-2018~~ **\$3,230,000.00 FOR 2018-2019**
 16 for the purpose of providing services and programs to children who
 17 reside within the boundaries of a district with the majority of its
 18 territory located within the boundaries of a city for which an
 19 executive proclamation of emergency is issued in the current or
 20 immediately preceding ~~2-3~~ fiscal years under the emergency
 21 management act, 1976 PA 390, MCL 30.401 to 30.421. From the funding
 22 appropriated in section 11, there is allocated for ~~each fiscal year~~
 23 ~~for 2016-2017 and for 2017-2018~~ **2018-2019** \$100.00 from the water
 24 emergency reserve fund for the purposes of this section.

25 (2) From the allocation in subsection (1), there is allocated
 26 to a district with the majority of its territory located within the
 27 boundaries of a city in which an executive proclamation of



1 emergency is issued in the current or immediately preceding 2-3
 2 fiscal years and that has at least 4,500 pupils in membership for
 3 the 2016-2017 fiscal year or has at least 4,000 pupils in
 4 membership for a fiscal year after 2016-2017, an amount not to
 5 exceed ~~\$1,292,500.00 for 2016-2017 and an amount not to exceed~~
 6 ~~\$2,625,000.00 for 2017-2018~~ **FOR 2018-2019** for the purpose of
 7 employing school nurses and school social workers. The district
 8 shall provide a report to the department in a form, manner, and
 9 frequency prescribed by the department. The department shall
 10 provide a copy of that report to the governor, the house and senate
 11 school aid subcommittees, the house and senate fiscal agencies, and
 12 the state budget director within 5 days after receipt. The report
 13 shall provide at least the following information:

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

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

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

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

23 ~~—— (3) From the allocation in subsection (1), there is allocated~~
 24 ~~to an intermediate district that has a constituent district~~
 25 ~~described in subsection (2) an amount not to exceed \$1,195,000.00~~
 26 ~~for 2016-2017 and an amount not to exceed \$2,500,000.00 for 2017-~~
 27 ~~2018 to augment staff for the purpose of providing additional early~~



1 ~~childhood services and for nutritional services to children~~
2 ~~described in subsection (1), regardless of location of school of~~
3 ~~attendance. For 2016-2017, the early childhood services to be~~
4 ~~provided under this subsection are state early intervention~~
5 ~~services as described in subsection (4) and early literacy~~
6 ~~services. Beginning with 2017-2018, the early childhood services to~~
7 ~~be provided under this subsection are state early intervention~~
8 ~~services that are similar to the services described in the early on~~
9 ~~Michigan state plan, including ensuring that all children described~~
10 ~~in subsection (1) who are less than 4 years of age as of September~~
11 ~~1, 2016 are assessed and evaluated at least twice annually. In~~
12 ~~addition, funds allocated under this subsection may also be~~
13 ~~expended to provide informational resources to parents, educators,~~
14 ~~and the community, and to coordinate services with other local~~
15 ~~agencies. The intermediate district shall provide a report to the~~
16 ~~department in a form, manner, and frequency approved by the~~
17 ~~department. The department shall provide a copy of that report to~~
18 ~~the governor, the house and senate school aid subcommittees, the~~
19 ~~house and senate fiscal agencies, and the state budget director~~
20 ~~within 5 days after receipt. The report shall provide at least the~~
21 ~~following information:~~

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

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

26 ~~—— (c) What types of additional nutritional services were~~
27 ~~provided.~~



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

3 ~~—— (e) What types of informational resources and coordination~~
4 ~~efforts were provided.~~

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

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

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



1 **(3)** ~~(6)~~ For ~~2017-2018, 2018-2019~~, from the allocation in
2 subsection (1), there is allocated an amount not to exceed
3 \$605,000.00 for nutritional services to children described in
4 subsection (1).

5 **(4)** ~~(7)~~ In addition to other funding allocated and
6 appropriated in this section, there is appropriated an amount not
7 to exceed \$15,000,000.00 ~~each fiscal year for 2016-2017 and 2017-~~
8 ~~2018~~ **FOR 2018-2019** for state restricted contingency funds. These
9 contingency funds are not available for expenditure until they have
10 been transferred to a section within this article under section
11 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

12 **(5)** ~~(8)~~ Notwithstanding section 17b, payments under this
13 section shall be paid on a schedule determined by the department.

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



1 141.942, or from the proceeds of millage levied or pledged under
2 section 1211 of the revised school code, MCL 380.1211. State aid
3 overpayments made in special education or special education
4 transportation payments may be recovered from subsequent special
5 education or special education transportation payments, from the
6 proceeds of a loan to the district under the emergency municipal
7 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
8 of millage levied or pledged under section 1211 of the revised
9 school code, MCL 380.1211.

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



1 following apply:

2 (a) The district would otherwise experience a significant
3 hardship in satisfying its financial obligations.

4 (b) The district would otherwise experience a significant
5 hardship in satisfying its responsibility to provide instruction to
6 its pupils.

7 (c) The district has taken sufficient corrective action to
8 ensure that the circumstance or circumstances that necessitated the
9 adjustment under this subsection do not recur.

10 (3) If, based on an audit by the department or the
11 department's designee or because of new or updated information
12 received by the department, the department determines that the
13 amount paid to a district or intermediate district under this
14 article for the current fiscal year ~~or a prior fiscal year~~ was
15 incorrect, the department shall make the appropriate deduction or
16 payment in the district's or intermediate district's allocation in
17 the next apportionment after the adjustment is finalized. The
18 deduction or payment shall be calculated according to the law in
19 effect in the fiscal year in which the incorrect amount was paid.
20 If the district does not receive an allocation for the fiscal year
21 or if the allocation is not sufficient to pay the amount of any
22 deduction, the amount of any deduction otherwise applicable shall
23 be satisfied from the proceeds of a loan to the district under the
24 emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942,
25 or from the proceeds of millage levied or pledged under section
26 1211 of the revised school code, MCL 380.1211, as determined by the
27 department.



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

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

9 ~~(6) The department shall not deduct any funds from a district
 10 due to a pupil being counted in membership before the effective
 11 date of the amendatory act that added section 6(4)(jj), or
 12 otherwise reduce an allocation under this article to a district
 13 relative to the counting of a pupil in membership as provided under
 14 section 6(4)(jj), if the district substantially complied with the
 15 requirements under section 6(4)(jj) in a previous fiscal year as if
 16 section 6(4)(jj) had been in effect in the previous fiscal year.~~

17 (6) ~~(7)~~—In addition to funds appropriated in section 11 for
 18 all programs and services, there is appropriated for 2017–2018
 19 2018–2019 for obligations in excess of applicable appropriations an
 20 amount equal to the collection of overpayments, but not to exceed
 21 amounts available from overpayments.

22 **SEC. 17C. (1) EXCEPT AS OTHERWISE PROVIDED UNDER THIS ARTICLE,**
 23 **THE DEPARTMENT SHALL DO ALL OF THE FOLLOWING FOR FUNDS APPROPRIATED**
 24 **UNDER THIS ARTICLE FOR GRANTS TO DISTRICTS AND INTERMEDIATE**
 25 **DISTRICTS OR FOR CONTRACTS WITH ELIGIBLE ENTITIES:**

26 (A) NOT LATER THAN AUGUST 1 OF EACH FISCAL YEAR, OPEN THE
 27 GRANT APPLICATION OR BID PROCESS FOR FUNDS APPROPRIATED FOR THE



1 SUBSEQUENT FISCAL YEAR. THE DEPARTMENT SHALL ALSO PROVIDE TO
2 DISTRICTS AND INTERMEDIATE DISTRICTS, AND POST ON ITS PUBLICLY
3 ACCESSIBLE WEBSITE, THE GRANT APPLICATION, CONTRACT BID, AND AWARD
4 PROCESS SCHEDULE AND THE LIST OF STATE GRANTS AND CONTRACTS
5 AVAILABLE IN THE SUBSEQUENT FISCAL YEAR.

6 (B) ON OCTOBER 1 OF EACH FISCAL YEAR, CLOSE THE GRANT
7 APPLICATION OR BID PROCESS UNDER SUBDIVISION (A) AND BEGIN THE
8 AWARD PROCESS FOR FUNDS APPROPRIATED IN THAT FISCAL YEAR.

9 (C) NOT LATER THAN NOVEMBER 1 OF EACH FISCAL YEAR, PUBLISH
10 GRANT OR CONTRACT AWARDS FOR FUNDS APPROPRIATED IN THAT FISCAL
11 YEAR.

12 (2) GRANTS AND CONTRACTS AWARDED FROM FUNDS APPROPRIATED UNDER
13 THIS ARTICLE ARE NOT SUBJECT TO APPROVAL BY THE STATE BOARD.

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



1 article the apportionment otherwise due upon a violation by the
2 recipient.

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

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

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

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

21 (A) Salaries and wages.

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

25 (C) Retirement benefit costs.

26 (D) All other personnel costs.

27 (ii) A chart of all district expenditures, broken into the



1 following subcategories:

2 (A) Instruction.

3 (B) Support services.

4 (C) Business and administration.

5 (D) Operations and maintenance.

6 (c) Links to all of the following:

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

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

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

16 (iv) The bids required under section 5 of the public employees
17 health ~~benefits~~-**BENEFIT** act, 2007 PA 106, MCL 124.75.

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

20 (vi) The district's written policy establishing specific
21 categories of reimbursable expenses, as described in section
22 1254(2) of the revised school code, MCL 380.1254.

23 (vii) Either the district's accounts payable check register
24 for the most recent school fiscal year or a statement of the total
25 amount of expenses incurred by board members or employees of the
26 district that were reimbursed by the district for the most recent
27 school fiscal year.



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

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

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

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

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

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

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

26 (4) For the purposes of determining the reasonableness of
27 expenditures, whether a district or intermediate district has



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

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

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



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

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

9 (e) All of the following shall be done not later than November
10 1 each year for reporting the prior fiscal year data:

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

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

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

19 (f) The annual financial audit reports and pupil accounting
20 procedures reports shall be available to the public in compliance
21 with the freedom of information act, 1976 PA 442, MCL 15.231 to
22 15.246.

23 (g) Not later than January 31 of each year, the department
24 shall notify the state budget director and the legislative
25 appropriations subcommittees responsible for review of the school
26 aid budget of districts and intermediate districts that have not
27 filed an annual financial audit and pupil accounting procedures



1 report required under this section for the school year ending in
2 the immediately preceding fiscal year.

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

25 (6) By September 30 of each year, each district and
26 intermediate district shall file with the ~~department~~ **CENTER** the
27 special education actual cost report, known as "SE-4096", on a form



1 and in the manner prescribed by the ~~department~~.**CENTER.**

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

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

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

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

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



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

7 (12) By November 1 of each year, if a district or intermediate
8 district offers virtual learning under section 21f, **OR FOR A SCHOOL**
9 **OF EXCELLENCE THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF**
10 **THE REVISED SCHOOL CODE, MCL 380.551**, the district or intermediate
11 district shall submit to the department a report that details the
12 per-pupil costs of operating the virtual learning by vendor type
13 **AND VIRTUAL LEARNING MODEL**. The report shall include ~~at least all~~
14 ~~of the following~~ information concerning the operation of virtual
15 learning for the immediately preceding school fiscal year:

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

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

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

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

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



1 ~~—— (f) The number of participating students who had previously~~
 2 ~~been expelled from school.~~

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

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

**YEAR, INCLUDING INFORMATION CONCERNING SUMMER
 PROGRAMMING. INFORMATION MUST BE COLLECTED IN A FORM AND MANNER
 DETERMINED BY THE DEPARTMENT AND MUST BE COLLECTED IN THE MOST
 EFFICIENT MANNER POSSIBLE TO REDUCE THE ADMINISTRATIVE BURDEN ON
 REPORTING ENTITIES.**

17 (13) By March 31 of each year, the department shall submit to
 18 the house and senate appropriations subcommittees on state school
 19 aid, the state budget director, and the house and senate fiscal
 20 agencies a report summarizing the per-pupil costs by vendor type of
 21 virtual courses available under section 21f **AND 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.**

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

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



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

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

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

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

11 (16) Beginning October 1, ~~2017, and not less than once every 3~~
12 ~~months after that date, the~~ **2018, AND ANNUALLY THEREAFTER, THE**
13 department shall submit to the senate and house subcommittees on
14 school aid and to the senate and house standing committees on
15 education an itemized list of allocations under this article to any
16 association or consortium consisting of associations **IN THE**
17 **IMMEDIATELY PRECEDING FISCAL YEAR.** The report shall detail the
18 recipient or recipients, the amount allocated, and the purpose for
19 which the funds were distributed.

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



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

22 (3) By the first business day in December and by ~~June 30~~ **THE**
23 **LAST BUSINESS DAY IN JUNE** of each year, a district shall furnish to
24 the center, in a manner prescribed by the center, information
25 related to educational personnel as necessary for reporting
26 required by state and federal law. For the purposes of this
27 subsection, the center shall only require districts and



1 intermediate districts to report information that is not already
2 available from the office of retirement services in the department
3 of technology, management, and budget.

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

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

26 (6) Beginning in 2016-2017, the department shall implement
27 statewide standard reporting requirements for education data



1 approved by the department in conjunction with the center. The
2 department shall work with the center, intermediate districts,
3 districts, and other interested stakeholders to implement this
4 policy change. A district or intermediate district shall implement
5 the statewide standard reporting requirements not later than 2017-
6 2018 or when a district or intermediate district updates its
7 education data reporting system, whichever is later.

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

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

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

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

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

19 (a) Except as otherwise provided in this subdivision, for a
20 district that had a foundation allowance for the immediately
21 preceding state fiscal year that was at least equal to the minimum
22 foundation allowance for the immediately preceding state fiscal
23 year, but less than the basic foundation allowance for the
24 immediately preceding state fiscal year, the district shall receive
25 a foundation allowance in an amount equal to the sum of the
26 district's foundation allowance for the immediately preceding state
27 fiscal year plus the difference between twice the dollar amount of



1 the adjustment from the immediately preceding state fiscal year to
2 the current state fiscal year made in the basic foundation
3 allowance and [(the difference between the basic foundation
4 allowance for the current state fiscal year and basic foundation
5 allowance for the immediately preceding state fiscal year minus
6 ~~\$20.00~~-\$40.00) times (the difference between the district's
7 foundation allowance for the immediately preceding state fiscal
8 year and the minimum foundation allowance for the immediately
9 preceding state fiscal year) divided by the difference between the
10 basic foundation allowance for the current state fiscal year and
11 the minimum foundation allowance for the immediately preceding
12 state fiscal year.] However, the foundation allowance for a
13 district that had less than the basic foundation allowance for the
14 immediately preceding state fiscal year shall not exceed the basic
15 foundation allowance for the current state fiscal year.

16 (b) Except as otherwise provided in this subsection, for a
17 district that in the immediately preceding state fiscal year had a
18 foundation allowance in an amount equal to the amount of the basic
19 foundation allowance for the immediately preceding state fiscal
20 year, the district shall receive a foundation allowance for ~~2017-~~
21 ~~2018-2019~~ **2018-2019** in an amount equal to the basic foundation allowance
22 for ~~2017-2018-2018-2019~~.

23 (c) For a district that had a foundation allowance for the
24 immediately preceding state fiscal year that was greater than the
25 basic foundation allowance for the immediately preceding state
26 fiscal year, the district's foundation allowance is an amount equal
27 to the sum of the district's foundation allowance for the



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

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

14 (e) For a district that received a foundation allowance
15 supplemental payment calculated under section 20m and paid under
16 section 22b for ~~2016-2017,~~ **2017-2018**, the district's ~~2016-2017~~
17 **2017-2018** foundation allowance is considered to have been an amount
18 equal to the sum of the district's actual ~~2016-2017~~ **2017-2018**
19 foundation allowance as otherwise calculated under this section
20 plus the lesser of the per pupil amount of the district's
21 supplemental payment for ~~2016-2017~~ **2017-2018** as calculated under
22 section 20m or the product of the district's foundation allowance
23 for the immediately preceding state fiscal year times the
24 percentage increase in the United States ~~consumer price index~~
25 **CONSUMER PRICE INDEX** in the calendar year ending in the immediately
26 preceding fiscal year as reported by the May revenue estimating
27 conference conducted under section 367b of the management and



1 budget act, 1984 PA 431, MCL 18.1367b.

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



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

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

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



1 for pupils in membership, other than special education pupils, in a
2 public school academy that is a cyber school and is authorized by a
3 school district, the allocation calculated under this section is an
4 amount per membership pupil other than special education pupils in
5 the public school academy equal to the foundation allowance of the
6 district that authorized the public school academy or the state
7 maximum public school academy allocation, whichever is less.
8 However, a public school academy that had an allocation under this
9 subsection before 2009-2010 that was equal to the sum of the local
10 school operating revenue per membership pupil other than special
11 education pupils for the district in which the public school
12 academy is located and the state portion of that district's
13 foundation allowance shall not have that allocation reduced as a
14 result of the 2010 amendment to this subsection. Notwithstanding
15 section 101, for a public school academy that begins operations
16 after the pupil membership count day, the amount per membership
17 pupil calculated under this subsection shall be adjusted by
18 multiplying that amount per membership pupil by the number of hours
19 of pupil instruction provided by the public school academy after it
20 begins operations, as determined by the department, divided by the
21 minimum number of hours of pupil instruction required under section
22 101(3). The result of this calculation shall not exceed the amount
23 per membership pupil otherwise calculated under this subsection.

24 (7) Except as otherwise provided in this subsection, for
25 pupils in membership, other than special education pupils, in a
26 community district, the allocation calculated under this section is
27 an amount per membership pupil other than special education pupils



1 in the community district equal to the foundation allowance of the
2 qualifying school district, as described in section 12b of the
3 revised school code, MCL 380.12b, that is located within the same
4 geographic area as the community district.

5 (8) Subject to subsection (4), for a district that is formed
6 or reconfigured after June 1, 2002 by consolidation of 2 or more
7 districts or by annexation, the resulting district's foundation
8 allowance under this section beginning after the effective date of
9 the consolidation or annexation shall be the lesser of the sum of
10 the average of the foundation allowances of each of the original or
11 affected districts, calculated as provided in this section,
12 weighted as to the percentage of pupils in total membership in the
13 resulting district who reside in the geographic area of each of the
14 original or affected districts plus \$100.00 or the highest
15 foundation allowance among the original or affected districts. This
16 subsection does not apply to a receiving district unless there is a
17 subsequent consolidation or annexation that affects the district.
18 The calculation under this subsection shall take into account a
19 district's per-pupil allocation under section 20m.

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

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

27 (11) To assist the legislature in determining the basic



1 foundation allowance for the subsequent state fiscal year, each
2 revenue estimating conference conducted under section 367b of the
3 management and budget act, 1984 PA 431, MCL 18.1367b, shall
4 calculate a pupil membership factor, a revenue adjustment factor,
5 and an index as follows:

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

16 (b) The revenue adjustment factor shall be computed by
17 dividing the sum of the estimated total state school aid fund
18 revenue for the subsequent state fiscal year plus the estimated
19 total state school aid fund revenue for the current state fiscal
20 year, adjusted for any change in the rate or base of a tax the
21 proceeds of which are deposited in that fund and excluding money
22 transferred into that fund from the countercyclical budget and
23 economic stabilization fund under the management and budget act,
24 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
25 total school aid fund revenue for the current state fiscal year
26 plus the estimated total state school aid fund revenue for the
27 immediately preceding state fiscal year, adjusted for any change in



1 the rate or base of a tax the proceeds of which are deposited in
2 that fund. If a consensus revenue factor is not determined at the
3 revenue estimating conference, the principals of the revenue
4 estimating conference shall report their estimates to the house and
5 senate subcommittees responsible for school aid appropriations not
6 later than 7 days after the conclusion of the revenue conference.

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

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

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

23 (14) As used in this section:

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

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



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

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

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

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

13 (f) "Immediately preceding state fiscal year" means the state
14 fiscal year immediately preceding the current state fiscal year.

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

26 (h) "Local school operating revenue" means school operating
27 taxes levied under section 1211 of the revised school code, MCL



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

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

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



1 state fiscal year.] For the purposes of this subdivision, for ~~2017-~~
2 ~~2018,~~ **2018-2019**, the maximum public school academy allocation is
3 ~~\$7,631.00.~~ **\$7,871.00.**

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

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

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

17 (n) "Receiving district" means a district to which all or part
18 of the territory of a dissolved district is attached under section
19 12 of the revised school code, MCL 380.12.

20 (o) "School operating purposes" means the purposes included in
21 the operation costs of the district as prescribed in sections 7 and
22 18 and purposes authorized under section 1211 of the revised school
23 code, MCL 380.1211.

24 (p) "School operating taxes" means local ad valorem property
25 taxes levied under section 1211 of the revised school code, MCL
26 380.1211, and retained for school operating purposes.

27 (q) "Tax increment financing acts" means 1975 PA 197, MCL



1 125.1651 to 125.1681, the tax increment finance authority act, 1980
2 PA 450, MCL 125.1801 to 125.1830, the local development financing
3 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
4 redevelopment financing act, 1996 PA 381, MCL 125.2651 to ~~125.2672,~~
5 **125.1670**, or the corridor improvement authority act, 2005 PA 280,
6 MCL 125.2871 to 125.2899.

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

13 Sec. 20d. In making the final determination required under
14 former section 20a of a district's combined state and local revenue
15 per membership pupil in 1993-94 and in making calculations under
16 section 20 for ~~2017-2018, 2018-2019~~, the department and the
17 department of treasury shall comply with all of the following:

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



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

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

24 Sec. 20f. (1) From the funds appropriated in section 11, there
25 is allocated an amount not to exceed \$18,000,000.00 for ~~2017-2018~~
26 **2018-2019** for payments to eligible districts under this section.

27 (2) The funding under this subsection is from the allocation



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

5 (a) The increase in the district's foundation allowance or
6 per-pupil payment as calculated under section 20 from 2012-2013 to
7 2013-2014.

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

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

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

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

22 (a) The increase in the district's foundation allowance or
23 per-pupil payment as calculated under section 20 from 2014-2015 to
24 2015-2016.

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

27 (c) The decrease in the district's pupil performance per-pupil



1 funding under former section 22j from 2014-2015 to 2015-2016.

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

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

10 (a) The increase in the district's foundation allowance or
11 per-pupil payment as calculated under section 20 from 2014-2015 to
12 2015-2016.

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

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

17 (d) The quotient of the district's allocation under section
18 31a for 2015-2016 divided by the district's membership pupils for
19 2015-2016 minus the quotient of the district's allocation under
20 section 31a for 2014-2015 divided by the district's membership
21 pupils for 2014-2015.

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

26 Sec. 21f. (1) A primary district shall enroll an eligible
27 pupil in virtual courses in accordance with the provisions of this



1 section. A primary district shall not offer a virtual course to an
2 eligible pupil unless the virtual course is published in the
3 primary district's catalog of board-approved courses or in the
4 statewide catalog of virtual courses maintained by the Michigan
5 Virtual University pursuant to section 98. The primary district
6 shall also provide on its publicly accessible website a link to the
7 statewide catalog of virtual courses maintained by the Michigan
8 Virtual University. Unless the pupil is at least age 18 or is an
9 emancipated minor, a pupil shall not be enrolled in a virtual
10 course without the consent of the pupil's parent or legal guardian.

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

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

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

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

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

26 (4) If the number of applicants eligible for acceptance in a
27 virtual course does not exceed the capacity of the provider to



1 provide the virtual course, the provider shall accept for
2 enrollment all of the applicants eligible for acceptance. If the
3 number of applicants exceeds the provider's capacity to provide the
4 virtual course, the provider shall use a random draw system,
5 subject to the need to abide by state and federal
6 antidiscrimination laws and court orders. A primary district that
7 is also a provider shall determine whether or not it has the
8 capacity to accept applications for enrollment from nonresident
9 applicants in virtual courses and may use that limit as the reason
10 for refusal to enroll a nonresident applicant.

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

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

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

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

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

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

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



1 (g) The virtual course is of insufficient quality or rigor. A
2 primary district that denies a pupil enrollment request for this
3 reason shall enroll the pupil in a virtual course in the same or a
4 similar subject that the primary district determines is of
5 acceptable rigor and quality.

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

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

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

17 (6) If a pupil is denied enrollment in a virtual course by the
18 pupil's primary district, the primary district shall provide
19 written notification to the pupil of the denial, the reason or
20 reasons for the denial pursuant to subsection (5), and a
21 description of the appeal process. The pupil may appeal the denial
22 by submitting a letter to the superintendent of the intermediate
23 district in which the pupil's primary district is located. The
24 letter of appeal shall include the reason provided by the primary
25 district for not enrolling the pupil and the reason why the pupil
26 is claiming that the enrollment should be approved. The
27 intermediate district superintendent or designee shall respond to

1 the appeal within 5 days after it is received. If the intermediate
2 district superintendent or designee determines that the denial of
3 enrollment does not meet 1 or more of the reasons specified in
4 subsection (5), the primary district shall enroll the pupil in the
5 virtual course.

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

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

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

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

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

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



1 (ii) Not later than October 1 of each fiscal year, provide the
2 Michigan Virtual University with an aggregated count of enrollments
3 for each virtual course the provider delivered to pupils pursuant
4 to this section during the immediately preceding school year, and
5 the number of enrollments in which the pupil earned 60% or more of
6 the total course points for each virtual course.

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

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

14 (10) For a pupil enrolled in 1 or more virtual courses, the
15 primary district shall use foundation allowance or per-pupil funds
16 calculated under section 20 to pay for the expenses associated with
17 the virtual course or courses. A primary district is not required
18 to pay toward the cost of a virtual course an amount that exceeds
19 6.67% of the minimum foundation allowance for the current fiscal
20 year as calculated under section 20.

21 (11) A virtual learning pupil shall have the same rights and
22 access to technology in his or her primary district's school
23 facilities as all other pupils enrolled in the pupil's primary
24 district. The department shall establish standards for hardware,
25 software, and ~~Internet~~**INTERNET** access for pupils who are enrolled
26 in more than 2 virtual courses in an academic term, semester, or
27 trimester taken at a location other than a school facility.



1 (12) If a pupil successfully completes a virtual course, as
2 determined by the pupil's primary district, the pupil's primary
3 district shall grant appropriate academic credit for completion of
4 the course and shall count that credit toward completion of
5 graduation and subject area requirements. A pupil's school record
6 and transcript shall identify the virtual course title as it
7 appears in the virtual course syllabus.

8 (13) The enrollment of a pupil in 1 or more virtual courses
9 shall not result in a pupil being counted as more than 1.0 full-
10 time equivalent pupils under this article. The minimum requirements
11 to count the pupil in membership are those established by the pupil
12 accounting manual as it was in effect for the 2015-2016 school year
13 or as subsequently amended by the department if the department
14 notifies the legislature about the proposed amendment at least 60
15 days before the amendment becomes effective.

16 (14) As used in this section:

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

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

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



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

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

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

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

11 (iii) Is responsible for providing instruction, determining
12 instructional methods for each pupil, diagnosing learning needs,
13 assessing pupil learning, prescribing intervention strategies and
14 modifying lessons, reporting outcomes, and evaluating the effects
15 of instruction and support strategies.

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

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

20 (f) "Virtual course" means a course of study that is capable
21 of generating a credit or a grade and that is provided in an
22 interactive learning environment where the majority of the
23 curriculum is delivered using the ~~Internet~~**INTERNET** and in which
24 pupils may be separated from their instructor or teacher of record
25 by time or location, or both.

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



1 (i) An alignment document detailing how the course meets
2 applicable state standards or, if the state does not have state
3 standards, nationally recognized standards.

4 (ii) The virtual course content outline.

5 (iii) The virtual course required assessments.

6 (iv) The virtual course prerequisites.

7 (v) Expectations for actual instructor or teacher of record
8 contact time with the virtual learning pupil and other
9 communications between a pupil and the instructor or teacher of
10 record.

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

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

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

15 (ix) The name of the institution or organization providing the
16 instructor or teacher of record.

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

20 (xi) The number of eligible pupils that will be accepted by
21 the provider in the virtual course. A primary district that is also
22 the provider may limit the enrollment to those pupils enrolled in
23 the primary district.

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

27 (h) "Virtual learning pupil" means a pupil enrolled in 1 or

1 more virtual courses.

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

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

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

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



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

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

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

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

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

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

25 (4) Funds allocated under this section may be used to pay for
26 district expenditures approved by the superintendent to improve
27 student achievement. Funds may be used for professional development

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

9 (5) The department shall annually report to the legislature on
 10 the activities funded under this section and how those activities
 11 impacted student achievement in eligible districts that received
 12 funds under this section.

13 Sec. 21j. (1) From the ~~general fund~~ **TALENT INVESTMENT FUND**
 14 appropriation in section 11, there is allocated an amount not to
 15 exceed ~~\$500,000.00 for 2017-2018~~ **\$2,500,000.00 FOR 2018-2019** for
 16 competitive grants to districts **OR CONSORTIA OF 2 OR MORE DISTRICTS**
 17 for the design and implementation of competency-based education
 18 programs. ~~to provide enhanced choice to pupils and parents for the~~
 19 ~~completion of the requirements for kindergarten through a high~~
 20 ~~school diploma, including the Michigan merit standard under~~
 21 ~~sections 1278a and 1278b of the revised school code, MCL 380.1278a~~
 22 ~~and 380.1278b.~~

23 (2) **A GRANT UNDER THIS SECTION SHALL NOT EXCEED \$100,000.00.**

24 (3) ~~(2)~~—A district seeking a grant under this section shall
 25 apply in a form and manner prescribed by the department.
 26 Applications under this section shall contain all of the following:

27 (a) An educational model that allows the use of multiple and



1 innovative methods to determine pupils' achievement of grade-level
2 competencies and credit under the Michigan merit curriculum in a
3 subject area or combined subject areas, including, at least, public
4 presentations, submission of research papers, attaining marketable
5 workforce credentials, and mentoring other students. Competency
6 assessments used to determine mastery must be aligned to Michigan's
7 academic standards.

8 (b) Curriculum that allows for a majority of instructional
9 time to be spent on student-driven projects, including a capstone
10 project as part of high school graduation requirements, if
11 applicable. These projects shall include multiple subject areas and
12 21st century skills such as leadership, teamwork, problem solving,
13 and communication. Instruction time may be during a nontraditional
14 school calendar.

15 (c) A comprehensive formative assessment system to monitor
16 student academic achievement pace and ensure that students receive
17 timely, differentiated academic support based on their individual
18 learning needs in different subject areas.

19 (d) An innovative partnership with employers or institutes of
20 higher education, or both, to provide contextualized learning
21 opportunities that emphasize attainment of competencies that
22 include application and creation of knowledge, along with the
23 development of work-ready skills.

24 (e) A plan for the transition away from a grade-level system
25 of student promotion to a competency-based system of student
26 promotion. This plan shall include messaging to parents describing
27 the benefits of, and steps taken to implement, a competency-based



1 instructional model.

2 (f) A plan for a scope and timeline of professional
3 development for school instructional and administrative staff.

4 (g) A commitment to maintain participation in statewide
5 assessment and accountability systems for students being served by
6 programs funded under this section.

7 **(H) A DESCRIPTION OF HOW THE APPLICANT WILL BE AN AMBASSADOR**
8 **FOR COMPETENCY-BASED LEARNING, INCLUDING A COMMITMENT TO MENTOR**
9 **OTHER DISTRICTS THAT WISH TO CONVERT TO A COMPETENCY-BASED**
10 **INSTRUCTIONAL MODEL.**

11 **(I)** ~~(h)~~ Any other information determined by the department to
12 be necessary to evaluate the grant proposals.

13 **(4)** ~~(3)~~ Not later than ~~March 31, 2018,~~ **JANUARY 31, 2019,** the
14 department, **IN COLLABORATION WITH THE DEPARTMENT OF TALENT AND**
15 **ECONOMIC DEVELOPMENT,** shall announce grant recipients. The
16 department shall provide any necessary and applicable waivers to
17 grant recipients for the purpose of implementing the proposals,
18 **WITH THE EXCEPTION OF ANY WAIVER RELATED TO STATE ASSESSMENTS.**

19 **(5)** ~~(4)~~ ~~Grants funded under this section for 2017-2018 are~~
20 ~~intended to be the first of 3 years of funding.~~ Upon completion of
21 the planning phase described in this section, the department shall
22 collect information necessary from grant recipients to compile a
23 report. The report shall include, at least, the following
24 information:

25 ~~(a) A description of program implementation, including when~~
26 ~~implementation will begin, identification of competencies to be~~
27 ~~included, identified best practices for adoption and~~



1 ~~implementation, and types of assessments used to evaluate a~~
 2 ~~student's mastery of those competencies.~~

3 ~~—— (b) The number of students participating.~~

4 ~~—— (c) Identification of specific barriers for students and~~
 5 ~~districts in implementing a competency-based learning instructional~~
 6 ~~model and ways to address those barriers.~~

7 ~~—— (d) The feasibility of expanding competency-based education~~
 8 ~~models statewide, including needed policy changes.~~

9 ~~—— (e) Increases in student achievement, postsecondary~~
 10 ~~attainment, employment, and 21st century skills acquisition as a~~
 11 ~~result of the transition to competency-based learning and how these~~
 12 ~~outcomes can be improved by other districts adopting the model.~~

13 **(A) A DESCRIPTION OF SUCCESSES AND CHALLENGES IMPLEMENTING**
 14 **COMPETENCY-BASED INSTRUCTIONAL MODELS, INCLUDING THE IDENTIFICATION**
 15 **OF SPECIFIC BARRIERS FOR PUPILS AND DISTRICTS IN IMPLEMENTING A**
 16 **COMPETENCY-BASED LEARNING INSTRUCTIONAL MODEL AND WAYS TO ADDRESS**
 17 **THOSE BARRIERS.**

18 **(B) AN IDENTIFICATION OF BEST PRACTICES FOR ADOPTION AND**
 19 **IMPLEMENTATION OF A COMPETENCY-BASED LEARNING INSTRUCTIONAL MODEL.**

20 **(C) RECOMMENDATIONS FOR COMPETENCIES TO BE INCLUDED IN A HIGH-**
 21 **QUALITY COMPETENCY-BASED LEARNING INSTRUCTIONAL MODEL.**

22 **(D) THE TYPES OF ASSESSMENTS USED TO EVALUATE A PUPIL'S**
 23 **MASTERY OF THOSE COMPETENCIES.**

24 **(E) INCREASES IN PUPIL ACHIEVEMENT, POSTSECONDARY ATTAINMENT,**
 25 **EMPLOYMENT, AND THE ACQUISITION OF SKILLS SUCH AS LEADERSHIP,**
 26 **CRITICAL THINKING, AND PERSEVERANCE AS A RESULT OF THE TRANSITION**
 27 **TO COMPETENCY-BASED LEARNING AND HOW THESE OUTCOMES CAN BE REALIZED**



1 BY OTHER DISTRICTS ADOPTING THE MODEL.

2 (F) THE FEASIBILITY OF EXPANDING COMPETENCY-BASED EDUCATION
3 MODELS STATEWIDE, INCLUDING NEEDED POLICY CHANGES.

4 (6) ~~(5)~~—The report required under this section shall be
5 provided by the department to the DEPARTMENT OF TALENT AND ECONOMIC
6 DEVELOPMENT, THE house and senate appropriations subcommittees on
7 school aid, THE HOUSE AND SENATE FISCAL AGENCIES, and the state
8 budget director no later than December 1, ~~2018~~-2020.

9 (7) FROM THE TALENT INVESTMENT FUND APPROPRIATION IN SECTION
10 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$450,000.00 FOR
11 STATEWIDE SUPPORTS AND \$50,000.00 FOR ADMINISTRATION OF GRANTS
12 UNDER THIS SECTION. THE DEPARTMENT SHALL DEVELOP THE NECESSARY
13 CAPACITY-BUILDING INFRASTRUCTURE, TOOLS, TRANSCRIPTS, AND REPORTING
14 MECHANISMS TO SUPPORT THE IMPLEMENTATION OF COMPETENCY-BASED
15 EDUCATION MODELS IN DISTRICTS AND CONSORTIA OF DISTRICTS RECEIVING
16 FUNDING UNDER SUBSECTION (1) WITH THE GOAL OF OFFERING THESE TOOLS
17 STATEWIDE. THE DEPARTMENT SHALL COLLABORATE WITH GRANT RECIPIENTS
18 TO SUPPORT THE STATEWIDE IMPLEMENTATION OF COMPETENCY-BASED
19 EDUCATION, UTILIZING THE INFORMATION COLLECTED FROM THE REPORTING
20 REQUIREMENTS IN SUBSECTION (5).

21 Sec. 22a. (1) From the appropriation in section 11, ~~there is~~
22 ~~allocated an amount not to exceed \$5,207,000,000.00 for 2016-2017~~
23 ~~and there is allocated an amount not to exceed \$5,181,800,000.00~~
24 \$5,176,000,000.00 for 2017-2018 AND THERE IS ALLOCATED AN AMOUNT
25 NOT TO EXCEED \$5,122,000,000.00 FOR 2018-2019 for payments to
26 districts and qualifying public school academies to guarantee each
27 district and qualifying public school academy an amount equal to



1 its 1994-95 total state and local per pupil revenue for school
2 operating purposes under section 11 of article IX of the state
3 constitution of 1963. Pursuant to section 11 of article IX of the
4 state constitution of 1963, this guarantee does not apply to a
5 district in a year in which the district levies a millage rate for
6 school district operating purposes less than it levied in 1994.
7 However, subsection (2) applies to calculating the payments under
8 this section. Funds allocated under this section that are not
9 expended in the state fiscal year for which they were allocated, as
10 determined by the department, may be used to supplement the
11 allocations under sections 22b and 51c in order to fully fund those
12 calculated allocations for the same fiscal year.

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

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



1 valorem property tax revenue of the district captured under tax
2 increment financing acts divided by the district's membership. For
3 a district that has a millage reduction required under section 31
4 of article IX of the state constitution of 1963, the state portion
5 of the district's foundation allowance shall be calculated as if
6 that reduction did not occur. For a receiving district, if school
7 operating taxes are to be levied on behalf of a dissolved district
8 that has been attached in whole or in part to the receiving
9 district to satisfy debt obligations of the dissolved district
10 under section 12 of the revised school code, MCL 380.12, taxable
11 value per membership pupil of all property in the receiving
12 district that is nonexempt property and taxable value per
13 membership pupil of property in the receiving district that is
14 commercial personal property do not include property within the
15 geographic area of the dissolved district; ad valorem property tax
16 revenue of the receiving district captured under tax increment
17 financing acts does not include ad valorem property tax revenue
18 captured within the geographic boundaries of the dissolved district
19 under tax increment financing acts; and certified mills do not
20 include the certified mills of the dissolved district. For a
21 community district, the allocation as otherwise calculated under
22 this section shall be reduced by an amount equal to the amount of
23 local school operating tax revenue that would otherwise be due to
24 the community district if not for the operation of section 386 of
25 the revised school code, MCL 380.386, and the amount of this
26 reduction shall be offset by the increase in funding under section
27 22b(2).



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

25 (3) Beginning in 2003-2004, for pupils in membership in a
26 qualifying public school academy, there is allocated under this
27 section to the authorizing body that is the fiscal agent for the



1 qualifying public school academy for forwarding to the qualifying
2 public school academy an amount equal to the 1994-95 per pupil
3 payment to the qualifying public school academy under section 20.

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

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

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

27 (7) As used in this section:



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

5 (b) "Certified mills" means the lesser of 18 mills or the
6 number of mills of school operating taxes levied by the district in
7 1993-94.

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

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

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

25 (f) "Hold harmless millage" means, for a district with a 1994-
26 95 foundation allowance greater than \$6,500.00, the number of mills
27 by which the exemption from the levy of school operating taxes on a



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

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

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

24 (i) "Nonexempt property" means property that is not a
25 principal residence, qualified agricultural property, qualified
26 forest property, supportive housing property, industrial personal
27 property, commercial personal property, or property occupied by a



1 public school academy.

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

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

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

12 (m) "Tax increment financing acts" means 1975 PA 197, MCL
13 125.1651 to 125.1681, the tax increment finance authority act, 1980
14 PA 450, MCL 125.1801 to 125.1830, the local development financing
15 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
16 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
17 or the corridor improvement authority act, 2005 PA 280, MCL
18 125.2871 to 125.2899.

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

21 (i) For the number of mills by which the exemption from the
22 levy of school operating taxes on a homestead, qualified
23 agricultural property, qualified forest property, supportive
24 housing property, industrial personal property, commercial personal
25 property, and property occupied by a public school academy may be
26 reduced as provided in section 1211 of the revised school code, MCL
27 380.1211, the taxable value of homestead, qualified agricultural



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

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

22 Sec. 22b. (1) For discretionary nonmandated payments to
23 districts under this section, there is allocated for ~~2016-2017 an~~
24 ~~amount not to exceed \$3,841,000,000.00 from the state school aid~~
25 ~~fund and general fund appropriations in section 11 and an amount~~
26 ~~not to exceed \$72,000,000.00 from the community district education~~
27 ~~trust fund appropriation in section 11, and there is allocated for~~



1 2017-2018 an amount not to exceed ~~\$3,965,500,000.00~~
2 **\$3,947,000,000.00** from the state school aid fund and general fund
3 appropriations in section 11 and an amount not to exceed
4 \$72,000,000.00 from the community district education trust fund
5 appropriation in section 11, **AND THERE IS ALLOCATED FOR 2018-2019**
6 **AN AMOUNT NOT TO EXCEED \$4,239,600,000.00 FROM THE STATE SCHOOL AID**
7 **FUND AND GENERAL FUND APPROPRIATIONS IN SECTION 11 AND AN AMOUNT**
8 **NOT TO EXCEED \$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION**
9 **TRUST FUND APPROPRIATION IN SECTION 11.** Except for money allocated
10 from the community district trust fund, money allocated under this
11 section that is not expended in the state fiscal year for which it
12 was allocated, as determined by the department, may be used to
13 supplement the allocations under sections 22a and 51c in order to
14 fully fund those calculated allocations for the same fiscal year.

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



1 of the foundation allowance under section 20(4).

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

4 (a) Comply with section 1280b of the revised school code, MCL
5 380.1280b.

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

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

11 (d) Comply with section 1230g of the revised school code, MCL
12 380.1230g.

13 (e) Comply with section 21f.

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

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

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



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

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

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



1 under subsection (2).

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

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

17 (11) If a lawsuit challenging payments made to districts
18 related to costs reimbursed by federal title XIX Medicaid funds is
19 filed against this state, then, for the purpose of addressing
20 potential liability under such a lawsuit, the state budget director
21 may place funds allocated under this section in escrow or allocate
22 money from the funds otherwise allocated under this section, up to
23 a maximum of 50% of the amount allocated in subsection (1). If
24 funds are placed in escrow under this subsection, those funds are a
25 work project appropriation and the funds are carried forward into
26 the following fiscal year. The purpose of the work project is to
27 provide for any payments that may be awarded to districts as a



1 result of the litigation. The work project shall be completed upon
2 resolution of the litigation. In addition, this state reserves the
3 right to terminate future federal title XIX Medicaid reimbursement
4 payments to districts if the amount or allocation of reimbursed
5 funds is challenged in the lawsuit. As used in this subsection,
6 "title XIX" means title XIX of the social security act, 42 USC 1396
7 to ~~1396v~~.**1396w-5**.

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

11 (2) From the allocation under subsection (1), there is
12 allocated for ~~2017-2018~~**2018-2019** an amount not to exceed
13 \$957,300.00 for payments under this subsection to districts that
14 meet all of the following:

15 (a) Operates grades K to 12.

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

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

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

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

22 (3) The amount of the additional funding to each eligible
23 district under subsection (2) shall be determined under a spending
24 plan developed as provided in this subsection and approved by the
25 superintendent of public instruction. The spending plan shall be
26 developed cooperatively by the intermediate superintendents of each
27 intermediate district in which an eligible district is located. The



1 intermediate superintendents shall review the financial situation
2 of each eligible district, determine the minimum essential
3 financial needs of each eligible district, and develop and agree on
4 a spending plan that distributes the available funding under
5 subsection (2) to the eligible districts based on those financial
6 needs. The intermediate superintendents shall submit the spending
7 plan to the superintendent of public instruction for approval. Upon
8 approval by the superintendent of public instruction, the amounts
9 specified for each eligible district under the spending plan are
10 allocated under subsection (2) and shall be paid to the eligible
11 districts in the same manner as payments under section 22b.

12 (4) Subject to subsection (6), from the allocation in
13 subsection (1), there is allocated for ~~2017-2018-2018-2019~~ an
14 amount not to exceed \$4,042,700.00 for payments under this
15 subsection to districts that have 7.3 or fewer pupils per square
16 mile as determined by the department.

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

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

21 Sec. 22m. (1) From the appropriations in section 11, there is
22 allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
23 \$2,200,000.00 for supporting the integration of local data systems
24 into the Michigan data hub network based on common standards and
25 applications that are in compliance with section 19(6).

26 (2) An entity that is the fiscal agent for no more than 5
27 consortia of intermediate districts that previously received



1 funding from the technology readiness infrastructure grant under
2 former section 22i for the purpose of establishing regional data
3 hubs that are part of the Michigan data hub network is eligible for
4 funding under this section.

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

9 (4) The center, in collaboration with the Michigan data hub
10 network, shall determine the amount of funds distributed under this
11 section to each participating regional data hub within the network,
12 based upon a competitive grant process. Entities receiving funding
13 under this section shall represent geographically diverse areas in
14 this state.

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

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

24 (7) ~~Participation~~ **ALL DISTRICTS MUST PARTICIPATE** in a data hub
25 region in the Michigan data hub network under this section ~~is~~
26 ~~voluntary and is not required.~~ **BY 2020-2021.**

27 (8) Entities receiving funding under this section shall use



1 the funds for all of the following:

2 (a) Creating an infrastructure that effectively manages the
3 movement of data between data systems used by intermediate
4 districts, districts, and other educational organizations in
5 Michigan based on common data standards to improve student
6 achievement.

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

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

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

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

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

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

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

27 (9) Not later than January 1 ~~7, 2018,~~ **OF EACH FISCAL YEAR,** the



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

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

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

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

22 **SEC. 22o. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE**
23 **IS ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR 2018-2019 TO**
24 **ELIGIBLE DISTRICTS FOR PUPIL TRANSPORTATION.**

25 **(2) A DISTRICT IS ELIGIBLE FOR A PAYMENT UNDER THIS SECTION IF**
26 **THE DISTRICT PROVIDES TRANSPORTATION TO GENERAL EDUCATION PUPILS.**

27 **(3) PAYMENTS TO ELIGIBLE DISTRICTS UNDER THIS SECTION MUST BE**



1 AN AMOUNT EQUAL TO \$25.00 MULTIPLIED BY THE DISTRICT'S TOTAL
2 GENERAL EDUCATION RIDERS FOR THE CURRENT FISCAL YEAR. IF THE
3 ALLOCATION UNDER SUBSECTION (1) IS INSUFFICIENT TO FULLY FUND
4 PAYMENTS UNDER THIS SUBSECTION, THE DEPARTMENT SHALL PRORATE
5 PAYMENTS UNDER THIS SUBSECTION ON AN EQUAL PER-RIDER BASIS.

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

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

23 (a) "Added cost" means 100% of the added cost each fiscal year
24 for educating all pupils assigned by a court or the department of
25 health and human services to reside in or to attend a juvenile
26 detention facility or child caring institution licensed by the
27 department of health and human services or the department of



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

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

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

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

27 Sec. 24a. From the appropriation in section 11, there is



1 allocated an amount not to exceed ~~\$1,339,000.00 for 2017-2018~~
2 **\$1,355,700.00 FOR 2018-2019** for payments to intermediate districts
3 for pupils who are placed in juvenile justice service facilities
4 operated by the department of health and human services. Each
5 intermediate district shall receive an amount equal to the state
6 share of those costs that are clearly and directly attributable to
7 the educational programs for pupils placed in facilities described
8 in this section that are located within the intermediate district's
9 boundaries. The intermediate districts receiving payments under
10 this section shall cooperate with the department of health and
11 human services to ensure that all funding allocated under this
12 section is utilized by the intermediate district and department of
13 health and human services for educational programs for pupils
14 described in this section. Pupils described in this section are not
15 eligible to be funded under section 24. However, a program
16 responsibility or other fiscal responsibility associated with these
17 pupils shall not be transferred from the department of health and
18 human services to a district or intermediate district unless the
19 district or intermediate district consents to the transfer.

20 Sec. 24c. From the appropriation in section 11, there is
21 allocated an amount not to exceed ~~\$1,528,400.00 for 2017-2018~~
22 **\$1,545,400.00 FOR 2018-2019** for payments to districts for pupils
23 who are enrolled in a nationally administered community-based
24 education and youth mentoring program, known as the youth challenge
25 program, that is administered by the department of military and
26 veterans affairs. Both of the following apply to a district
27 receiving payments under this section:



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

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

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

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



1 transfer process shall do the following:

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

4 (b) Notify both the pupil auditing staff of the intermediate
5 district in which the educating district is located and the pupil
6 auditing staff of the intermediate district in which the district
7 that previously enrolled the pupil is located. The pupil auditing
8 staff shall investigate a representative sample based on required
9 audit sample sizes in the pupil auditing manual and may deny the
10 pupil membership transfer.

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

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

14 (a) Adjust the membership calculation for each district or
15 intermediate district in which the pupil was previously counted in
16 membership or that previously received an adjustment in its
17 membership calculation under this section due to a change in the
18 pupil's enrollment and attendance so that the district's or
19 intermediate district's membership is prorated to allow the
20 district or intermediate district to receive for each school day,
21 as determined by the financial calendar furnished by the center, in
22 which the pupil was enrolled and in attendance in the district or
23 intermediate district an amount equal to 1/105 of a full-time
24 equated membership claimed in the fall pupil membership count. The
25 district or intermediate district shall receive a prorated
26 foundation allowance in an amount equal to the product of the
27 adjustment under this subdivision for the district or intermediate



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

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

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



1 affected districts or intermediate districts on this recalculation
2 of state school aid.

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

11 (6) The portion of the full-time equated pupil membership for
12 which a pupil is enrolled in 1 or more online courses under section
13 21f that is representative of the amount that the primary district
14 paid in course costs to the course provider shall not be counted or
15 transferred under the pupil transfer process under this section.

16 ~~—— (7) It is the intent of the legislature that the center
17 determine the number of pupils who did not reside in this state as
18 of the 2018-2019 pupil membership count day but who newly enrolled
19 in a district or intermediate district after that pupil membership
20 count day and before the 2018-2019 supplemental count day. It is
21 the intent of the legislature that the center further determine the
22 number of pupils who were counted in membership for the 2018-2019
23 pupil membership count day but who left this state before the 2018-
24 2019 supplemental count day. In 2019-2020, the center shall provide
25 a report to the senate and house appropriations subcommittees on
26 state school aid, and to the senate and house fiscal agencies,
27 detailing the number of pupils transferring in from another state~~



1 ~~or transferring out from this state between the pupil membership~~
 2 ~~count day and supplemental count day as described in this~~
 3 ~~subsection. The center shall include in the report a discussion of~~
 4 ~~benefits and obstacles to developing a pupil enrollment process for~~
 5 ~~pupils who newly enroll in a district or intermediate district~~
 6 ~~after the pupil membership count day and before the supplemental~~
 7 ~~count day, and developing a process for deducting pupils who were~~
 8 ~~counted on the pupil membership count day and transfer out of this~~
 9 ~~state before the supplemental count day.~~

10 (7) ~~(8)~~ As used in this section:

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

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

20 Sec. 25f. (1) From the state school aid fund money
 21 appropriated in section 11, there is allocated an amount not to
 22 exceed ~~\$750,000.00~~ **\$1,000,000.00** for ~~2017-2018~~ **2018-2019** for
 23 payments to strict discipline academies established under sections
 24 1311b to 1311m of the revised school code, MCL 380.1311b to
 25 380.1311m, as provided under this section.

26 (2) In order to receive funding under this section, a strict
 27 discipline academy shall first comply with section 25e and use the



1 pupil transfer process under that section for changes in enrollment
2 as prescribed under that section.

3 (3) The total amount allocated to a strict discipline academy
4 under this section ~~is an amount equal to~~ **MUST FIRST BE DISTRIBUTED**
5 **AS** the lesser of the strict discipline academy's added cost or the
6 department's approved per-pupil allocation for the strict
7 discipline academy. **ANY FUNDS REMAINING AFTER THE FIRST**
8 **DISTRIBUTION MUST BE DISTRIBUTED BY PRORATING ON AN EQUAL PER-PUPIL**
9 **MEMBERSHIP BASIS, NOT TO EXCEED A STRICT DISCIPLINE ACADEMY'S ADDED**
10 **COST.** However, the sum of the amounts received by a strict
11 discipline academy under this section and under section 24 shall
12 not exceed the product of the strict discipline academy's per-pupil
13 allocation calculated under section 20 multiplied by the strict
14 discipline academy's full-time equated membership. The department
15 shall allocate funds to strict discipline academies under this
16 section on a monthly basis. For the purposes of this subsection:

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



1 requirements. Costs reimbursed by federal funds are not included.

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

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

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

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

15 Sec. 25g. (1) From the state school aid fund money
16 appropriated in section 11, there is allocated an amount not to
17 exceed ~~\$750,000.00~~ **\$1,000,000.00** for ~~2017-2018~~ **2018-2019** for the
18 purposes of this section. If the operation of the special
19 membership counting provisions under section 6(4)(dd) and the other
20 membership counting provisions under section 6(4) result in a pupil
21 being counted as more than 1.0 FTE in a fiscal year, then the
22 payment made for the pupil under sections 22a and 22b shall not be
23 based on more than 1.0 FTE for that pupil, and that portion of the
24 FTE that exceeds 1.0 shall be paid under this section in an amount
25 equal to that portion multiplied by the educating district's
26 foundation allowance or per-pupil payment calculated under section
27 20.



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

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

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

8 **SEC. 25H. (1) FROM THE FUNDS APPROPRIATED IN SECTION 11, THERE**
9 **IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$100.00 TO AN**
10 **ELIGIBLE DISTRICT FOR A PROGRAM TO REDUCE THE NUMBER OF HIGH SCHOOL**
11 **DROPOUTS.**

12 (2) A DISTRICT IS ELIGIBLE FOR FUNDS UNDER THIS SECTION IF THE
13 DISTRICT MEETS ALL OF THE FOLLOWING:

14 (A) HAS A PUPIL MEMBERSHIP GREATER THAN 15,000.

15 (B) IS LOCATED IN AN INTERMEDIATE DISTRICT FOR WHICH THE
16 COMBINED PUPIL MEMBERSHIPS OF ALL OF ITS CONSTITUENT DISTRICTS IS
17 GREATER THAN 100,000 AND LESS THAN 120,000.

18 (C) COLLABORATES WITH A PROGRAM ALIGNED WITH THE GOALS AND
19 STRATEGIES OF THE DEPARTMENT'S TOP TEN IN TEN AND THE
20 RECOMMENDATIONS OF THE CAREER PATHWAY ALLIANCE TO INCREASE DISTRICT
21 GRADUATION RATES, ATTENDANCE RATES, AND CAREER READINESS FOR AT-
22 RISK YOUTH.

23 Sec. 26a. From the funds appropriated in section 11, there is
24 allocated an amount not to exceed ~~\$17,000,000.00~~ each fiscal year
25 ~~for 2016-2017 and~~ **\$15,000,000.00** for 2017-2018 **AND THERE IS**
26 **ALLOCATED AN AMOUNT NOT TO EXCEED \$15,000,000.00 FOR 2018-2019** to
27 reimburse districts and intermediate districts pursuant to section



1 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692,
 2 for taxes levied in ~~2016 and 2017~~ **2017 AND 2018**, as applicable. The
 3 allocations shall be made not later than 60 days after the
 4 department of treasury certifies to the department and to the state
 5 budget director that the department of treasury has received all
 6 necessary information to properly determine the amounts due to each
 7 eligible recipient.

8 Sec. 26b. (1) From the appropriation in section 11, there is
 9 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
 10 \$4,405,100.00 for payments to districts, intermediate districts,
 11 and community college districts for the portion of the payment in
 12 lieu of taxes obligation that is attributable to districts,
 13 intermediate districts, and community college districts ~~pursuant to~~
 14 **UNDER** section 2154 of the natural resources and environmental
 15 protection act, 1994 PA 451, MCL 324.2154.

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

20 Sec. 26c. (1) From the appropriation in section 11, there is
 21 allocated an amount not to exceed ~~\$1,500,000.00~~ **\$1,600,000.00** for
 22 2017-2018 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
 23 **\$3,000,000.00 FOR 2018-2019** to the promise zone fund created in
 24 subsection (3). The funds allocated under this section reflect the
 25 amount of revenue from the collection of the state education tax
 26 captured under section 17(2) of the Michigan promise zone authority
 27 act, 2008 PA 549, MCL 390.1677.



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

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

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

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

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



1 act.

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

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

13 (2) For a district that has combined state and local revenue
14 per membership pupil under sections 20 and 20m that is greater than
15 the basic foundation allowance under section 20 for the current
16 fiscal year, the allocation under this section shall be an amount
17 equal to 30% of the allocation for which it would otherwise be
18 eligible under this section before any proration under subsection
19 (14).

20 (3) For a district or public school academy to be eligible to
21 receive funding under this section, other than funding under
22 subsection (7) or (8), the district or public school academy, for
23 grades K to 3, shall comply with the requirements under section
24 1280f of the revised school code, MCL 380.1280f, and **SHALL** use
25 resources to address early literacy **AND NUMERACY**, and for at least
26 grades ~~4-K~~ to ~~8-12~~ or, if the district or public school academy
27 does not operate all of grades ~~4-K~~ to ~~8-12~~, for all of the grades



1 it operates, must implement a multi-tiered system of supports that
 2 is an evidence-based ~~model~~ **FRAMEWORK** that uses data-driven problem
 3 solving to integrate academic and behavioral instruction and that
 4 uses intervention delivered to all pupils in varying intensities
 5 based on pupil needs. ~~This~~ **THE** multi-tiered system of supports
 6 **DESCRIBED IN THIS SUBSECTION** must provide at least all of the
 7 following essential ~~elements~~: **COMPONENTS:**

8 (a) ~~Implements effective instruction for all learners.~~ **TEAM-**
 9 **BASED LEADERSHIP.**

10 (b) ~~Intervenes early.~~ **A TIERED DELIVERY SYSTEM.**

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

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

15 ~~—— (ii) Targeted group interventions.~~

16 ~~—— (iii) Intense individual interventions.~~

17 **(C) SELECTION AND IMPLEMENTATION OF INSTRUCTION,**
 18 **INTERVENTIONS, AND SUPPORTS.**

19 (d) ~~Monitors pupil progress to inform instruction.~~ **A**
 20 **COMPREHENSIVE SCREENING AND ASSESSMENT SYSTEM.**

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

23 ~~—— (f) Uses assessments including universal screening,~~
 24 ~~diagnostics, and progress monitoring.~~

25 ~~—— (g) Engages families and the community.~~

26 ~~—— (h) Implements evidence based, scientifically validated,~~
 27 ~~instruction and intervention.~~



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

3 ~~(j) Uses a collaborative problem-solving model.~~

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

22 (5) Except as otherwise provided in this section, a district
23 or public school academy receiving funding under this section shall
24 use that money only to provide instructional programs and direct
25 noninstructional services, including, but not limited to, medical,
26 mental health, or counseling services, for at-risk pupils; for
27 school health clinics; and for the purposes of subsection (6), (7),



1 or (8). In addition, a district that is a school district of the
2 first class or a district or public school academy in which at
3 least 50% of the pupils in membership were determined to be
4 economically disadvantaged in the immediately preceding state
5 fiscal year, as determined and reported as described in subsection
6 (4), may use not more than 20% of the funds it receives under this
7 section for school security. A district or public school academy
8 shall not use any of that money for administrative costs. The
9 instruction or direct noninstructional services provided under this
10 section may be conducted before or after regular school hours or by
11 adding extra school days to the school year.

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

20 (7) From the funds allocated under subsection (1), there is
21 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
22 \$6,057,300.00 to support primary health care services provided to
23 children and adolescents up to age 21. These funds shall be
24 expended in a form and manner determined jointly by the department
25 and the department of health and human services. If any funds
26 allocated under this subsection are not used for the purposes of
27 this subsection for the fiscal year in which they are allocated,



1 those unused funds shall be used that fiscal year to avoid or
2 minimize any proration that would otherwise be required under
3 subsection (14) for that fiscal year.

4 (8) From the funds allocated under subsection (1), there is
5 allocated for ~~2017-2018~~**2018-2019** an amount not to exceed
6 \$5,150,000.00 for the state portion of the hearing and vision
7 screenings as described in section 9301 of the public health code,
8 1978 PA 368, MCL 333.9301. A local public health department shall
9 pay at least 50% of the total cost of the screenings. The frequency
10 of the screenings shall be as required under R 325.13091 to R
11 325.13096 and R 325.3271 to R 325.3276 of the Michigan
12 Administrative Code. Funds shall be awarded in a form and manner
13 approved jointly by the department and the department of health and
14 human services. Notwithstanding section 17b, payments to eligible
15 entities under this subsection shall be paid on a schedule
16 determined by the department.

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



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

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

17 (11) Subject to subsections (6), (7), and (8), **FOR SCHOOLS IN**
 18 **WHICH MORE THAN 50% OF PUPILS ARE IDENTIFIED AS AT-RISK**, a district
 19 or public school academy may use ~~up to 100% of~~ the funds it
 20 receives under this section to implement schoolwide ~~reform in~~
 21 ~~schools with 40% or more of their pupils identified as at-risk~~
 22 ~~pupils by providing instructional or noninstructional services~~
 23 ~~consistent with the school improvement plan.~~ **REFORMS BY PROVIDING**
 24 **INSTRUCTIONAL OR NONINSTRUCTIONAL SERVICES CONSISTENT WITH THE**
 25 **SCHOOL IMPROVEMENT PLAN THAT ARE TIER 1 EVIDENCE-BASED, HIGH-**
 26 **QUALITY ACADEMIC, BEHAVIORAL, AND SOCIAL-EMOTIONAL INSTRUCTION, AND**
 27 **PART OF THE DISTRICT'S MULTI-TIERED SYSTEM OF SUPPORTS. DECISIONS**



1 ON IMPLEMENTING SCHOOLWIDE REFORMS MUST BE GUIDED BY THE DISTRICT'S
 2 COMPREHENSIVE NEEDS ASSESSMENT AND MUST BE INCLUDED IN THE DISTRICT
 3 IMPROVEMENT PLAN. SCHOOLWIDE REFORMS MUST INCLUDE PARENT AND
 4 COMMUNITY SUPPORTS, ACTIVITIES, AND SERVICES, THAT MAY INCLUDE THE
 5 PATHWAYS TO POTENTIAL PROGRAM CREATED BY THE DEPARTMENT OF HEALTH
 6 AND HUMAN SERVICES OR THE COMMUNITIES IN SCHOOLS PROGRAM.

7 (12) A district or public school academy that receives funds
 8 under this section may use up to ~~3%~~ 5% of those funds to provide
 9 research-based professional development **AND TO IMPLEMENT A COACHING**
 10 **MODEL THAT SUPPORTS THE MULTI-TIERED SYSTEM OF SUPPORTS FRAMEWORK.**
 11 **PROFESSIONAL DEVELOPMENT MAY BE PROVIDED** to district and school
 12 leadership and teachers ~~that is~~ **AND MUST BE** aligned to professional
 13 learning standards; ~~is~~ integrated into district, school building,
 14 and classroom practices; and ~~is~~ solely related to the following:

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

18 (b) Implementing section 1280f of the revised school code, MCL
 19 380.1280f, as required under subsection (3), with fidelity.

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

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



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

9 (16) Beginning in 2018-2019, if a district or public school
10 academy does not demonstrate to the satisfaction of the department
11 that at least 50% of at-risk pupils are proficient in English
12 language arts by the end of grade 3 as measured by the state
13 assessment for the immediately preceding school year, **DEMONSTRATE**
14 **TO THE SATISFACTION OF THE DEPARTMENT THAT AT LEAST 50% OF AT-RISK**
15 **PUPILS ARE PROFICIENT IN MATHEMATICS BY THE END OF GRADE 8, AS**
16 **MEASURED BY THE STATE ASSESSMENT FOR THE IMMEDIATELY PRECEDING**
17 **SCHOOL YEAR,** and demonstrate to the satisfaction of the department
18 improvement over each of the 3 immediately preceding school years
19 in the percentage of at-risk pupils that are career- and college-
20 ready as determined by proficiency on the English language arts,
21 mathematics, and science content area assessments on the grade 11
22 summative assessment under section 1279g(2)(a) of the revised
23 school code, MCL 380.1279g, the district or public school academy
24 shall ensure all of the following:

25 (a) The district or public school academy shall determine the
26 proportion of total at-risk pupils that represents the number of
27 pupils in grade 3 that are not proficient in English language arts



1 by the end of grade 3, and the district or public school academy
 2 shall expend that same proportion multiplied by ~~1/2~~**1/3** of its
 3 total at-risk funds under this section on tutoring and other
 4 methods of improving grade 3 English language arts proficiency.

5 **(B) THE DISTRICT OR PUBLIC SCHOOL ACADEMY SHALL DETERMINE THE**
 6 **PROPORTION OF TOTAL AT-RISK PUPILS THAT REPRESENTS THE NUMBER OF**
 7 **PUPILS IN GRADE 8 THAT ARE NOT PROFICIENT IN MATHEMATICS BY THE END**
 8 **OF GRADE 8, AND THE DISTRICT OR PUBLIC SCHOOL ACADEMY SHALL EXPEND**
 9 **THAT SAME PROPORTION MULTIPLIED BY 1/3 OF ITS TOTAL AT-RISK FUNDS**
 10 **UNDER THIS SECTION ON TUTORING AND OTHER METHODS OF IMPROVING GRADE**
 11 **8 MATHEMATICS PROFICIENCY.**

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

23 (17) As used in subsection (16), "total at-risk pupils" means
 24 the sum of the number of pupils in grade 3 that are not proficient
 25 in English language arts by the end of ~~third~~**grade 3** as measured on
 26 the state assessment, **THE NUMBER OF PUPILS IN GRADE 8 THAT ARE NOT**
 27 **PROFICIENT IN MATHEMATICS BY THE END OF GRADE 8 AS MEASURED ON THE**



1 **STATE ASSESSMENT**, and the number of pupils in grade 11 that are not
 2 career- and college-ready as measured by the student's score on the
 3 English language arts, mathematics, and science content area
 4 assessments on the grade 11 summative assessment under section
 5 1279g(2) (a) of the revised school code, MCL 380.1279g.

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

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

15 ~~(20) For the purpose of determining the number of economically~~
 16 ~~disadvantaged pupils enrolled in a community district for 2017-~~
 17 ~~2018, disadvantaged pupils who were enrolled in the education~~
 18 ~~achievement system for 2016-2017 shall be considered to have been~~
 19 ~~enrolled in the community district for 2016-2017.~~

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

21 (a) "At-risk pupil" means a pupil for whom the district has
 22 documentation that the pupil meets any of the following criteria:

23 (i) The pupil is economically disadvantaged.

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

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

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



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

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

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

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

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

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

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

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



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

10 Sec. 31b. (1) From the appropriations in section 11, there is
11 allocated an amount not to exceed \$1,500,000.00 for ~~2017-2018-2018-~~
12 **2019** for grants to at-risk districts for implementing a balanced
13 calendar instructional program for at least 1 of its schools.

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

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

18 (i) Is eligible in ~~2017-2018-2018-2019~~ for the community
19 eligibility option for free and reduced price lunch under 42 USC
20 1759a.

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

26 (b) The board of the district has adopted a resolution stating
27 that the district will implement for the first time a balanced



1 calendar instructional program that will begin in ~~2018-2019~~**2019-**
2 **2020** for at least 1 school operated by the district and committing
3 to providing the balanced calendar instructional program in each of
4 those schools for at least 3 school years.

5 (3) A district seeking a grant under this section shall apply
6 to the department in the form and manner prescribed by the
7 department not later than December 1, ~~2017.~~**2018**. The department
8 shall select districts for grants and make notification not later
9 than February 1, ~~2018.~~**2019**.

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

13 (a) Giving priority to districts that, in the immediately
14 preceding fiscal year, had lower general fund balances as a
15 percentage of revenues.

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

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

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

23 (6) A grant payment under this section to a district shall be
24 used for necessary modifications to instructional facilities and
25 other nonrecurring costs of preparing for the operation of a
26 balanced calendar instructional program as approved by the
27 department.



1 (7) A district receiving a grant under this section is not
2 required to provide more than the minimum number of days and hours
3 of pupil instruction prescribed under section 101, but shall spread
4 at least those minimum amounts of pupil instruction over the entire
5 year in each of its schools in which a balanced calendar
6 instructional calendar is implemented. The district shall commit to
7 providing the balanced calendar instructional calendar in each of
8 those schools for at least 3 school years.

9 (8) For a district receiving a grant under this section,
10 excessive heat is considered to be a condition not within the
11 control of school authorities for the purpose of days or hours
12 being counted as days or hours of pupil instruction under section
13 101(4).

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

17 Sec. 31d. (1) From the appropriations in section 11, there is
18 allocated an amount not to exceed ~~\$22,495,100.00~~ **\$22,802,000.00** for
19 2017-2018 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
20 **\$23,144,000.00 FOR 2018-2019** for the purpose of making payments to
21 districts and other eligible entities under this section.

22 (2) The amounts allocated from state sources under this
23 section shall be used to pay the amount necessary to reimburse
24 districts for 6.0127% of the necessary costs of the state mandated
25 portion of the school lunch programs provided by those districts.
26 The amount due to each district under this section shall be
27 computed by the department using the methods of calculation adopted



1 by the Michigan supreme court in the consolidated cases known as
2 ~~Durant v State of Michigan~~, **Durant v State of Michigan**, 456 Mich
3 175 (1997).

4 (3) The payments made under this section include all state
5 payments made to districts so that each district receives at least
6 6.0127% of the necessary costs of operating the state mandated
7 portion of the school lunch program in a fiscal year.

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

14 (5) From the federal funds appropriated in section 11, there
15 is allocated for ~~2017-2018~~ **2018-2019** all available federal funding,
16 estimated at \$520,000,000.00 for the national school lunch program
17 and all available federal funding, estimated at \$3,200,000.00 for
18 the emergency food assistance program.

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

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

26 Sec. 31f. (1) From the appropriations in section 11, there is
27 allocated an amount not to exceed \$4,500,000.00 ~~each fiscal year~~



1 ~~for 2016-2017 and for 2017-2018~~ **FOR 2018-2019** for the purpose of
2 making payments to districts to reimburse for the cost of providing
3 breakfast.

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

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

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

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

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

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

26 Sec. 31j. (1) From the general fund money appropriated in
27 section 11, there is allocated an amount not to exceed ~~\$375,000.00~~



1 **\$425,000.00** for ~~2017-2018~~**2018-2019** for a pilot project to support
2 districts in the purchase of locally grown fruits and vegetables as
3 described in this section.

4 (2) The department shall provide funding **IN AN AMOUNT EQUAL TO**
5 **\$125,000.00 PER REGION** to districts in prosperity regions 2, 4, and
6 9 for the pilot project described under this section. **IN ADDITION,**
7 **THE DEPARTMENT SHALL PROVIDE FUNDING IN AN AMOUNT EQUAL TO**
8 **\$50,000.00 TO DISTRICTS IN PROSPERITY REGION 8 FOR THE PILOT**
9 **PROJECT DESCRIBED UNDER THIS SECTION.** From the funding to districts
10 in subsection (1), funding retained by prosperity regions that
11 administer the project shall not exceed 10%, and funding retained
12 by the department for administration shall not exceed 6%. A
13 prosperity region may enter into a memorandum of understanding with
14 the department or another prosperity region, or both, to administer
15 the project. If the department administers the project for a
16 prosperity region, the department may retain up to 10% of that
17 prosperity region's funding for administration.

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



1 development to provide training to newly participating schools and
2 electronic information on Michigan agriculture.

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

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

11 (a) Are purchased on or after the date the district received
12 notification from the department of the amount to be distributed to
13 the district under this subsection, including purchases made to
14 launch meals in September ~~2017-2018~~ **2018** for the ~~2017-2018-2018-2019~~
15 school year.

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

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

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

26 (7) A district that receives a grant for reimbursement under
27 this section shall use the grant to purchase whole or minimally



1 processed fruits, vegetables, and legumes that are grown in this
2 state and, if minimally processed, are also processed in this
3 state.

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

12 (9) The department shall give preference to districts that
13 propose educational activities that meet 1 or more of the
14 following: promote healthy food activities; have clear educational
15 objectives; involve parents or the community; and connect to a
16 school's farm-to-school procurement activities.

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

24 (11) As a condition of receiving a grant under this section, a
25 district shall provide or direct its vendors to provide to
26 prosperity region offices copies of monthly receipts that show the
27 quantity of different Michigan-grown fruits, vegetables, and



1 legumes purchased, the amount of money spent on each of these
2 products, and the name and Michigan location of the farm that grew
3 the products. The district shall also provide to the prosperity
4 region monthly lunch numbers and lunch participation rates, and
5 calendars or monthly menus noting when and how Michigan-grown
6 products were used in meals. The district and school food service
7 director or directors also shall agree to respond to brief online
8 surveys and to provide a report that shows the percentage
9 relationship of Michigan spending compared to total food spending.
10 Not later than March 1, 2018, each prosperity region office, either
11 on its own or in conjunction with another prosperity region, shall
12 submit a report to the department on expected outcomes and related
13 measurements for economic development and children's nutrition and
14 readiness to learn based on progress so far. The report shall
15 include at least all of the following:

16 (a) The extent to which farmers and related businesses,
17 including distributors and processors, see an increase in market
18 opportunities and income generation through sales of Michigan or
19 local products to districts. All of the following apply for
20 purposes of this subdivision:

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



1 Michigan-grown fruits, vegetables, and legumes.

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

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

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

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

19 (12) The department shall compile the reports provided by
20 prosperity region offices under subsection (11) into 1 legislative
21 report. The department shall provide this report not later than
22 April 1, 2018 to the house and senate subcommittees responsible for
23 school aid, the house and senate fiscal agencies, and the state
24 budget director.

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



1 not to exceed \$243,600,000.00 for ~~2017-2018.~~ **2018-2019.** Funds
2 allocated under this section for great start readiness programs
3 shall be used to provide part-day, school-day, or GSRP/Head Start
4 blended comprehensive free compensatory classroom programs designed
5 to improve the readiness and subsequent achievement of
6 educationally disadvantaged children who meet the participant
7 eligibility and prioritization guidelines as defined by the
8 department. For a child to be eligible to participate in a program
9 under this section, the child shall be at least 4, but less than 5,
10 years of age as of September 1 of the school year in which the
11 program is offered and shall meet those eligibility and
12 prioritization guidelines. A child who is not 4 years of age as of
13 September 1, but who will be 4 years of age not later than December
14 1, is eligible to participate if the child's parent or legal
15 guardian seeks a waiver from the September 1 eligibility date by
16 submitting a request for enrollment in a program to the responsible
17 intermediate district, if the program has capacity on or after
18 September 1 of the school year, and if the child meets eligibility
19 and prioritization guidelines.

20 (2) Funds allocated under subsection (1) shall be allocated to
21 intermediate districts or consortia of intermediate districts based
22 on the formula in section 39. An intermediate district or
23 consortium of intermediate districts receiving funding under this
24 section shall act as the fiduciary for the great start readiness
25 programs. In order to be eligible to receive funds allocated under
26 this subsection from an intermediate district or consortium of
27 intermediate districts, a district, a consortium of districts, or a



1 public or private for-profit or nonprofit legal entity or agency
2 shall comply with this section and section 39.

3 (3) In addition to the allocation under subsection (1), from
4 the general fund money appropriated under section 11, there is
5 allocated an amount not to exceed \$300,000.00 for ~~2017-2018-2018-~~
6 **2019** for a competitive grant to continue a longitudinal evaluation
7 of children who have participated in great start readiness
8 programs.

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

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

18 (b) An age-appropriate educational curriculum that is in
19 compliance with the early childhood standards of quality for
20 prekindergarten children adopted by the state board, including, at
21 least, the Connect4Learning curriculum. **A PROGRAM SHALL NOT USE THE**
22 **CREATIVE CURRICULUM FOR PRESCHOOL.**

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

25 (d) Physical and dental health and developmental screening
26 services for all program participants.

27 (e) Referral services for families of program participants to



1 community social service agencies, including mental health
2 services, as appropriate.

3 (f) Active and continuous involvement of the parents or
4 guardians of the program participants.

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

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

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

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

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

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

27 (b) Except as otherwise provided in this subdivision, ensure



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

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

24 (i) Teachers possessing proper training. A lead teacher must
25 have a valid teaching certificate with an early childhood (ZA or
26 ZS) endorsement or a bachelor's or higher degree in child
27 development or early childhood education with specialization in



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

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

26 (d) Include a program budget that contains only those costs
27 that are not reimbursed or reimbursable by federal funding, that



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

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

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

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

25 (9) An intermediate district or consortium of intermediate
26 districts may retain for administrative services provided by the
27 intermediate district or consortium of intermediate districts an



1 amount not to exceed 4% of the grant amount. Expenses incurred by
2 subrecipients engaged by the intermediate district or consortium of
3 intermediate districts for directly running portions of the program
4 shall be considered program costs or a contracted program fee for
5 service.

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

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



1 homelessness or who have individualized education plans
2 recommending placement in an inclusive preschool setting shall be
3 considered to live with families with household income equal to or
4 less than 250% of the federal poverty level regardless of actual
5 family income and shall be prioritized for enrollment within the
6 lowest quintile.

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

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



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

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

26 (b) The intermediate district or consortium provided to each
27 nonparticipating licensed child care center located in the service



1 area of the intermediate district or consortium information
2 regarding great start readiness program requirements and a
3 description of the application and selection process for community-
4 based providers.

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

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

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

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

27 (b) Provide, or ensure that an organization with which the



1 department contracts provides, a community-based provider with a
2 validated great start to quality rating within 90 days of the
3 provider's having submitted a request and self-assessment.

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

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

21 (16) A recipient of funds under this section shall report to
22 the ~~department~~**CENTER** in a form and manner prescribed by the
23 ~~department~~**CENTER** the number of children participating in the
24 program who meet the income eligibility criteria under subsection
25 (5) (b) and the total number of children participating in the
26 program. For children participating in the program who meet the
27 income eligibility criteria specified under subsection (5) (b), a



1 recipient shall also report whether or not a parent is available to
2 provide care based on employment status. For the purposes of this
3 subsection, "employment status" shall be defined by the department
4 of health and human services in a manner consistent with maximizing
5 the amount of spending that may be claimed for temporary assistance
6 for needy families maintenance of effort purposes.

7 (17) As used in this section:

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

11 (b) "Part-day program" means a program that operates at least
12 4 days per week, 30 weeks per year, for at least 3 hours of
13 teacher-child contact time per day but for fewer hours of teacher-
14 child contact time per day than a school-day program.

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

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



1 (19) From the amount appropriated in subsection (1), there is
2 allocated an amount not to exceed \$10,000,000.00 for reimbursement
3 of transportation costs for children attending great start
4 readiness programs funded under this section. To receive
5 reimbursement under this subsection, not later than November 1,
6 ~~2017, 2018~~, a program funded under this section that provides
7 transportation shall submit to the intermediate district that is
8 the fiscal agent for the program a projected transportation budget.
9 The amount of the reimbursement for transportation under this
10 subsection shall be no more than the projected transportation
11 budget or \$300.00 multiplied by the number of children funded for
12 the program under this section. If the amount allocated under this
13 subsection is insufficient to fully reimburse the transportation
14 costs for all programs that provide transportation and submit the
15 required information, the reimbursement shall be prorated in an
16 equal amount per child funded. Payments shall be made to the
17 intermediate district that is the fiscal agent for each program,
18 and the intermediate district shall then reimburse the program
19 provider for transportation costs as prescribed under this
20 subsection.

21 (20) The department shall implement a process to review and
22 approve age-appropriate comprehensive classroom level quality
23 assessments for GSRP grantees that support the early childhood
24 standards of quality for prekindergarten children adopted by the
25 state board. The department shall ~~complete the approval process and~~
26 make available to intermediate districts at least 2 ~~approved~~
27 classroom level quality assessments ~~no later than April 1,~~



1 ~~2018.~~ **THAT WERE APPROVED IN 2018.**

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

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

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



1 immediately preceding fiscal year indicating the activities planned
2 to be provided.

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

10 (a) Children born healthy.

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

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

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

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

22 (a) Physical health.

23 (b) Social-emotional health.

24 (c) Family supports and basic needs.

25 (d) Parent education.

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



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

20 (5) Not later than December 1 of each year, each intermediate
21 district shall provide a report to the department detailing the
22 activities actually provided during the immediately preceding
23 school year and the families and children actually served. At a
24 minimum, the report shall include an evaluation of the services
25 provided with additional funding under subsection (4) for home
26 visits, using the goals identified in subsection (4) as the basis
27 for the evaluation, including the degree to which school readiness



1 was improved, any change in the number of pupils retained at grade
2 level, and any change in the number of pupils receiving special
3 education services. The department shall compile and summarize
4 these reports and submit its summary to the house and senate
5 appropriations subcommittees on school aid and to the house and
6 senate fiscal agencies not later than February 15 of each year.

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

15 Sec. 32q. From the state school aid fund allocation under
16 section 11, there is allocated to an eligible intermediate district
17 an amount equal to \$175,000.00 ~~in 2017-2018~~ **FOR 2018-2019** for the
18 purpose of this section. An intermediate district receiving a grant
19 under this section shall partner with an early childhood
20 collaborative to conduct a pilot program as provided under this
21 section. It is the intent of the legislature that this is the
22 ~~second~~ **THIRD** of 3 years of funding. ~~, and that funding shall~~
23 ~~continue in 2018-2019.~~ Funding allocated to an intermediate
24 district shall be used in partnership with a collaborative to
25 conduct a pilot program to evaluate the relative impact on
26 vulnerable children of 1 versus 2 years of preschool education. All
27 of the following apply to the pilot program funded under this



1 section:

2 (a) An eligible intermediate district is an intermediate
3 district that is located in a county with a population as of the
4 most recent federal decennial census that was greater than 500,000
5 but fewer than 800,000 and that has an early learning collaborative
6 located within its boundaries.

7 (b) The funds shall be used for research, family coaching
8 support, administration, information systems, and evaluation.

9 (c) In order to be eligible to receive the allocated funds,
10 the early learning collaborative, in partnership with the
11 intermediate district, shall provide the funding for all eligible
12 children included in the pilot program.

13 (d) The early learning collaborative, in partnership with the
14 intermediate district, shall develop a 3-year pilot program under
15 the supervision of the office of great start in the department.

16 (e) For a child to be eligible for participation in the pilot
17 program under this section, the child shall be 3 years of age as of
18 the date specified for determining a child's eligibility to attend
19 school under section 1147 of the revised school code, MCL 380.1147.

20 (f) A child participating in the pilot program shall meet the
21 participant eligibility and prioritization guidelines as defined by
22 the department.

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

26 (h) The early learning collaborative, in partnership with the
27 intermediate district, shall provide annual progress evaluations to



1 the office of great start.

2 (i) By December 1, 2019, the early learning collaborative, in
 3 partnership with the intermediate district, shall provide a pilot
 4 program report and evaluation to the office of great start. The
 5 office of great start shall review the pilot program report and
 6 evaluation and, by February 15, 2020, provide a report to the
 7 senate and house appropriations subcommittees on state school aid
 8 and to the senate and house fiscal agencies of its evaluation of
 9 the pilot program.

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

21 (2) A district that receives funds under subsection (5) may
 22 spend up to 5% of those funds for professional development for
 23 educators in a department-approved research-based training program
 24 related to current state literacy standards for pupils in grades K
 25 to 3. The professional development shall also include training in
 26 the use of screening and diagnostic tools, progress monitoring, and
 27 intervention methods used to address barriers to learning and



1 delays in learning that are diagnosed through the use of these
2 tools.

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

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

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

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

21 (d) Comprehension - making meaning of text.

22 (4) From the allocations under subsection (1), there is
23 allocated an amount not to exceed \$6,000,000.00 for ~~2017-2018-2018-~~
24 **2019** for the purpose of providing early literacy coaches at
25 intermediate districts to assist teachers in developing and
26 implementing instructional strategies for pupils in grades K to 3
27 so that pupils are reading at grade level by the end of grade 3.



1 All of the following apply to funding under this subsection:

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

6 (i) Current state literacy standards for pupils in grades K to
7 3.

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

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

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

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

26 (ii) After distribution of the grant funding under
27 subparagraph (i), the department shall distribute the remainder of



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

12 (5) From the allocations under subsection (1), there is
13 allocated an amount not to exceed \$20,900,000.00 for ~~2017-2018~~
14 **2018-2019** to districts that provide additional instructional time
15 to those pupils in grades K to 3 who have been identified by using
16 department-approved screening and diagnostic tools as needing
17 additional supports and interventions in order to be reading at
18 grade level by the end of grade 3. Additional instructional time
19 may be provided before, during, and after regular school hours or
20 as part of a year-round balanced school calendar. All of the
21 following apply to funding under this subsection:

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

25 (i) Implemented a multi-tiered system of support instructional
26 delivery model that is an evidence-based model that uses data-
27 driven problem solving to integrate academic and behavioral



1 instruction and that uses intervention delivered to all pupils in
 2 varying intensities based on pupil needs. The multi-tiered system
 3 of supports must provide at least all of the following essential
 4 elements:

5 ~~—— (A) Implements effective instruction for all learners.~~

6 ~~—— (B) Intervenes early.~~

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

12 ~~—— (D) Monitors pupil progress to inform instruction.~~

13 ~~—— (E) Uses data to make instructional decisions.~~

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

16 ~~—— (G) Engages families and the community.~~

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

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

21 ~~—— (J) Uses a collaborative problem-solving model.~~ **COMPONENTS:**

22 **(A) TEAM-BASED LEADERSHIP.**

23 **(B) A TIERED DELIVERY SYSTEM.**

24 **(C) SELECTION AND IMPLEMENTATION OF INSTRUCTION,**
 25 **INTERVENTIONS, AND SUPPORTS.**

26 **(D) A COMPREHENSIVE SCREENING AND ASSESSMENT SYSTEM.**

27 **(E) CONTINUOUS DATA-BASED DECISION MAKING.**



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

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

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

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

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

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

20 ~~—— (6) From the general fund money allocated in subsection (1),~~
21 ~~the department shall allocate the amount of \$2,500,000.00 for 2017-~~
22 ~~2018 to the Michigan Education Corps. All of the following apply to~~
23 ~~funding under this subsection:~~

24 ~~—— (a) By August 1 of the current fiscal year, the Michigan~~
25 ~~Education Corps shall provide a report concerning its use of the~~
26 ~~funding to the senate and house appropriations subcommittees on~~
27 ~~state school aid, the senate and house fiscal agencies, and the~~



~~1 senate and house caucus policy offices on outcomes and performance
2 measures of the Michigan Education Corps, including, but not
3 limited to, the degree to which the Michigan Education Corps's
4 replication of the Michigan Reading Corps program is demonstrating
5 sufficient efficacy and impact. The report must include data
6 pertaining to at least all of the following:~~

~~7 — (i) The current impact of the Michigan Reading Corps on this
8 state in terms of numbers of children and programs receiving
9 support. This portion of the report shall specify the number of
10 children tutored, including dosage and completion, and the
11 demographics of those children.~~

~~12 — (ii) Whether the assessments and interventions are implemented
13 with fidelity. This portion of the report shall include details on
14 the total number of assessments and interventions completed and the
15 range, median, mean, and standard deviation for all assessments.~~

~~16 — (iii) Whether the literacy improvement of children
17 participating in the Michigan Reading Corps is consistent with
18 expectations. This portion of the report shall detail at least all
19 of the following:~~

~~20 — (A) Growth rate by grade level, in comparison to targeted
21 growth rate.~~

~~22 — (B) Average linear growth rates.~~

~~23 — (C) Exit rates.~~

~~24 — (D) Percentage of children who exit who also meet or exceed
25 spring benchmarks.~~

~~26 — (iv) The impact of the Michigan Reading Corps on organizations
27 and stakeholders, including, but not limited to, school~~



1 ~~administrators, internal coaches, and AmeriCorps members.~~

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

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

13 **(6) NOT LATER THAN NOVEMBER 1, 2018, A DISTRICT THAT RECEIVES**
 14 **FUNDING UNDER THIS SECTION SHALL REPORT TO THE DEPARTMENT BOTH OF**
 15 **THE FOLLOWING:**

16 **(A) THE SCHOOLS AND GRADES THAT WERE SERVED, ALONG WITH**
 17 **SERVICES PROVIDED AND THE ENTITY THAT PROVIDED EACH SERVICE.**

18 **(B) PUPIL PROFICIENCY AND GROWTH DATA, BOTH IN THE AGGREGATE**
 19 **AND BY SUBGROUP, FOR EACH OF THE FOLLOWING:**

20 **(i) EACH SCHOOL, AS APPLICABLE.**

21 **(ii) EACH GRADE, AS APPLICABLE.**

22 **(iii) PUPILS IDENTIFIED AS HAVING READING DEFICIENCIES.**

23 **(iv) PUPILS RECEIVING ADDITIONAL INSTRUCTION TIME FUNDED UNDER**
 24 **THIS SECTION.**

25 **SEC. 35B. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION**
 26 **11, THERE IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED**
 27 **\$250,000.00 FOR A GRANT TO AN ELIGIBLE DISTRICT TO CREATE A PILOT**



1 PROGRAM TO USE A MULTISENSORY STRUCTURED LANGUAGE EDUCATION METHOD
2 TO IMPROVE READING PROFICIENCY RATES AND TO COMPLY WITH SECTION
3 1280F OF THE REVISED SCHOOL CODE, MCL 380.1280F.

4 (2) A DISTRICT IS ELIGIBLE FOR A GRANT UNDER THIS SECTION IF
5 ALL OF THE FOLLOWING ARE MET:

6 (A) A DYSLEXIA CENTER ACCREDITED BY THE INTERNATIONAL
7 MULTISENSORY STRUCTURED LANGUAGE EDUCATION COUNCIL IS LOCATED IN
8 THE DISTRICT.

9 (B) THE DISTRICT PARTNERS WITH THE DYSLEXIA CENTER DESCRIBED
10 IN SUBDIVISION (A) TO PROVIDE MULTISENSORY STRUCTURED LANGUAGE
11 EDUCATION FOR PUPILS IN GRADES K TO 3 IDENTIFIED AS HAVING AN EARLY
12 LITERACY DELAY OR READING DEFICIENCY.

13 (C) THE DISTRICT HAS A PUPIL MEMBERSHIP GREATER THAN 7,000 AND
14 LESS THAN 8,000.

15 (3) A DISTRICT MAY EXPEND GRANT FUNDS AWARDED UNDER THIS
16 SECTION, IN COLLABORATION WITH THE DYSLEXIA CENTER DESCRIBED IN
17 SUBSECTION (2) (A), FOR THE FOLLOWING PURPOSES:

18 (A) PROFESSIONAL DEVELOPMENT INCLUDING TRAINING STAFF AND
19 TUTORS IN THE MULTISENSORY, SEQUENTIAL, SYSTEMATIC EDUCATION
20 APPROACH USED BY THE DYSLEXIA CENTER.

21 (B) ADDITIONAL INSTRUCTIONAL TIME BEFORE, DURING, OR AFTER
22 SCHOOL FOR PUPILS IN GRADES K TO 3 IDENTIFIED AS HAVING AN EARLY
23 LITERACY DELAY OR READING DEFICIENCY USING THE MULTISENSORY,
24 SEQUENTIAL, SYSTEMATIC EDUCATION APPROACH USED BY THE DYSLEXIA
25 CENTER.

26 (4) NOT LATER THAN DECEMBER 1, 2020, A DISTRICT THAT RECEIVES
27 GRANT FUNDS UNDER THIS SECTION SHALL REPORT TO THE HOUSE AND SENATE



1 APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID, THE HOUSE AND SENATE
 2 FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ON ALL OF THE
 3 FOLLOWING FOR THE GRANT FUNDS AWARDED UNDER THIS SECTION:

4 (A) THE NUMBER OF STAFF AND TUTORS TRAINED.

5 (B) THE NUMBER OF PUPILS IN GRADES K TO 3 IDENTIFIED AS HAVING
 6 AN EARLY LITERACY DELAY OR READING DEFICIENCY SERVED.

7 (C) THE NUMBER OF HOURS OF ADDED INSTRUCTIONAL TIME PROVIDED
 8 TO PUPILS SERVED.

9 (D) PUPIL READING PROFICIENCY AND GROWTH DATA OF PUPILS SERVED
 10 NECESSARY TO EVALUATE THE EFFECTIVENESS OF THE PROGRAM.

11 Sec. 39. (1) An eligible applicant receiving funds under
 12 section 32d shall submit an application, in a form and manner
 13 prescribed by the department, by a date specified by the department
 14 in the immediately preceding state fiscal year. **THE APPLICATION**
 15 **MUST NOT REQUIRE AN ELIGIBLE APPLICANT TO AMEND THE ELIGIBLE**
 16 **APPLICANT'S CURRENT ACCOUNTING CYCLE OR ADOPT THIS STATE'S FISCAL**
 17 **YEAR ACCOUNTING CYCLE IN ACCOUNTING FOR FINANCIAL TRANSACTIONS**
 18 **UNDER THIS SECTION OR SECTION 32D.** The application shall include
 19 all of the following:

20 (a) For ~~2017-2018~~ **2018-2019** calculations, the estimated total
 21 number of children in the community who meet the criteria of
 22 section 32d, as provided to the applicant by the department
 23 utilizing the most recent population data available from the
 24 American ~~community survey~~ **COMMUNITY SURVEY** conducted by the United
 25 States Census Bureau. Beginning in 2018-2019, the department shall
 26 ensure that it provides updated American ~~community survey~~ **COMMUNITY**
 27 **SURVEY** population data at least once every 3 years.



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

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

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

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

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

20 (b) The sum of the number of children the applicant has the
21 capacity to serve in ~~2017-2018~~ **2018-2019** in a school-day program
22 multiplied by \$7,250.00 and the number of children served in a
23 GSRP/Head Start blended program or a part-day program the applicant
24 has the capacity to serve in ~~2017-2018~~ **2018-2019** multiplied by
25 \$3,625.00.

26 (4) If funds remain after the allocations under subsection
27 (3), the department shall distribute the remaining funds to each



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

13 (5) For the purposes of subsection (4), for the ~~2017-2018~~
14 **2018-2019** program year, the department shall calculate a percentage
15 of children served by each intermediate district or consortium of
16 intermediate districts by dividing the number of children served in
17 the immediately preceding year by that intermediate district or
18 consortium by the total number of children within the intermediate
19 district or consortium of intermediate districts who meet the
20 criteria of section 32d as determined by the department utilizing
21 the most recent population data available from the American
22 ~~community survey~~ **COMMUNITY SURVEY** conducted by the United States
23 Census Bureau. The department shall compare the resulting
24 percentage of eligible children served to a statewide percentage
25 benchmark to determine if the intermediate district or consortium
26 is eligible for additional funds under subsection (4). For ~~2017-~~
27 ~~2018,~~ **2018-2019**, the statewide percentage benchmark is 60%.



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

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

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

17 Sec. 39a. (1) From the federal funds appropriated in section
18 11, there is allocated ~~each fiscal year for 2016-2017 and for 2017-~~
19 ~~2018~~ **FOR 2018-2019** to districts, intermediate districts, and other
20 eligible entities all available federal funding, estimated at
21 ~~\$744,039,900.00 for 2016-2017 and \$731,600,000.00 for 2017-2018~~
22 **\$730,600,000.00** for the federal programs under the no child left
23 behind act of 2001, Public Law 107-110, or the every student
24 succeeds act, Public Law 114-95. These funds are allocated as
25 follows:

26 (a) An amount estimated at \$1,200,000.00 ~~each fiscal year~~ **FOR**
27 **2018-2019** to provide students with drug- and violence-prevention



1 programs and to implement strategies to improve school safety,
 2 funded from DED-OESE, drug-free schools and communities funds.

3 (b) An amount estimated at ~~\$111,111,900.00 for 2016-2017 and~~
 4 \$100,000,000.00 for ~~2017-2018~~ **2018-2019** for the purpose of
 5 preparing, training, and recruiting high-quality teachers and class
 6 size reduction, funded from DED-OESE, improving teacher quality
 7 funds.

8 (c) An amount estimated at ~~\$12,200,000.00 for 2016-2017 and~~
 9 \$11,000,000.00 for ~~2017-2018~~ **2018-2019** for programs to teach
 10 English to limited English proficient (LEP) children, funded from
 11 DED-OESE, language acquisition state grant funds.

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

15 (D) ~~(e)~~ An amount estimated at ~~\$3,000,000.00 for 2016-2017 and~~
 16 \$2,800,000.00 for ~~2017-2018~~ **2018-2019** for rural and low income
 17 schools, funded from DED-OESE, rural and low income school funds.

18 (E) ~~(f)~~ An amount estimated at \$535,000,000.00 ~~each fiscal~~
 19 ~~year~~ **FOR 2018-2019** to provide supplemental programs to enable
 20 educationally disadvantaged children to meet challenging academic
 21 standards, funded from DED-OESE, title I, disadvantaged children
 22 funds.

23 (F) ~~(g)~~ An amount estimated at ~~\$8,878,000.00 for 2016-2017 and~~
 24 \$9,200,000.00 for ~~2017-2018~~ **2018-2019** for the purpose of
 25 identifying and serving migrant children, funded from DED-OESE,
 26 title I, migrant education funds.

27 (G) ~~(h)~~ An amount estimated at \$39,000,000.00 ~~each fiscal year~~



1 **FOR 2018-2019** for the purpose of providing high-quality extended
 2 learning opportunities, after school and during the summer, for
 3 children in low-performing schools, funded from DED-OESE, twenty-
 4 first century community learning center funds.

5 **(H)** ~~(i)~~—An amount estimated at ~~\$18,000,000.00 each fiscal year~~
 6 **\$12,000,000.00 FOR 2018-2019** to help support local school
 7 improvement efforts, funded from DED-OESE, title I, local school
 8 improvement grants.

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

13 **(J) AN AMOUNT ESTIMATED AT \$5,000,000.00 FOR 2018-2019 FOR THE**
 14 **REMAINING BALANCE OF THE AMOUNT APPROPRIATED UNDER THE FORMER**
 15 **SECTION 32R, FOR FEDERAL FUNDING AWARDED TO THIS STATE UNDER**
 16 **SECTIONS 14005, 14006, AND 14013 OF TITLE XIV OF THE AMERICAN**
 17 **RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, FOR THE**
 18 **RACE TO THE TOP EARLY LEARNING CHALLENGE GRANT.**

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

25 (a) An amount estimated at ~~\$200,000.00 for 2016-2017 and~~
 26 \$100,000.00 for ~~2017-2018~~ **2018-2019** for acquired immunodeficiency
 27 syndrome education grants, funded from HHS - Centers for Disease



1 Control and Prevention, AIDS funding.

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

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

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

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

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

25 (5) For the purposes of funding federal title I grants under
26 this article, in addition to any other federal grants for which a
27 strict discipline academy is eligible, the department shall



1 allocate to strict discipline academies out of title I, part A
2 funds equal to what a strict discipline academy would have received
3 if included and calculated under title I, part D, or what it would
4 receive under the formula allocation under title I, part A,
5 whichever is greater.

6 (6) As used in this section:

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

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

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

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

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

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

26 (2) Funding allocated under this section shall be distributed
27 to eligible districts and eligible public school academies based on



1 the number of full-time equivalent English language learners as
2 follows:

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

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

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

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



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

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

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

17 Sec. 51a. (1) From the appropriation in section 11, there is
 18 allocated an amount not to exceed ~~\$941,946,100.00 for 2016-2017 and~~
 19 ~~there is allocated an amount not to exceed \$956,246,100.00~~
 20 **\$959,446,100.00 for 2017-2018 AND THERE IS ALLOCATED AN AMOUNT NOT**
 21 **TO EXCEED \$979,346,100.00 FOR 2018-2019** from state sources and all
 22 available federal funding under sections 611 to 619 of part B of
 23 the individuals with disabilities education act, 20 USC 1411 to
 24 1419, estimated at \$370,000,000.00 each fiscal year ~~for 2016-2017~~
 25 ~~and for 2017-2018~~ **AND FOR 2018-2019**, plus any carryover federal
 26 funds from previous year appropriations. In addition, from the
 27 general fund appropriation in section 11, there is allocated to the



1 department an amount not to exceed \$500,000.00 for **EACH FISCAL YEAR**
2 **FOR 2017-2018 AND FOR 2018-2019** for the purpose of subsection (16).
3 The allocations under this subsection are for the purpose of
4 reimbursing districts and intermediate districts for special
5 education programs, services, and special education personnel as
6 prescribed in article 3 of the revised school code, MCL 380.1701 to
7 ~~380.1766~~; **380.1761**; net tuition payments made by intermediate
8 districts to the Michigan Schools for the Deaf and Blind; and
9 special education programs and services for pupils who are eligible
10 for special education programs and services according to statute or
11 rule. For meeting the costs of special education programs and
12 services not reimbursed under this article, a district or
13 intermediate district may use money in general funds or special
14 education funds, not otherwise restricted, or contributions from
15 districts to intermediate districts, tuition payments, gifts and
16 contributions from individuals or other entities, or federal funds
17 that may be available for this purpose, as determined by the
18 intermediate district plan prepared pursuant to article 3 of the
19 revised school code, MCL 380.1701 to ~~380.1766~~. **380.1761**.
20 Notwithstanding section 17b, payments of federal funds to
21 districts, intermediate districts, and other eligible entities
22 under this section shall be paid on a schedule determined by the
23 department.

24 (2) From the funds allocated under subsection (1), there is
25 allocated the amount necessary, and estimated at ~~\$260,700,000.00~~
26 ~~for 2016-2017 and estimated at \$264,200,000.00~~ **\$266,400,000.00** for
27 2017-2018 **AND ESTIMATED AT \$272,100,000.00 FOR 2018-2019**, for



1 payments toward reimbursing districts and intermediate districts
2 for 28.6138% of total approved costs of special education,
3 excluding costs reimbursed under section 53a, and 70.4165% of total
4 approved costs of special education transportation. Allocations
5 under this subsection shall be made as follows:

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

25 (b) After the allocations under subdivision (a), districts and
26 intermediate districts for which the payments calculated under
27 subdivision (a) do not fulfill the specified percentages shall be



1 paid the amount necessary to achieve the specified percentages for
2 the district or intermediate district.

3 (3) From the funds allocated under subsection (1), there is
4 allocated ~~each fiscal year for 2016-2017 and for 2017-2018~~ an
5 amount not to exceed \$1,000,000.00 **AND THERE IS ALLOCATED AN AMOUNT**
6 **NOT TO EXCEED \$1,100,000.00 FOR 2018-2019** to make payments to
7 districts and intermediate districts under this subsection. If the
8 amount allocated to a district or intermediate district for a
9 fiscal year under subsection (2) (b) is less than the sum of the
10 amounts allocated to the district or intermediate district for
11 1996-97 under sections 52 and 58, there is allocated to the
12 district or intermediate district for the fiscal year an amount
13 equal to that difference, adjusted by applying the same proration
14 factor that was used in the distribution of funds under section 52
15 in 1996-97 as adjusted to the district's or intermediate district's
16 necessary costs of special education used in calculations for the
17 fiscal year. This adjustment is to reflect reductions in special
18 education program operations or services between 1996-97 and
19 subsequent fiscal years. Adjustments for reductions in special
20 education program operations or services shall be made in a manner
21 determined by the department and shall include adjustments for
22 program or service shifts.

23 (4) If the department determines that the sum of the amounts
24 allocated for a fiscal year to a district or intermediate district
25 under subsection (2) (a) and (b) is not sufficient to fulfill the
26 specified percentages in subsection (2), then the shortfall shall
27 be paid to the district or intermediate district during the fiscal



1 year beginning on the October 1 following the determination and
2 payments under subsection (3) shall be adjusted as necessary. If
3 the department determines that the sum of the amounts allocated for
4 a fiscal year to a district or intermediate district under
5 subsection (2) (a) and (b) exceeds the sum of the amount necessary
6 to fulfill the specified percentages in subsection (2), then the
7 department shall deduct the amount of the excess from the
8 district's or intermediate district's payments under this article
9 for the fiscal year beginning on the October 1 following the
10 determination and payments under subsection (3) shall be adjusted
11 as necessary. However, if the amount allocated under subsection
12 (2) (a) in itself exceeds the amount necessary to fulfill the
13 specified percentages in subsection (2), there shall be no
14 deduction under this subsection.

15 (5) State funds shall be allocated on a total approved cost
16 basis. Federal funds shall be allocated under applicable federal
17 requirements, except that an amount not to exceed \$3,500,000.00 may
18 be allocated by the department each fiscal year for ~~2016-2017 and~~
19 ~~for 2017-2018~~ **AND FOR 2018-2019** to districts, intermediate
20 districts, or other eligible entities on a competitive grant basis
21 for programs, equipment, and services that the department
22 determines to be designed to benefit or improve special education
23 on a statewide scale.

24 (6) From the amount allocated in subsection (1), there is
25 allocated an amount not to exceed \$2,200,000.00 each fiscal year
26 for ~~2016-2017 and for 2017-2018~~ **AND FOR 2018-2019** to reimburse 100%
27 of the net increase in necessary costs incurred by a district or



1 intermediate district in implementing the revisions in the
2 administrative rules for special education that became effective on
3 July 1, 1987. As used in this subsection, "net increase in
4 necessary costs" means the necessary additional costs incurred
5 solely because of new or revised requirements in the administrative
6 rules minus cost savings permitted in implementing the revised
7 rules. Net increase in necessary costs shall be determined in a
8 manner specified by the department.

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

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



1 services, with the exception of special education programs and
2 services provided to youth placed in child caring institutions or
3 juvenile detention programs approved by the department to provide
4 an on-grounds education program.

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

19 (c) If the department determines before bookclosing for a
20 fiscal year that the amounts allocated for that fiscal year under
21 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
22 will exceed expenditures for that fiscal year under subsections
23 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
24 district or intermediate district whose reimbursement for that
25 fiscal year would otherwise be affected by subdivision (b),
26 subdivision (b) does not apply to the calculation of the
27 reimbursement for that district or intermediate district and



1 reimbursement for that district or intermediate district shall be
2 calculated in the same manner as it was for 2003-2004. If the
3 amount of the excess allocations under subsections (2), (3), (6),
4 and (11) and sections 53a, 54, and 56 is not sufficient to fully
5 fund the calculation of reimbursement to those districts and
6 intermediate districts under this subdivision, then the
7 calculations and resulting reimbursement under this subdivision
8 shall be prorated on an equal percentage basis. Beginning in 2015-
9 2016, the amount of reimbursement under this subdivision for a
10 fiscal year shall not exceed \$2,000,000.00 for any district or
11 intermediate district.

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

24 (e) Beginning with calculations for 2004-2005, if an
25 intermediate district purchases a special education pupil
26 transportation service from a constituent district that was
27 previously purchased from a private entity; if the purchase from



1 the constituent district is at a lower cost, adjusted for changes
2 in fuel costs; and if the cost shift from the intermediate district
3 to the constituent does not result in any net change in the revenue
4 the constituent district receives from payments under sections 22b
5 and 51c, then upon application by the intermediate district, the
6 department shall direct the intermediate district to continue to
7 report the cost associated with the specific identified special
8 education pupil transportation service and shall adjust the costs
9 reported by the constituent district to remove the cost associated
10 with that specific service.

11 (8) A pupil who is enrolled in a full-time special education
12 program conducted or administered by an intermediate district or a
13 pupil who is enrolled in the Michigan schools for the deaf and
14 blind shall not be included in the membership count of a district,
15 but shall be counted in membership in the intermediate district of
16 residence.

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

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



1 (11) From the funds allocated in subsection (1), there is
2 allocated the amount necessary, ~~estimated at \$3,500,000.00 for~~
3 ~~2016-2017, and estimated at \$3,600,000.00~~ **\$3,300,000.00** for 2017-
4 2018, **AND ESTIMATED AT \$3,400,000.00 FOR 2018-2019**, to pay the
5 foundation allowances for pupils described in this subsection. The
6 allocation to a district under this subsection shall be calculated
7 by multiplying the number of pupils described in this subsection
8 who are counted in membership in the district times the sum of the
9 foundation allowance under section 20 of the pupil's district of
10 residence plus the amount of the district's per-pupil allocation
11 under section 20m, not to exceed the basic foundation allowance
12 under section 20 for the current fiscal year, or, for a pupil
13 described in this subsection who is counted in membership in a
14 district that is a public school academy, times an amount equal to
15 the amount per membership pupil under section 20(6) or, for a pupil
16 described in this subsection who is counted in membership in the
17 education achievement system, times an amount equal to the amount
18 per membership pupil under section 20(7). The allocation to an
19 intermediate district under this subsection shall be calculated in
20 the same manner as for a district, using the foundation allowance
21 under section 20 of the pupil's district of residence, not to
22 exceed the basic foundation allowance under section 20 for the
23 current fiscal year, and that district's per-pupil allocation under
24 section 20m. This subsection applies to all of the following
25 pupils:

26 (a) Pupils described in section 53a.

27 (b) Pupils counted in membership in an intermediate district



1 who are not special education pupils and are served by the
2 intermediate district in a juvenile detention or child caring
3 facility.

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

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

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

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

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

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

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

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

24 (14) If a public school academy that is not a cyber school, as
25 defined in section 551 of the revised school code, MCL 380.551,
26 enrolls under this section a pupil who resides outside of the
27 intermediate district in which the public school academy is located



1 and who is eligible for special education programs and services
2 according to statute or rule, or who is a child with disabilities,
3 as defined under the individuals with disabilities education act,
4 Public Law 108-446, the intermediate district in which the public
5 school academy is located and the public school academy shall enter
6 into a written agreement with the intermediate district in which
7 the pupil resides for the purpose of providing the pupil with a
8 free appropriate public education, and the written agreement shall
9 include at least an agreement on the responsibility for the payment
10 of the added costs of special education programs and services for
11 the pupil. If the public school academy that enrolls the pupil does
12 not enter into an agreement under this subsection, the public
13 school academy shall not charge the pupil's resident intermediate
14 district or the intermediate district in which the public school
15 academy is located the added costs of special education programs
16 and services for the pupil, and the public school academy is not
17 eligible for any payouts based on the funding formula outlined in
18 the resident or nonresident intermediate district's plan. If a
19 pupil is not enrolled in a public school academy under this
20 subsection, the provision of special education programs and
21 services and the payment of the added costs of special education
22 programs and services for a pupil described in this subsection are
23 the responsibility of the district and intermediate district in
24 which the pupil resides.

25 (15) For the purpose of receiving its federal allocation under
26 part B of the individuals with disabilities education act, Public
27 Law 108-446, a public school academy that is a cyber school, as



1 defined in section 551 of the revised school code, MCL 380.551, and
2 is in compliance with section 553a of the revised school code, MCL
3 380.553a, shall directly receive the federal allocation under part
4 B of the individuals with disabilities education act, Public Law
5 108-446, from the intermediate district in which the cyber school
6 is located, as the subrecipient. If the intermediate district does
7 not distribute the funds described in this subsection to the cyber
8 school by the part B application due date of July 1, the department
9 may distribute the funds described in this subsection directly to
10 the cyber school according to the formula prescribed in 34 CFR
11 300.705 and 34 CFR 300.816.

12 (16) For a public school academy that is a cyber school, as
13 defined in section 551 of the revised school code, MCL 380.551, and
14 is in compliance with section 553a of the revised school code, MCL
15 380.553a, that enrolls a pupil under this section, the intermediate
16 district in which the cyber school is located shall ensure that the
17 cyber school complies with sections 1701a, 1703, 1704, 1751, 1752,
18 1756, and 1757 of the revised school code, MCL 380.1701a, 380.1703,
19 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757; applicable
20 rules; and the individuals with disabilities education act, Public
21 Law 108-446. From the general fund appropriation under subsection
22 (1), the department shall provide appropriate administrative
23 funding to the intermediate district in which that cyber school is
24 located for the purpose of ensuring that compliance.

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

1 information database maintained by the center.

2 Sec. 51c. As required by the court in the consolidated cases
 3 known as ~~Durant v State of Michigan~~, ***Durant v State of Michigan***,
 4 456 Mich 175 (1997), from the allocation under section 51a(1),
 5 there is allocated each fiscal year ~~for 2016-2017 and for 2017-2018~~
 6 **AND FOR 2018-2019** the amount necessary, estimated at
 7 ~~\$624,600,000.00 for 2016-2017 and \$635,300,000.00~~ **\$636,600,000.00**
 8 for 2017-2018 **AND \$650,600,000.00 FOR 2018-2019**, for payments to
 9 reimburse districts for 28.6138% of total approved costs of special
 10 education excluding costs reimbursed under section 53a, and
 11 70.4165% of total approved costs of special education
 12 transportation. Funds allocated under this section that are not
 13 expended in the state fiscal year for which they were allocated, as
 14 determined by the department, may be used to supplement the
 15 allocations under sections 22a and 22b in order to fully fund those
 16 calculated allocations for the same fiscal year.

17 Sec. 51d. (1) From the federal funds appropriated in section
 18 11, there is allocated ~~each fiscal year for 2016-2017 and for 2017-~~
 19 ~~2018,~~ **FOR 2018-2019** all available federal funding, estimated at
 20 \$61,000,000.00, ~~each fiscal year,~~ for special education programs
 21 and services that are funded by federal grants. All federal funds
 22 allocated under this section shall be distributed in accordance
 23 with federal law. Notwithstanding section 17b, payments of federal
 24 funds to districts, intermediate districts, and other eligible
 25 entities under this section shall be paid on a schedule determined
 26 by the department.

27 (2) From the federal funds allocated under subsection (1), the



1 following amounts are allocated ~~each fiscal year for 2016-2017 and~~
 2 ~~for 2017-2018:~~ **FOR 2018-2019:**

3 (a) An amount estimated at \$14,000,000.00 ~~each fiscal year for~~
 4 handicapped infants and toddlers, funded from DED-OSERS,
 5 handicapped infants and toddlers funds.

6 (b) An amount estimated at \$12,000,000.00 ~~each fiscal year for~~
 7 preschool grants (Public Law 94-142), funded from DED-OSERS,
 8 handicapped preschool incentive funds.

9 (c) An amount estimated at \$35,000,000.00 ~~each fiscal year for~~
 10 special education programs funded by DED-OSERS, handicapped
 11 program, individuals with disabilities act funds.

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

15 Sec. 53a. (1) For districts, reimbursement for pupils
 16 described in subsection (2) shall be 100% of the total approved
 17 costs of operating special education programs and services approved
 18 by the department and included in the intermediate district plan
 19 adopted pursuant to article 3 of the revised school code, MCL
 20 380.1701 to ~~380.1766,~~ **380.1761**, minus the district's foundation
 21 allowance calculated under section 20 and minus the district's per-
 22 pupil allocation under section 20m. For intermediate districts,
 23 reimbursement for pupils described in subsection (2) shall be
 24 calculated in the same manner as for a district, using the
 25 foundation allowance under section 20 of the pupil's district of
 26 residence, not to exceed the basic foundation allowance under
 27 section 20 for the current fiscal year, and that district's per-



1 pupil allocation under section 20m.

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

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

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

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

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

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

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

27 (4) The costs of transportation shall be funded under this



1 section and shall not be reimbursed under section 58.

2 (5) Not more than \$10,500,000.00 of the allocation for ~~2017-~~
3 ~~2018-2018-2019~~ in section 51a(1) shall be allocated under this
4 section.

5 Sec. 54. Each intermediate district shall receive an amount
6 per-pupil for each pupil in attendance at the Michigan schools for
7 the deaf and blind. The amount shall be proportionate to the total
8 instructional cost at each school. Not more than \$1,688,000.00 of
9 the allocation for ~~2017-2018-2018-2019~~ in section 51a(1) shall be
10 allocated under this section.

11 Sec. 54b. (1) From the general fund appropriation in section
12 11, there is allocated an amount not to exceed \$1,600,000.00 for
13 ~~2017-2018-2018-2019~~ to continue the implementation of the
14 recommendations of the special education reform task force
15 published in January 2016.

16 (2) ~~Except as provided in subsection (3), the~~ **THE** department
17 shall use funds allocated under this section for the purpose of
18 piloting statewide implementation of the Michigan Integrated
19 Behavior and Learning Support Initiative (MiBLSI), a nationally
20 recognized program that includes positive behavioral intervention
21 and supports and provides a statewide structure to support local
22 initiatives for an integrated behavior and reading program. With
23 the assistance of the intermediate districts involved in MiBLSI,
24 the department shall identify a number of intermediate districts to
25 participate in the pilot that is sufficient to ensure that MiBLSI
26 can be implemented statewide with fidelity and sustainability. In
27 addition, the department shall identify an intermediate district to



1 act as a fiscal agent for these funds.

2 ~~—— (3) In addition to the purpose under subsection (2), the~~
 3 ~~department shall use funds allocated under this section for the~~
 4 ~~purpose of providing training to intermediate districts and~~
 5 ~~districts related to the safe implementation of emergency~~
 6 ~~restraints and seclusion. The department shall develop and~~
 7 ~~implement a training program that is based on the state board's~~
 8 ~~adopted standards and on any other legislation enacted by the~~
 9 ~~legislature regarding the emergency use of seclusion and restraint.~~

10 **SEC. 54D. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS**
 11 **ALLOCATED AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR 2018-2019 TO**
 12 **INTERMEDIATE DISTRICTS FOR THE PURPOSE OF PROVIDING STATE EARLY ON**
 13 **SERVICES FOR CHILDREN FROM BIRTH TO 3 YEARS OF AGE WITH A**
 14 **DEVELOPMENTAL DELAY OR A DISABILITY, OR BOTH, AND THEIR FAMILIES,**
 15 **AS DESCRIBED IN THE EARLY ON MICHIGAN STATE PLAN, AS APPROVED BY**
 16 **THE DEPARTMENT.**

17 **(2) TO BE ELIGIBLE TO RECEIVE GRANT FUNDING UNDER THIS**
 18 **SECTION, EACH INTERMEDIATE DISTRICT SHALL APPLY IN A FORM AND**
 19 **MANNER DETERMINED BY THE DEPARTMENT.**

20 **(3) THE GRANT FUNDING ALLOCATED UNDER THIS SECTION SHALL BE**
 21 **USED TO INCREASE EARLY ON SERVICES AND RESOURCES AVAILABLE TO**
 22 **CHILDREN THAT DEMONSTRATE DEVELOPMENTAL DELAYS TO HELP PREPARE THEM**
 23 **FOR SUCCESS AS THEY ENTER SCHOOL. STATE EARLY ON SERVICES INCLUDE**
 24 **EVALUATING AND PROVIDING EARLY INTERVENTION SERVICES FOR ELIGIBLE**
 25 **INFANTS AND TODDLERS AND THEIR FAMILIES TO ADDRESS DEVELOPMENTAL**
 26 **DELAYS, INCLUDING THOSE AFFECTING PHYSICAL, COGNITIVE,**
 27 **COMMUNICATION, ADAPTIVE, SOCIAL, OR EMOTIONAL DEVELOPMENT. GRANT**



1 FUNDS MUST NOT BE USED TO SUPPLANT EXISTING SERVICES THAT ARE
2 CURRENTLY BEING PROVIDED.

3 (4) THE FUNDS ALLOCATED UNDER SUBSECTION (1) MUST BE
4 DISTRIBUTED TO INTERMEDIATE DISTRICTS ACCORDING TO THE DEPARTMENT'S
5 EARLY ON FUNDING FORMULA, USED TO DISTRIBUTE THIS STATE'S AWARD
6 UNDER PART C OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, 20
7 USC 1431 TO 1444. FUNDS RECEIVED UNDER THIS SECTION MUST NOT
8 SUPPLANT EXISTING FUNDS OR RESOURCES ALLOCATED FOR EARLY ON EARLY
9 INTERVENTION SERVICES. AN INTERMEDIATE DISTRICT RECEIVING FUNDS
10 UNDER THIS SECTION SHALL MAXIMIZE THE CAPTURE OF MEDICAID FUNDS TO
11 SUPPORT EARLY ON EARLY INTERVENTION SERVICES TO THE EXTENT
12 POSSIBLE.

13 (5) AN INTERMEDIATE DISTRICT THAT RECEIVES FUNDS UNDER THIS
14 SECTION SHALL REPORT DATA AND OTHER INFORMATION TO THE DEPARTMENT
15 IN A FORM, MANNER, AND FREQUENCY PRESCRIBED BY THE DEPARTMENT TO
16 ALLOW FOR MONITORING AND EVALUATION TO ENSURE THAT THE CHILDREN
17 DESCRIBED IN SUBSECTION (1) RECEIVED APPROPRIATE LEVELS AND TYPES
18 OF SERVICES DELIVERED BY QUALIFIED PERSONNEL, BASED ON THE
19 INDIVIDUAL NEEDS OF THE CHILDREN AND THEIR FAMILIES.

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

21 (a) "Membership" means for a particular fiscal year the total
22 membership for the immediately preceding fiscal year of the
23 intermediate district and the districts constituent to the
24 intermediate district.

25 (b) "Millage levied" means the millage levied for special
26 education pursuant to part 30 of the revised school code, MCL
27 380.1711 to ~~380.1743~~, **380.1741**, including a levy for debt service



1 obligations.

2 (c) "Taxable value" means the total taxable value of the
3 districts constituent to an intermediate district, except that if a
4 district has elected not to come under part 30 of the revised
5 school code, MCL 380.1711 to ~~380.1743,~~ **380.1741**, membership and
6 taxable value of the district shall not be included in the
7 membership and taxable value of the intermediate district.

8 (2) From the allocation under section 51a(1), there is
9 allocated an amount not to exceed \$37,758,100.00 each fiscal year
10 for ~~2016-2017 and for 2017-2018~~ **AND FOR 2018-2019** to reimburse
11 intermediate districts levying millages for special education
12 pursuant to part 30 of the revised school code, MCL 380.1711 to
13 ~~380.1743.~~ **380.1741**. The purpose, use, and expenditure of the
14 reimbursement shall be limited as if the funds were generated by
15 these millages and governed by the intermediate district plan
16 adopted pursuant to article 3 of the revised school code, MCL
17 380.1701 to ~~380.1766.~~ **380.1761**. As a condition of receiving funds
18 under this section, an intermediate district distributing any
19 portion of special education millage funds to its constituent
20 districts shall submit for departmental approval and implement a
21 distribution plan.

22 ~~—— (3) Reimbursement for those millages levied in 2015-2016 shall~~
23 ~~be made in 2016-2017 at an amount per 2015-2016 membership pupil~~
24 ~~computed by subtracting from \$180,900.00 the 2015-2016 taxable~~
25 ~~value behind each membership pupil and multiplying the resulting~~
26 ~~difference by the 2015-2016 millage levied.~~

27 (3) ~~(4)~~ Reimbursement for those millages levied in 2016-2017



1 shall be made in 2017-2018 at an amount per 2016-2017 membership
 2 pupil computed by subtracting from ~~\$183,200.00~~ **\$183,900.00** the
 3 2016-2017 taxable value behind each membership pupil and
 4 multiplying the resulting difference by the 2016-2017 millage
 5 levied, and then subtracting from that amount the 2016-2017 local
 6 community stabilization share revenue for special education
 7 purposes behind each membership pupil for reimbursement of personal
 8 property exemption loss under the local community stabilization
 9 authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

10 **(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2017-2018 SHALL**
 11 **BE MADE IN 2018-2019 AT AN AMOUNT PER 2017-2018 MEMBERSHIP PUPIL**
 12 **COMPUTED BY SUBTRACTING FROM \$189,900.00 THE 2017-2018 TAXABLE**
 13 **VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING**
 14 **DIFFERENCE BY THE 2017-2018 MILLAGE LEVIED, AND THEN SUBTRACTING**
 15 **FROM THAT AMOUNT THE 2017-2018 LOCAL COMMUNITY STABILIZATION SHARE**
 16 **REVENUE FOR SPECIAL EDUCATION PURPOSES BEHIND EACH MEMBERSHIP PUPIL**
 17 **FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE**
 18 **LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL**
 19 **123.1341 TO 123.1362.**

20 (5) The amount paid to a single intermediate district under
 21 this section shall not exceed 62.9% of the total amount allocated
 22 under subsection (2).

23 (6) The amount paid to a single intermediate district under
 24 this section shall not be less than 75% of the amount allocated to
 25 the intermediate district under this section for the immediately
 26 preceding fiscal year.

27 Sec. 61a. (1) From the ~~appropriation~~ **FUNDS APPROPRIATED** in



1 section 11, there is allocated an amount not to exceed
2 ~~\$36,611,300.00~~ **\$18,911,300.00 FROM THE STATE SCHOOL AID FUND**
3 **APPROPRIATION AND AN AMOUNT NOT TO EXCEED \$22,700,000.00 FROM THE**
4 **TALENT INVESTMENT FUND APPROPRIATION** for ~~2017-2018~~ **2018-2019** to
5 reimburse on an added cost basis districts, except for a district
6 that served as the fiscal agent for a vocational education
7 consortium in the 1993-94 school year and that has a foundation
8 allowance as calculated under section 20 greater than the minimum
9 foundation allowance under that section, and secondary area
10 vocational-technical education centers for secondary-level career
11 and technical education programs according to rules approved by the
12 superintendent. Applications for participation in the programs
13 shall be submitted in the form prescribed by the department. The
14 department shall determine the added cost for each career and
15 technical education program area. The allocation of added cost
16 funds shall be prioritized based on the capital and program
17 expenditures needed to operate the career and technical education
18 programs provided; the number of pupils enrolled; the advancement
19 of pupils through the instructional program; the existence of an
20 articulation agreement with at least 1 postsecondary institution
21 that provides pupils with opportunities to earn postsecondary
22 credit during the pupil's participation in the career and technical
23 education program and transfers those credits to the postsecondary
24 institution upon completion of the career and technical education
25 program; and the program rank in student placement, job openings,
26 and wages, and shall not exceed 75% of the added cost of any
27 program. Notwithstanding any rule or department determination to



1 the contrary, when determining a district's allocation or the
2 formula for making allocations under this section, the department
3 shall include the participation of pupils in grade 9 in all of
4 those determinations and in all portions of the formula. With the
5 approval of the department, the board of a district maintaining a
6 secondary career and technical education program may offer the
7 program for the period from the close of the school year until
8 September 1. The program shall use existing facilities and shall be
9 operated as prescribed by rules promulgated by the superintendent.

10 (2) Except for a district that served as the fiscal agent for
11 a vocational education consortium in the 1993-94 school year,
12 districts and intermediate districts shall be reimbursed for local
13 career and technical education administration, shared time career
14 and technical education administration, and career education
15 planning district career and technical education administration.
16 The definition of what constitutes administration and reimbursement
17 shall be pursuant to guidelines adopted by the superintendent. Not
18 more than \$800,000.00 of the allocation in subsection (1) shall be
19 distributed under this subsection.

20 (3) A career and technical education program funded under this
21 section may provide an opportunity for participants who are
22 eligible to be funded under section 107 to enroll in the career and
23 technical education program funded under this section if the
24 participation does not occur during regular school hours.

25 (4) In addition to the money allocated under subsections (1) ~~7~~
26 **AND** (5), ~~and (6),~~ from the general fund money appropriated in
27 section 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount



1 not to exceed ~~\$79,000.00~~ **\$80,000.00** to an eligible Michigan-
 2 approved 501(c)(3) organization for the purposes of teaching or
 3 training restaurant management and culinary arts for career and
 4 professional development. The department shall oversee funds
 5 distributed to an eligible grantee under this section. As used in
 6 this subsection, "eligible Michigan-approved 501(c)(3)
 7 organization" means an organization that is exempt from taxation
 8 under section 501(c)(3) of the internal revenue code of 1986, 26
 9 USC 501, that provides the ProStart curriculum and training to
 10 state-approved career and technical education programs with
 11 classification of instructional programs (CIP) codes in the 12.05xx
 12 category, and that administers national certification for the
 13 purpose of restaurant management and culinary arts for career and
 14 professional development.

15 (5) In addition to the funds allocated under subsections (1) ~~7~~
 16 **AND** (4), ~~and (6),~~ from the funds appropriated in section 11, there
 17 is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
 18 \$1,000,000.00 for competitive grants to intermediate districts to
 19 hire career and technical education counselors. All of the
 20 following apply to this funding:

21 (a) An intermediate district seeking a grant under this
 22 subsection shall apply to the department in a form and manner
 23 specified by the department.

24 (b) The department shall award grants under this subsection on
 25 a competitive basis to no more than 3 intermediate districts ~~but~~
 26 ~~shall give priority to the intermediate district that has the~~
 27 ~~greatest number of pupils enrolled in its constituent districts and~~



1 ~~shall ensure that grants are equitably distributed to the various~~
 2 ~~geographic areas of this state and to urban and rural areas.~~**THAT**
 3 **RECEIVED FUNDING UNDER THIS SECTION FOR 2017-2018.**

4 (c) To be eligible for funding under this subsection, an
 5 intermediate district shall do all of the following:

6 (i) Catalog all available K-12 and other workforce development
 7 programs and services, including job search, job training, pre-
 8 employment certifications, career awareness programs, career and
 9 technical education programs, and other related programs and
 10 services offered by districts or intermediate districts,
 11 postsecondary institutions, and other private or public service
 12 organizations.

13 (ii) Develop an outreach program that educates students about
 14 career and technical education options and connects students to the
 15 services cataloged under subparagraph (i).

16 (iii) Track student placement and report on student placement
 17 to the house and senate appropriations subcommittees on school aid
 18 no later than June 30, ~~2018~~**2019** in the form and manner prescribed
 19 by the department.

20 ~~—— (6) In addition to the funds allocated under subsections (1),~~
 21 ~~(4), and (5), there is allocated an amount not to exceed~~
 22 ~~\$160,000.00 for 2017-2018 to eligible districts under this~~
 23 ~~subsection for the purpose of career and technical education~~
 24 ~~counselors. To be eligible to receive funding under this~~
 25 ~~subsection, an eligible district must be a constituent district of~~
 26 ~~an intermediate district that is located in prosperity region 6 and~~
 27 ~~borders prosperity regions 5, 7, and 9, and must have at least~~



1 ~~1,600 pupils in membership in 2017-2018. A grant to an eligible~~
 2 ~~district under this subsection shall be \$80,000.00.~~

3 **(6) NOT LATER THAN DECEMBER 1, 2018, A DISTRICT OR**
 4 **INTERMEDIATE DISTRICT RECEIVING FUNDS UNDER THIS SECTION SHALL**
 5 **REPORT TO THE DEPARTMENT ON THE NUMBER OF MALE AND FEMALE PROGRAM**
 6 **PARTICIPANTS AND STEPS THE DISTRICT OR INTERMEDIATE DISTRICT IS**
 7 **TAKING TO REDUCE THE DISPARITY BETWEEN THE NUMBER OF MALE AND**
 8 **FEMALE PROGRAM PARTICIPANTS. NOT LATER THAN FEBRUARY 1, 2019, THE**
 9 **DEPARTMENT SHALL COMPILE AND SUMMARIZE THE RESULTS AND PROVIDE**
 10 **RECOMMENDATIONS TO REDUCE THE DISPARITY IN A REPORT TO THE HOUSE**
 11 **AND SENATE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID AND THE HOUSE**
 12 **AND SENATE FISCAL AGENCIES.**

13 Sec. 61b. (1) From the appropriation in section 11, there is
 14 allocated an amount not to exceed \$8,000,000.00 ~~each fiscal year~~
 15 ~~for 2016-2017 and 2017-2018~~ **FOR 2018-2019** for CTE early/middle
 16 college and CTE dual enrollment programs authorized under this
 17 section and for planning grants for the development or expansion of
 18 CTE early/middle college programs. The purpose of these programs is
 19 to increase the number of Michigan residents with high-quality
 20 degrees or credentials, and to increase the number of students who
 21 are college and career ready upon high school graduation.

22 (2) From the funds allocated under subsection (1), an amount
 23 as determined under this subsection shall be allocated to each
 24 intermediate district serving as a fiscal agent for state-approved
 25 CTE early/middle college and CTE dual enrollment programs in each
 26 of the prosperity regions and subregions identified by the
 27 department. An intermediate district shall not use more than 5% of



1 the funds allocated under this subsection for administrative costs
2 for serving as the fiscal agent.

3 (3) To be an eligible fiscal agent, an intermediate district
4 must agree to do all of the following in a form and manner
5 determined by the department:

6 (a) Distribute funds to eligible CTE early/middle college and
7 CTE dual enrollment programs in a prosperity region or subregion as
8 described in this section.

9 (b) Collaborate with the ~~talent district career council~~ **CAREER**
10 **AND EDUCATIONAL ADVISORY COUNCIL** that is located in the prosperity
11 region or subregion to develop a regional strategic plan under
12 subsection (4) that aligns CTE programs and services into an
13 efficient and effective delivery system for high school students.

14 (c) Implement a regional process to rank career clusters in
15 the prosperity region or subregion as described under subsection
16 (4). Regional processes shall be approved by the department before
17 the ranking of career clusters.

18 (d) Report CTE early/middle college and CTE dual enrollment
19 program and student data and information as prescribed by the
20 department **AND THE CENTER**.

21 (4) A regional strategic plan must be approved by the ~~talent~~
22 ~~district career~~ **AND EDUCATIONAL ADVISORY** council before submission
23 to the department. A regional strategic plan shall include, but not
24 be limited to, the following:

25 (a) An identification of regional employer need based on a
26 ranking of all career clusters in the prosperity region or
27 subregion ranked by 10-year job openings projections and median



1 wage for each standard occupational code in each career cluster as
2 obtained from the United States Bureau of Labor Statistics.
3 Standard occupational codes within high-ranking clusters also may
4 be further ranked by median wage. The rankings shall be reviewed by
5 the ~~talent district~~-career **AND EDUCATIONAL ADVISORY** council located
6 in the prosperity region or subregion and modified if necessary to
7 accurately reflect employer demand for talent in the prosperity
8 region or subregion. A ~~talent district~~-career **AND EDUCATIONAL**
9 **ADVISORY** council shall document that it has conducted this review
10 and certify that it is accurate. These career cluster rankings
11 shall be determined and updated once every 4 years.

12 (b) An identification of educational entities in the
13 prosperity region or subregion that will provide eligible CTE
14 early/middle college and CTE dual enrollment programs including
15 districts, intermediate districts, postsecondary institutions, and
16 noncredit occupational training programs leading to an industry-
17 recognized credential.

18 (c) A strategy to inform parents and students of CTE
19 early/middle college and CTE dual enrollment programs in the
20 prosperity region or subregion.

21 (d) Any other requirements as defined by the department.

22 (5) An eligible CTE program is a program that meets all of the
23 following:

24 (a) Has been identified in the highest 5 career cluster
25 rankings in any of the 10 regional strategic plans jointly approved
26 by the Michigan talent investment agency in the department of
27 talent and economic development and the department.



1 (b) Has a coherent sequence of courses that will allow a
2 student to earn a high school diploma and achieve at least 1 of the
3 following in a specific career cluster:

4 (i) An associate degree.

5 (ii) An industry-recognized technical certification approved
6 by the Michigan talent investment agency in the department of
7 talent and economic development.

8 (iii) Up to 60 transferable college credits.

9 (iv) Participation in a registered apprenticeship.

10 (c) Is aligned with the Michigan merit curriculum.

11 (d) Has an articulation agreement with at least 1
12 postsecondary institution that provides students with opportunities
13 to receive postsecondary credits during the student's participation
14 in the CTE early/middle college or CTE dual enrollment program and
15 transfers those credits to the postsecondary institution upon
16 completion of the CTE early/middle college or CTE dual enrollment
17 program.

18 (e) Provides instruction that is supervised, directed, or
19 coordinated by an appropriately certificated CTE teacher or, for
20 concurrent enrollment courses, a postsecondary faculty member.

21 (f) Provides for highly integrated student support services
22 that include at least the following:

23 (i) Teachers as academic advisors.

24 (ii) Supervised course selection.

25 (iii) Monitoring of student progress and completion.

26 (iv) Career planning services provided by a local one-stop
27 service center as described in the Michigan works one-stop service

1 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
2 high school counselor or advisor.

3 (g) Has courses that are taught on a college campus, are
4 college courses offered at the high school and taught by college
5 faculty, or are courses taught in combination with online
6 instruction.

7 (6) Funds to eligible CTE early/middle college and CTE dual
8 enrollment programs shall be distributed as follows:

9 (a) The department shall determine statewide average CTE costs
10 per pupil for each CIP code program by calculating statewide
11 average costs for each CIP code program for the 3 most recent
12 fiscal years.

13 (b) Distribution to each eligible CTE early/middle college or
14 CTE dual enrollment program shall be the product of 50% of CTE
15 costs per pupil times the current year pupil enrollment of each
16 eligible CTE early/middle college or CTE dual enrollment program.

17 (7) In order to receive funds under this section, a CTE
18 early/middle college or CTE dual enrollment program shall furnish
19 to the intermediate district that is the fiscal agent identified in
20 subsection ~~(1)~~, **(2)**, in a form and manner determined by the
21 department, all information needed to administer this program and
22 meet federal reporting requirements; shall allow the department or
23 the department's designee to review all records related to the
24 program for which it receives funds; and shall reimburse the state
25 for all disallowances found in the review, as determined by the
26 department.

27 (8) There is allocated from the funds under subsection (1) an



1 amount not to exceed \$500,000.00 for ~~2017-2018~~**2018-2019** for grants
2 to intermediate districts or consortia of intermediate districts
3 for the purpose of planning for new or expanded early middle
4 college programs. Applications for grants shall be submitted in a
5 form and manner determined by the department. The amount of a grant
6 under this subsection shall not exceed \$50,000.00. To be eligible
7 for a grant under this subsection, an intermediate district or
8 consortia of intermediate districts must provide matching funds
9 equal to the grant received under this subsection. Notwithstanding
10 section 17b, payments under this subsection may be made as
11 determined by the department.

12 (9) Funds distributed under this section may be used to fund
13 program expenditures that would otherwise be paid from foundation
14 allowances. A program receiving funding under section 61a may
15 receive funding under this section for allowable costs that exceed
16 the reimbursement the program received under section 61a. The
17 combined payments received by a program under section 61a and this
18 section shall not exceed the total allowable costs of the program.
19 A program provider shall not use more than 5% of the funds
20 allocated under this section to the program for administrative
21 costs.

22 (10) If the allocation under subsection (1) is insufficient to
23 fully fund payments as otherwise calculated under this section, the
24 department shall prorate payments under this section on an equal
25 percentage basis.

26 (11) If pupils enrolled in a career cluster in an eligible CTE
27 early/middle college or CTE dual enrollment program qualify to be



1 reimbursed under this section, those pupils continue to qualify for
 2 reimbursement until graduation, even if the career cluster is no
 3 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
 7 to the program as jointly determined by the Michigan talent
 8 investment agency and the department.

9 **(B) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN**
 10 **ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED**
 11 **IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR,**
 12 **AND PARENT REPRESENTATIVES.**

13 (C) ~~(b)~~ "CIP" means classification of instructional programs.

14 (D) ~~(c)~~ "CTE" means career and technical education programs.

15 (E) ~~(d)~~ "CTE dual enrollment program" means a 4-year high
 16 school program of postsecondary courses offered by eligible
 17 postsecondary educational institutions that leads to an industry-
 18 recognized certification or degree.

19 (F) ~~(e)~~ "Early/middle college program" means a 5-year high
 20 school program.

21 (G) ~~(f)~~ "Eligible postsecondary educational institution" means
 22 that term as defined in section 3 of the career and technical
 23 preparation act, 2000 PA 258, MCL 388.1903.

24 ~~(g) "Talent district career council" means an advisory council~~
 25 ~~to the local workforce development boards located in a prosperity~~
 26 ~~region consisting of educational, employer, labor, and parent~~
 27 ~~representatives.~~



1 Sec. 61c. (1) From the ~~general~~ **TALENT INVESTMENT** fund
2 appropriation in section 11, there is allocated for ~~2017-2018-2018-~~
3 **2019** an amount not to exceed ~~\$7,000,000.00~~ **\$14,000,000.00** to career
4 education planning districts for the CTE skilled trades initiative
5 described in subsections (2) to (5).

6 (2) To be eligible to receive funding under subsection (1),
7 each CEPD shall apply in a form and manner determined by the
8 department. Funding to each CEPD shall be equal to the quotient of
9 the allocation under subsection (1) and the sum of the number of
10 career education planning districts applying for funding under
11 subsection (1).

12 (3) The funding allocated to each CEPD shall be used to update
13 equipment in current CTE programs that have been identified in the
14 highest 5 career cluster rankings in any of the 10 regional
15 strategic plans jointly approved by the Michigan talent investment
16 agency in the department of talent and economic development and the
17 department, for training on new equipment, for professional
18 development relating to computer science or coding, or for new and
19 emerging certified CTE programs to allow CEPD administrators to
20 provide programming in communities that will enhance economic
21 development. The funding for equipment should be used to support
22 and enhance community areas that have sustained job growth, and act
23 as a commitment to build a more qualified and skilled workforce. In
24 addition, each CEPD is encouraged to explore the option of leasing
25 equipment from local private industry to encourage the use of the
26 most advanced equipment.

27 (4) The allocation of funds at the local level shall be



1 determined by CEPD administrators using data from the state,
2 region, and local sources to make well-informed decisions on
3 program equipment improvements. Grants awarded by CEPD
4 administrators for capital infrastructure shall be used to ensure
5 that CTE programs can deliver educational programs in high-wage,
6 high-skill, and high-demand occupations. Each CEPD shall continue
7 to ensure that program advisory boards make recommendations on
8 needed improvements for equipment that support job growth and job
9 skill development and retention for both the present and the
10 future.

11 (5) Not later than September 15 of each fiscal year, each CEPD
12 receiving funding under subsection (1) shall annually report to the
13 department, the senate and house appropriations subcommittees on
14 state school aid, and the senate and house fiscal agencies and
15 legislature on equipment purchased under subsection (1). In
16 addition, the report shall identify growth data on program
17 involvement, retention, and development of student skills.

18 (6) In addition to the funds allocated under subsection (1),
19 from the ~~general~~ **TALENT INVESTMENT** fund appropriation in section
20 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount not to
21 exceed ~~\$500,000.00~~ **\$1,000,000.00** to districts for a competitive
22 grant to mechatronics programs that operated in ~~2016-2017~~ **2017-2018**
23 for updating mechatronics program equipment.

24 (7) In addition to the funds allocated under subsections (1)
25 and (6), from the ~~general~~ **TALENT INVESTMENT** fund appropriation in
26 section 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount
27 not to exceed ~~\$5,000,000.00~~ **\$10,000,000.00** for grants to districts



1 and intermediate districts or consortia of districts and
2 intermediate districts for the CTE equipment and innovation
3 competitive grant program described in subsections (8) to (10).

4 (8) To be eligible to receive a competitive grant under
5 subsection (7), an applicant shall apply in a form and manner
6 determined by the department. The amount of a grant awarded from
7 the allocation under subsection (7) shall be at least \$100,000.00
8 but shall not exceed \$1,000,000.00 and shall be used for the
9 purchase or lease of equipment from private industry partners and
10 for related capacity building activities. A grant application for a
11 grant awarded from the allocation under subsection (7) shall
12 include at least all of the following information:

13 (a) A description of how the proposed capital infrastructure
14 initiative will provide increased career opportunities for students
15 and adult learners in high-wage, high-skill, and high-demand
16 occupations.

17 (b) Demonstrated evidence of employer demand for the
18 initiative and related CTE training, including documentation of
19 industry involvement in the initiative that will allow for work-
20 based learning opportunities, apprenticeships, teacher externships,
21 or a combination of these.

22 (c) A budget for the initiative, including demonstrated
23 commitment of local or regional partners to sustain the initiative
24 beyond the initial grant funding.

25 (d) A description of how the initiative aligns with other CTE
26 and community college programs and how the equipment will be
27 utilized by initiative partners.



1 (e) Other information as requested by the department and the
2 department of talent and economic development.

3 (9) The department shall evaluate grant applications under
4 subsection (8) in collaboration with the department of talent and
5 economic development. A member of the governor's talent investment
6 board may serve in an advisory capacity in the evaluation process
7 as determined by the department of talent and economic development.

8 (10) Not later than December 15 of each fiscal year, each
9 grant recipient receiving funding under subsection (7) shall
10 annually report to the department, the department of talent and
11 economic development, the house and senate appropriations
12 subcommittees on state school aid, the house and senate fiscal
13 agencies, and the state budget director on equipment purchased
14 under subsection (7) in the immediately preceding school year. The
15 report shall identify growth data on program involvement,
16 retention, and development of student and adult learner skills.

17 (11) As used in this section:

18 (a) "CEPD" means a career education planning district
19 described in this section.

20 (b) "CTE" means career and technical education.

21 Sec. 62. (1) For the purposes of this section:

22 (a) "Membership" means for a particular fiscal year the total
23 membership for the immediately preceding fiscal year of the
24 intermediate district and the districts constituent to the
25 intermediate district or the total membership for the immediately
26 preceding fiscal year of the area vocational-technical program.

27 (b) "Millage levied" means the millage levied for area



1 vocational-technical education pursuant to sections 681 to 690 of
2 the revised school code, MCL 380.681 to 380.690, including a levy
3 for debt service obligations incurred as the result of borrowing
4 for capital outlay projects and in meeting capital projects fund
5 requirements of area vocational-technical education.

6 (c) "Taxable value" means the total taxable value of the
7 districts constituent to an intermediate district or area
8 vocational-technical education program, except that if a district
9 has elected not to come under sections 681 to 690 of the revised
10 school code, MCL 380.681 to 380.690, the membership and taxable
11 value of that district shall not be included in the membership and
12 taxable value of the intermediate district. However, the membership
13 and taxable value of a district that has elected not to come under
14 sections 681 to 690 of the revised school code, MCL 380.681 to
15 380.690, shall be included in the membership and taxable value of
16 the intermediate district if the district meets both of the
17 following:

18 (i) The district operates the area vocational-technical
19 education program pursuant to a contract with the intermediate
20 district.

21 (ii) The district contributes an annual amount to the
22 operation of the program that is commensurate with the revenue that
23 would have been raised for operation of the program if millage were
24 levied in the district for the program under sections 681 to 690 of
25 the revised school code, MCL 380.681 to 380.690.

26 (2) From the appropriation in section 11, there is allocated
27 an amount not to exceed \$9,190,000.00 each fiscal year ~~for 2016-~~



1 2017 and for 2017-2018 **AND FOR 2018-2019** to reimburse intermediate
 2 districts and area vocational-technical education programs
 3 established under section 690(3) of the revised school code, MCL
 4 380.690, levying millages for area vocational-technical education
 5 pursuant to sections 681 to 690 of the revised school code, MCL
 6 380.681 to 380.690. The purpose, use, and expenditure of the
 7 reimbursement shall be limited as if the funds were generated by
 8 those millages.

9 ~~— (3) Reimbursement for the millages levied in 2015-2016 shall~~
 10 ~~be made in 2016-2017 at an amount per 2015-2016 membership pupil~~
 11 ~~computed by subtracting from \$198,100.00 the 2015-2016 taxable~~
 12 ~~value behind each membership pupil and multiplying the resulting~~
 13 ~~difference by the 2015-2016 millage levied.~~

14 (3) ~~(4)~~ Reimbursement for those millages levied in 2016-2017
 15 shall be made in 2017-2018 at an amount per 2016-2017 membership
 16 pupil computed by subtracting from \$199,000.00 ~~\$200,400.00~~ the
 17 2016-2017 taxable value behind each membership pupil and
 18 multiplying the resulting difference by the 2016-2017 millage
 19 levied, and then subtracting from that amount the 2016-2017 local
 20 community stabilization share revenue for area vocational technical
 21 education behind each membership pupil for reimbursement of
 22 personal property exemption loss under the local community
 23 stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

24 (4) **REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2017-2018 SHALL**
 25 **BE MADE IN 2018-2019 AT AN AMOUNT PER 2017-2018 MEMBERSHIP PUPIL**
 26 **COMPUTED BY SUBTRACTING FROM \$205,600.00 THE 2017-2018 TAXABLE**
 27 **VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING**



1 DIFFERENCE BY THE 2017-2018 MILLAGE LEVIED, AND THEN SUBTRACTING
2 FROM THAT AMOUNT THE 2017-2018 LOCAL COMMUNITY STABILIZATION SHARE
3 REVENUE FOR AREA VOCATIONAL TECHNICAL EDUCATION BEHIND EACH
4 MEMBERSHIP PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION
5 LOSS UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA
6 86, MCL 123.1341 TO 123.1362.

7 (5) The amount paid to a single intermediate district under
8 this section shall not exceed 38.4% of the total amount allocated
9 under subsection (2).

10 (6) The amount paid to a single intermediate district under
11 this section shall not be less than 75% of the amount allocated to
12 the intermediate district under this section for the immediately
13 preceding fiscal year.

14 Sec. 64b. (1) From the appropriation in section 11, there is
15 allocated an amount not to exceed \$1,750,000.00 for ~~2017-2018-2018-~~
16 ~~2019~~ for supplemental payments to districts that support the
17 attendance of district pupils in grades 9 to 12 under the
18 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
19 388.524, or under the career and technical preparation act, 2000 PA
20 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that
21 support the attendance of district pupils in a concurrent
22 enrollment program if the district meets the requirements under
23 subsection (3). Programs funded under this section are intended to
24 increase the number of pupils who are college- and career-ready
25 upon high school graduation.

26 (2) To be eligible for payments under this section for
27 supporting the attendance of district pupils under the



1 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
2 388.524, or under the career and technical preparation act, 2000 PA
3 258, MCL 388.1901 to 388.1913, a district shall do all of the
4 following:

5 (a) Provide information to all high school pupils on
6 postsecondary enrollment options, including enrollment eligibility,
7 the institutions and types of courses that are eligible for
8 participation, the decision-making process for granting academic
9 credit, and an explanation of eligible charges that will be paid by
10 the district.

11 (b) Enter into a written agreement with a postsecondary
12 institution before the enrollment of district pupils.

13 (c) Agree to pay all eligible charges pursuant to section 21b.

14 (d) Award high school credit for the postsecondary course if
15 the pupil successfully completes the course.

16 (3) To be eligible for payments under this section for pupils
17 enrolled in a concurrent enrollment program, a district shall do
18 all of the following:

19 (a) Provide information to all high school pupils on
20 postsecondary enrollment options, including enrollment eligibility,
21 the institutions and types of courses that are eligible for
22 participation, the decision-making process for granting academic
23 credit, and an explanation of eligible charges that will be paid by
24 the district.

25 (b) Enter into a written agreement with a postsecondary
26 institution establishing the concurrent enrollment program before
27 the enrollment of district pupils in a postsecondary course through



1 the postsecondary institution.

2 (c) Ensure that the course is taught by either a high school
3 teacher or postsecondary faculty pursuant to standards established
4 by the postsecondary institution with which the district has
5 entered into a written agreement to operate the concurrent
6 enrollment program.

7 (d) Ensure that the written agreement provides that the
8 postsecondary institution agrees not to charge the pupil for any
9 cost of the program.

10 (e) Ensure that the course is taught in the local district or
11 intermediate district.

12 (f) Ensure that the pupil is awarded both high school and
13 college credit at a community college or state public university in
14 this state upon successful completion of the course as outlined in
15 the agreement with the postsecondary institution.

16 (4) Funds shall be awarded to eligible districts under this
17 section in the following manner:

18 (a) A payment of \$10.00 per credit, for up to 3 credits, for a
19 credit-bearing course in which a pupil enrolls during the current
20 school year, as described under either subsection (2) or (3).

21 (b) An additional payment of \$30.00 per-pupil per course
22 identified in subdivision (a), if the pupil successfully completes,
23 and is awarded both high school and postsecondary credit for, the
24 course during the current school year.

25 (5) A district requesting payment under this section shall
26 submit an application to the department in the form and manner
27 prescribed by the department. Notwithstanding section 17b, payments



1 under this section shall be made on a schedule determined by the
2 department.

3 Sec. 64d. (1) From the ~~general~~**TALENT INVESTMENT** fund
4 appropriation under section 11, there is allocated an amount not to
5 exceed \$2,300,000.00 ~~for 2017-2018~~**FOR 2018-2019** for a ~~competitive~~
6 grant to provide information technology education opportunities to
7 students attending schools operating grades K-12, career and
8 technical centers and career academies, and community colleges and
9 universities. It is the intent of the legislature that 2017-2018 is
10 the ~~first~~**SECOND** of 3 years of funding for the ~~competitive~~ grant
11 program. Funds allocated under this section shall be used for
12 instruction in information technology skills and competencies that
13 are essential for the workplace and requested by employers and
14 shall allow participating students and faculties to secure broad-
15 based information technology certifications and, if applicable,
16 college credit.

17 (2) The department shall select a ~~THE~~ provider ~~using a~~
18 ~~competitive request for proposals process. Proposals submitted~~
19 ~~under this subsection shall~~**THAT RECEIVED FUNDING UNDER THIS**
20 **SECTION IN 2017-2018. A PROGRAM FUNDED UNDER THIS SECTION MUST**
21 include at least the following components:

22 (a) Research- and skill-development-based and information
23 technology curriculum.

24 (b) Online access to the curriculum.

25 (c) Instructional software for classroom and student use.

26 (d) A program that includes coding curriculum and material
27 that are aligned to the CS AP exam and grants a certificate upon



1 completion of the program.

2 (e) Components for all grade levels on computational thinking
3 skills development using the latest gaming software.

4 (f) A process for students to obtain certifications of skills
5 and competencies in a broad base of information technology-related
6 skill areas.

7 (g) Professional development for faculty.

8 (h) Implementation and program support, including, but not
9 limited to, integration with current curriculum standards.

10 (i) Methods for students to earn college credit.

11 ~~—— (3) The department shall give priority to proposals by~~
12 ~~providers that have previously demonstrated success in this state~~
13 ~~in providing high-quality information technology education~~
14 ~~opportunities to students.~~

15 **(3)** ~~(4)~~—The funds allocated under this section for ~~2017–2018~~
16 **2018–2019** are a work project appropriation, and any unexpended
17 funds for ~~2017–2018–2018–2019~~ are to be carried forward into ~~2018–~~
18 ~~2019–2019–2020~~. The purpose of the work project is to continue to
19 provide information technology education opportunities described in
20 this section. The estimated completion date of the work project is
21 September 30, 2020.

22 Sec. 65. (1) From the general fund money appropriated under
23 section 11, there is allocated an amount not to exceed \$340,000.00
24 ~~for 2017–2018~~ **FOR 2018–2019** for a pre-college engineering K-12
25 educational program that is focused on the development of a diverse
26 future Michigan workforce, that serves multiple communities within
27 southeast Michigan, that enrolls pupils from multiple districts,



1 and that received funds appropriated for this purpose in the
2 appropriations act that provided the Michigan strategic fund budget
3 for 2014-2015.

4 (2) To be eligible for funding under this section, a program
5 must have the ability to expose pupils to, and motivate and prepare
6 pupils for, science, technology, engineering, and mathematics
7 careers and postsecondary education with special attention given to
8 groups of pupils who are at-risk and underrepresented in technical
9 professions and careers.

10 Sec. 67. (1) From the general fund amount appropriated in
11 section 11, there is allocated an amount not to exceed
12 \$3,000,000.00 for ~~2017-2018~~**2018-2019** for college access programs.
13 The programs funded under this section are intended to inform
14 students of college and career options and to provide resources
15 intended to increase the number of pupils who are adequately
16 prepared with the information needed to make informed decisions on
17 college and career. The funds appropriated under this section are
18 intended to be used to increase the number of Michigan residents
19 with high-quality degrees or credentials. Funds appropriated under
20 this section shall not be used to supplant funding for counselors
21 already funded by districts.

22 (2) The talent investment agency of the department of talent
23 and economic development shall administer funds allocated under
24 this section in collaboration with the Michigan college access
25 network. These funds may be used for any of the following purposes:

26 (a) Michigan college access network operations, programming,
27 and services to local college access networks.



1 (b) Local college access networks, which are community-based
2 college access/success partnerships committed to increasing the
3 college participation and completion rates within geographically
4 defined communities through a coordinated strategy.

5 (c) The Michigan college advising program, a program intended
6 to place trained, recently graduated college advisors in high
7 schools that serve significant numbers of low-income and first-
8 generation college-going pupils. State funds used for this purpose
9 may not exceed 33% of the total funds available under this
10 subsection.

11 (d) Subgrants of up to \$5,000.00 to districts with
12 comprehensive high schools that establish a college access team and
13 implement specific strategies to create a college-going culture in
14 a high school in a form and manner approved by the Michigan college
15 access network and the Michigan talent investment agency.

16 (e) The Michigan college access portal, an online one-stop
17 portal to help pupils and families plan and apply for college.

18 (f) Public awareness and outreach campaigns to encourage low-
19 income and first-generation college-going pupils to take necessary
20 steps toward college and to assist pupils and families in
21 completing a timely and accurate free application for federal
22 student aid.

23 (g) Subgrants to postsecondary institutions to recruit, hire,
24 and train college student mentors and college advisors to assist
25 high school pupils in navigating the postsecondary planning and
26 enrollment process.

27 (3) For the purposes of this section, "college" means any



1 postsecondary educational opportunity that leads to a career,
2 including, but not limited to, a postsecondary degree, industry-
3 recognized technical certification, or registered apprenticeship.

4 Sec. 67a. (1) From the ~~general fund money appropriated~~ **TALENT**
5 **INVESTMENT FUND APPROPRIATION** in section 11, there is allocated for
6 ~~2017-2018-2018-2019~~ an amount not to exceed ~~\$1,000,000.00~~
7 **\$1,500,000.00** to expand an eligible web-based career preparation
8 and readiness platform to prosperity regions beyond where the
9 platform is currently being utilized.

10 (2) In order to be eligible for funding under this section, a
11 career preparation and readiness platform shall meet all of the
12 following:

13 (a) Has a partnership with intermediate districts, community
14 colleges, workforce development agencies, and community employers.

15 (b) Assesses student skills, abilities, and preferences to
16 match them with careers of interest.

17 (c) Allows students to explore careers with access to more
18 than 600 career profiles, including, but not limited to, career
19 descriptions, education and training requirements, and earning
20 information.

21 (d) Connects with local companies through company profiles
22 that include, but are not limited to, description, location, career
23 opportunities, and work-based learning activities.

24 (e) Allows students to experience careers firsthand by
25 searching for job shadowing, mock interviews, company tours,
26 company events, and internship opportunities offered by employers
27 in a student's area.



1 (f) Provides students with step-by-step help to develop a job
2 search plan, write a resume and cover letter, and prepare for job
3 interviews.

4 (g) Provides students with an understanding of the education
5 and training required for a particular career, a comparison of
6 school data and profiles, and access to college preparation,
7 scholarship, and financial aid information.

8 **(H) RECEIVED FUNDING UNDER THIS SECTION IN 2017-2018.**

9 **(I) COMMITS TO PROVIDE MATCHING FUNDS OF 25%.**

10 (3) A grantee receiving funding under this section shall
11 comply with the requirements of section 19b.

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

14 **SEC. 68. (1) FROM THE TALENT INVESTMENT FUND APPROPRIATION IN**
15 **SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
16 **\$21,900,000.00 FOR 2018-2019 FOR THE EXPANSION OF K-12 EDUCATION**
17 **PROGRAMS THAT FOCUS ON CREATING COMPETENCIES IN HIGH-DEMAND FIELDS.**

18 **(2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED**
19 **AN AMOUNT NOT TO EXCEED \$20,960,000.00 FOR COMPETITIVE GRANTS TO**
20 **DISTRICTS, INTERMEDIATE DISTRICTS, COMMUNITY COLLEGES, COLLEGES,**
21 **AND UNIVERSITIES THAT ARE MEMBERS OF AND APPLY ON BEHALF OF A**
22 **TALENT CONSORTIUM, IN A FORM AND MANNER PRESCRIBED BY THE**
23 **DEPARTMENT AND THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT.**

24 **(3) FOR PURPOSES OF COMPETITIVE GRANTS ALLOCATED UNDER**
25 **SUBSECTION (2), ALL OF THE FOLLOWING SHALL APPLY:**

26 **(A) DISTRICTS, INTERMEDIATE DISTRICTS, AND OTHER ELIGIBLE**
27 **APPLICANTS AS DESCRIBED IN THIS SECTION WORKING IN CONJUNCTION WITH**



1 A TALENT CONSORTIUM SHALL APPLY IN A FORM AND MANNER DETERMINED BY
2 THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT AND THE
3 DEPARTMENT.

4 (B) GRANTS AWARDED UNDER THIS SECTION MUST BE PAID OVER 3
5 YEARS BEGINNING IN 2018-2019.

6 (C) FUNDS RECEIVED UNDER THIS SECTION MAY BE USED BY MEMBERS
7 OF THE TALENT CONSORTIUM FOR ANY OF THE FOLLOWING:

8 (i) STIPENDS FOR INDUSTRY MENTORS TO ASSIST IN TEACHING
9 CLASSES IN HIGH-DEMAND FIELDS. GRANTS AWARDED FOR THIS PURPOSE
10 SHALL NOT EXCEED \$5,000.00 PER MENTOR PER YEAR.

11 (ii) TESTING OR PROJECT FEES ON BEHALF OF PUPILS FOR THE
12 PURPOSE OF EARNING CREDENTIALS IN HIGH-DEMAND FIELDS. GRANTS
13 AWARDED FOR THIS PURPOSE SHALL NOT EXCEED \$200.00 PER PUPIL. AN
14 ADVANCED PLACEMENT TEST DOES NOT QUALIFY FOR FUNDING UNDER THIS
15 SUBSECTION UNLESS IT IS A TEST FOR PHYSICS C: ELECTRICITY AND
16 MAGNETISM, PHYSICS C: MECHANICS, COMPUTER SCIENCE A, COMPUTER
17 SCIENCE PRINCIPALS, OR ADDITIONAL TESTS AS DETERMINED APPROPRIATE
18 BY THE DEPARTMENT, IN COLLABORATION WITH THE DEPARTMENT OF TALENT
19 AND ECONOMIC DEVELOPMENT.

20 (iii) RELEVANT EQUIPMENT THAT IS USED IN COURSES THAT RESULT
21 IN CREDENTIALS IN HIGH-DEMAND FIELDS. IN ORDER TO USE FUNDS FOR
22 THIS PURPOSE, THE TALENT CONSORTIUM OF WHICH THE APPLICANT IS A
23 MEMBER MUST COMMIT TO PROVIDE AN EQUAL AMOUNT OF MATCHING FUNDS
24 TOWARD EQUIPMENT PURCHASES. GRANTS AWARDED FOR THIS PURPOSE SHALL
25 NOT EXCEED \$20,000.00.

26 (iv) PROFESSIONAL DEVELOPMENT FOR TEACHERS THAT IMPROVE THEIR
27 CAPACITY TO TEACH HIGH-DEMAND SKILLS. THE DEPARTMENT SHALL PUBLISH



1 A LIST OF PREFERRED PARTNERS AND PROVIDERS AND SHALL GIVE
2 PREFERENCE TO APPLICATIONS UTILIZING THOSE PARTNERS OR PROVIDERS.
3 THE DEPARTMENT SHALL DETERMINE THE GRANTS AWARDED UNDER THIS
4 SUBDIVISION. GRANTS AWARDED FOR THIS PURPOSE SHALL NOT EXCEED
5 \$5,000.00 PER TEACHER.

6 (v) THE HIRING OF FULL-TIME STAFF TO CREATE OR EXPAND A
7 PROGRAM IN A HIGH-DEMAND FIELD. IN ORDER TO USE FUNDS FOR THIS
8 PURPOSE, THE APPLICANT MUST COMMIT TO CONTINUING TO PROVIDE THE
9 PROGRAM FOR AT LEAST AN ADDITIONAL 3 YEARS FOLLOWING THE FINAL
10 DISBURSEMENT OF FUNDS. IT IS THE INTENT OF THE LEGISLATURE THAT
11 PROGRAMS CREATED OR EXPANDED USING FUNDS FOR THIS PURPOSE BECOME
12 SUSTAINABLE THROUGH INCREASED ENROLLMENT, COMMUNITY PARTNERSHIPS,
13 OR OTHER MEANS. GRANTS AWARDED FOR THIS PURPOSE SHALL NOT EXCEED
14 \$100,000.00.

15 (D) PROGRAMS THAT RECEIVE GRANT FUNDS UNDER THIS SECTION MUST,
16 TO THE EXTENT POSSIBLE, USE A COMPETENCY-BASED INSTRUCTIONAL MODEL.

17 (4) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
18 AN AMOUNT NOT TO EXCEED \$940,000.00 TO THE DEPARTMENT FOR COSTS
19 RELATED TO THE ADMINISTRATION OF THIS SECTION.

20 SEC. 68A. (1) FROM THE TALENT INVESTMENT FUND APPROPRIATION IN
21 SECTION 11, THERE IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO
22 EXCEED \$6,100,000.00 FOR THE PURPOSES OF STRENGTHENING CURRICULUM,
23 MATERIALS, PROFESSIONAL DEVELOPMENT, INSTRUCTIONAL PRACTICES, PUPIL
24 PROJECTS, AND OTHER ITEMS NEEDED FOR COMPETENCY DEVELOPMENT AND
25 CREDENTIALS IN HIGH-DEMAND FIELDS.

26 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
27 AN AMOUNT NOT TO EXCEED \$4,000,000.00 FOR COMPETITIVE GRANTS TO



1 MEMBERS OF TALENT CONSORTIUMS FOR THE DEVELOPMENT OF NEW CURRICULA,
2 MATERIALS, PROFESSIONAL DEVELOPMENT, INSTRUCTIONAL PRACTICES, AND
3 STUDENT PROJECTS IN HIGH-DEMAND FIELDS. CURRICULA DEVELOPED WITH
4 GRANT FUNDS AWARDED UNDER THIS SUBSECTION MUST INCLUDE AT LEAST
5 PROFESSIONAL DEVELOPMENT, MATERIALS, LESSON PLANS, PUPIL PROJECTS,
6 AND OTHER NEEDED ITEMS IN A FIELD OR TOPIC THAT LACKS SUFFICIENT
7 CURRICULA, AS DETERMINED BY THE DEPARTMENT AND THE DEPARTMENT OF
8 TALENT AND ECONOMIC DEVELOPMENT. GRANTS MUST BE AWARDED IN THE
9 FOLLOWING MANNER:

10 (A) NO MORE THAN 10 GRANTS SHALL BE AWARDED IN AMOUNTS BETWEEN
11 \$50,000.00 AND \$100,000.00.

12 (B) NO MORE THAN 100 GRANTS SHALL BE AWARDED IN AN AMOUNT
13 BETWEEN \$15,000.00 AND \$25,000.00.

14 (C) NO MORE THAN 40 GRANTS SHALL BE AWARDED IN AN AMOUNT LESS
15 THAN \$15,000.00.

16 (D) IF THE STATE SUPERINTENDENT DOES NOT EXPECT TO REACH THE
17 MAXIMUM NUMBER OF EACH GRANT TYPE LISTED IN THIS SUBSECTION PRIOR
18 TO FISCAL YEAR 2021-2022, THE STATE SUPERINTENDENT MAY DIRECT THE
19 DEPARTMENT TO REPRIORITIZE THE REMAINING GRANT DOLLARS TO MAXIMIZE
20 THE CREATION OF ITEMS IN HIGH-DEMAND FIELDS UNDER THIS SECTION.

21 (3) THE DEPARTMENT, IN COLLABORATION WITH THE DEPARTMENT OF
22 TALENT AND ECONOMIC DEVELOPMENT, SHALL ENSURE THAT APPLICATIONS FOR
23 GRANTS AWARDED UNDER SUBSECTION (2) INCLUDE ALL OF THE FOLLOWING:

24 (A) A DEMONSTRATION OF A FOCUS ON COMPETENCY-BASED
25 INSTRUCTION.

26 (B) A COMMITMENT THAT ANY ITEMS CREATED USING AWARDED FUNDS
27 ARE, TO THE DEGREE PRACTICABLE, MADE OPEN SOURCE, WHICH MEANS THAT



1 THEY ARE MADE AVAILABLE FOR USE ELECTRONICALLY AND AT NO CHARGE TO
2 OTHER EDUCATIONAL INSTITUTIONS IN THIS STATE IN ORDER TO REPLICATE
3 THE PROGRAM.

4 (C) A COMMITMENT THAT AN EMPLOYER OR ENTITY REPRESENTING
5 EMPLOYERS THAT IS ALSO A MEMBER OF THE RECIPIENT'S TALENT
6 CONSORTIUM WILL BE DIRECTLY AND MEANINGFULLY INVOLVED IN THE
7 CREATION OF THE CURRICULUM. THE APPLICATION MUST INCLUDE A LETTER
8 FROM THE APPLICANT DETAILING HOW THE EMPLOYER OR ENTITY
9 REPRESENTING EMPLOYERS WILL BE INVOLVED IN THE CREATION OF THE
10 CURRICULUM.

11 (4) DISTRICTS, INTERMEDIATE DISTRICTS, COMMUNITY COLLEGES,
12 COLLEGES, AND UNIVERSITIES THAT ARE MEMBERS OF AND APPLY ON BEHALF
13 OF A TALENT CONSORTIUM ARE ELIGIBLE TO APPLY FOR GRANTS UNDER
14 SUBSECTION (2), IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT
15 AND THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT.

16 (5) THE DEPARTMENT, IN COLLABORATION WITH THE DEPARTMENT OF
17 TALENT AND ECONOMIC DEVELOPMENT, SHALL, TO THE EXTENT POSSIBLE,
18 AWARD GRANTS UNDER THIS SECTION IN A MANNER THAT MINIMIZES THE
19 CREATION OF ITEMS THAT ARE SIMILAR TO ITEMS ALREADY IN EXISTENCE
20 AND MAXIMIZES THE CREATION OF NEW CURRICULA, INSTRUCTIONAL
21 MATERIALS, LESSON PLANS, PUPIL PROJECTS, AND OTHER ITEMS IN AREAS
22 WHERE THOSE ITEMS DO NOT ALREADY EXIST.

23 (6) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS
24 ALLOCATED AN AMOUNT NOT TO EXCEED \$2,000,000.00 TO THE DEPARTMENT
25 FOR PROVIDING TECHNICAL ASSISTANCE TO DISTRICTS TO HELP DISTRICTS
26 INTEGRATE THE MICHIGAN MERIT CURRICULUM INTO COMPETENCY-BASED
27 PROGRAMS, INCLUDING CAREER AND TECHNICAL EDUCATION PROGRAMS.



1 (7) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS
2 ALLOCATED AN AMOUNT NOT TO EXCEED \$100,000.00 TO THE DEPARTMENT FOR
3 COSTS RELATED TO THE ADMINISTRATION OF THIS SECTION.

4 SEC. 68B. (1) FROM THE TALENT INVESTMENT FUND APPROPRIATION IN
5 SECTION 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED
6 \$10,700,000.00 FOR 2018-2019 FOR THE MICHIGAN TALENT PLEDGE
7 SCHOLARSHIP PROGRAM ADMINISTERED BY THE DEPARTMENT OF TREASURY.

8 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
9 AN AMOUNT NOT TO EXCEED \$10,000,000.00 FOR THE PURPOSE OF ASSISTING
10 LOW-INCOME INDIVIDUALS WITH THE COST OF OBTAINING A QUALIFYING
11 DEGREE OR CREDENTIAL IN HIGH-DEMAND FIELDS. THE FUNDS MUST BE USED
12 TO FUND SCHOLARSHIPS AND STIPENDS FOR 2 COHORTS OF ELIGIBLE
13 INDIVIDUALS OVER 4 YEARS. AWARDS SHALL BE IN THE AMOUNTS OF THE
14 FOLLOWING:

15 (A) \$750.00 SCHOLARSHIP AWARD FOR INDIVIDUALS ENROLLED IN AN
16 ELIGIBLE PROGRAM THAT LEADS TO A 1-YEAR CREDENTIAL, IN ADDITION TO
17 A \$250.00 STIPEND PAID TO THE INDIVIDUAL.

18 (B) \$500.00 SCHOLARSHIP AWARD EACH YEAR FOR 2 YEARS FOR
19 INDIVIDUALS ENROLLED IN AN ELIGIBLE PROGRAM THAT LEADS TO A 2-YEAR
20 CREDENTIAL, IN ADDITION TO A \$250.00 STIPEND EACH YEAR PAID TO THE
21 INDIVIDUAL.

22 (3) TO BE ELIGIBLE FOR A SCHOLARSHIP GRANT UNDER THIS SECTION,
23 AN INDIVIDUAL SHALL MEET ALL OF THE FOLLOWING:

24 (A) POSSESS A HIGH SCHOOL DIPLOMA, RECOGNIZED EQUIVALENCY, OR
25 RECOGNIZED EQUIVALENCY CERTIFICATE.

26 (B) BE A RESIDENT OF THIS STATE AND CITIZEN OF THE UNITED
27 STATES OF AMERICA.



1 (C) FILE THE FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA),
2 ANNUALLY.

3 (D) MEET THE SAME INCOME QUALIFICATION REQUIREMENTS AS THE
4 HEALTHY MICHIGAN PLAN UNDER SECTION 107 OF THE SOCIAL WELFARE ACT,
5 MCL 400.107, AT THE TIME OF APPLICATION.

6 (E) BE ADMITTED TO AN ELIGIBLE POSTSECONDARY INSTITUTION AND
7 ENROLLED FULL-TIME IN A QUALIFYING PROGRAM.

8 (F) APPLY FOR A GRANT IN A FORM AND MANNER PRESCRIBED BY THE
9 DEPARTMENT OF TREASURY.

10 (G) MAINTAIN A CUMULATIVE GRADE POINT AVERAGE OF AT LEAST 2.5,
11 IF THE INSTITUTION USES A STANDARD GRADING MODEL, OR, IF THE
12 INSTITUTION USES A COMPETENCY-BASED GRADING MODEL DURING THEIR TIME
13 ENROLLED IN AN ELIGIBLE POSTSECONDARY INSTITUTION, MAKE SUFFICIENT
14 PROGRESS THROUGH THE CURRICULUM TO COMPLETE THE PROGRAM.

15 (H) IS BETWEEN THE AGES OF 16 AND 45 AT THE TIME OF
16 APPLICATION.

17 (4) AN ELIGIBLE POSTSECONDARY INSTITUTION IS ANY PUBLIC OR
18 PRIVATE NONPROFIT COLLEGE OR UNIVERSITY, JUNIOR COLLEGE, COMMUNITY
19 COLLEGE, OR PRIVATE TRAINING PROVIDER THAT GRANTS DEGREES OR
20 CERTIFICATES AND IS LOCATED IN THIS STATE AND PROVIDES PROOF, IN A
21 FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF TREASURY, IN
22 COOPERATION WITH THE DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT,
23 THAT IT HAS IMPLEMENTED A TALENT GUARANTEE FOR THE RELEVANT
24 QUALIFYING PROGRAM UNDER SUBSECTION (5). FOR THE PURPOSES OF THIS
25 SUBSECTION, A TALENT GUARANTEE MEANS A PROCESS BY WHICH THE
26 INSTITUTION WILL PROVIDE RELEVANT TRAINING IN THE RELEVANT FIELD AT
27 NO COST TO A GRADUATE WHO SUCCESSFULLY COMPLETES A QUALIFYING



1 PROGRAM UNDER SUBSECTION (5), IF THE GRADUATE IS UNABLE TO FIND OR
2 KEEP A JOB IN THE RELEVANT FIELD AT A RELEVANT LEVEL DUE TO A LACK
3 OF TECHNICAL SKILLS. INSTITUTIONS ARE ENCOURAGED TO WORK WITH THEIR
4 LOCAL MICHIGAN WORKS! AGENCIES TO IMPLEMENT THIS GUARANTEE.

5 (5) A PROGRAM MUST MEET ALL OF THE FOLLOWING TO BE A
6 QUALIFYING PROGRAM UNDER THIS SECTION:

7 (A) COMPLETION OF THE PROGRAM MUST RESULT IN A CREDENTIAL IN A
8 QUALIFYING HIGH-DEMAND FIELD.

9 (B) THE PROGRAM IS INTENDED TO BE COMPLETED IN NO MORE THAN 1
10 YEAR FOR AN AWARD UNDER SUBSECTION (2) (A), OR NO MORE THAN 2 YEARS
11 FOR AN AWARD UNDER SUBSECTION (2) (B).

12 (C) THE PROGRAM USES A COMPETENCY-BASED INSTRUCTIONAL MODEL.

13 (6) THE DEPARTMENT OF TREASURY SHALL DEVELOP AN APPLICATION
14 AND ELIGIBILITY DETERMINATION PROCESS THAT WILL PROVIDE THE HIGHEST
15 LEVEL OF PARTICIPATION AND ENSURE THAT ALL REQUIREMENTS OF THE
16 PROGRAM ARE MET.

17 (7) THE DEPARTMENT OF TREASURY SHALL PROVIDE PAYMENT ON BEHALF
18 OF AN INDIVIDUAL ELIGIBLE UNDER SUBSECTION (3) FOR THE SCHOLARSHIP
19 AWARD AMOUNTS DESCRIBED IN SUBSECTION (2) (A) AND (B). THE
20 DEPARTMENT OF TREASURY SHALL REIMBURSE THE ELIGIBLE POSTSECONDARY
21 INSTITUTION NO LATER THAN 30 DAYS AFTER THE START OF THE FISCAL
22 YEAR. SUBJECT TO SUBSECTION (8), THE DEPARTMENT OF TREASURY SHALL
23 ONLY ACCEPT STANDARD PER-CREDIT HOUR TUITION BILLINGS AND SHALL
24 REJECT BILLINGS THAT ARE EXCESSIVE OR OUTSIDE OF THE GUIDELINES FOR
25 THE TYPE OF EDUCATIONAL INSTITUTION. FOR THE STIPEND AMOUNTS UNDER
26 SUBSECTION (2) (A) AND (B), THE DEPARTMENT OF TREASURY SHALL
27 COLLABORATE WITH ELIGIBLE POSTSECONDARY INSTITUTIONS TO ENSURE THAT



1 A PRORATED AMOUNT OF THE STIPEND IS FORWARDED TO THE STUDENT
2 FOLLOWING EACH REGULAR MEETING WITH A COACH, MENTOR, OR COUNSELOR
3 AS AN INCENTIVE FOR THE STUDENT TO MEET WITH A COACH, MENTOR, OR
4 COUNSELOR.

5 (8) FOR THE DEPARTMENT OF TREASURY TO PAY A SCHOLARSHIP AWARD
6 ON BEHALF OF AN INDIVIDUAL ELIGIBLE UNDER SUBSECTION (3), AT LEAST
7 1 OF THE FOLLOWING MUST APPLY:

8 (A) FOR INDIVIDUALS ENROLLED AT A COMMUNITY COLLEGE IN THIS
9 STATE, THE INDIVIDUAL IS CHARGED THE CURRENT IN-DISTRICT TUITION
10 AND MANDATORY FEES.

11 (B) FOR INDIVIDUALS ENROLLED AT A PUBLIC UNIVERSITY IN THIS
12 STATE, THE INDIVIDUAL IS CHARGED THE LOWER DIVISION RESIDENT
13 TUITION AND MANDATORY FEES FOR THE CURRENT YEAR.

14 (C) FOR INDIVIDUALS ENROLLED AT AN INDEPENDENT, NONPROFIT
15 DEGREE-GRANTING COLLEGE OR UNIVERSITY IN THIS STATE OR A FEDERAL
16 TRIBALLY CONTROLLED COMMUNITY COLLEGE IN THIS STATE, THE MANDATORY
17 FEES AND PER-CREDIT PAYMENT CHARGED TO THE INDIVIDUAL DOES NOT
18 EXCEED THE AVERAGE COMMUNITY COLLEGE IN-DISTRICT PER-CREDIT TUITION
19 RATE AS REPORTED ON AUGUST 1 OF THE IMMEDIATELY PRECEDING ACADEMIC
20 YEAR.

21 (9) THE DEPARTMENT OF TREASURY SHALL COLLABORATE WITH THE
22 CENTER TO USE THE P-20 LONGITUDINAL DATA SYSTEM TO REPORT THE
23 NUMBER OF STUDENTS WHO ARE ENGAGED IN AND HAVE COMPLETED A PROGRAM
24 USING AN AWARD GRANTED UNDER THIS SECTION.

25 (10) FROM THE FUNDS ALLOCATED IN SUBSECTION (1), THERE IS AN
26 AMOUNT ALLOCATED NOT TO EXCEED \$700,000.00 TO THE DEPARTMENT OF
27 TREASURY FOR COSTS RELATED TO THE ADMINISTRATION OF THIS SECTION.



1 SEC. 68C. (1) FROM THE TALENT INVESTMENT FUND APPROPRIATION IN
2 SECTION 11, THERE IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO
3 EXCEED \$4,600,000.00 FOR THE INNOVATIVE EDUCATOR CORPS PROGRAM
4 DEVELOPED AND IMPLEMENTED UNDER SUBSECTION (2).

5 (2) THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT AN INNOVATIVE
6 EDUCATOR CORPS PROGRAM THAT MEETS ALL OF THE FOLLOWING:

7 (A) ALLOWS AN INNOVATIVE EDUCATOR TO PROVIDE PROFESSIONAL
8 DEVELOPMENT TO OTHER EDUCATORS.

9 (B) REQUIRES THE DEPARTMENT TO COLLABORATE WITH INNOVATIVE
10 EDUCATORS REGARDING NEW PILOT PROGRAMS.

11 (C) CREATES AN INNOVATIVE EDUCATOR ROUNDTABLE TO DISCUSS
12 EDUCATION ISSUES THAT INCLUDES INNOVATIVE EDUCATORS, POLICY MAKERS,
13 LEGISLATORS, AND BUSINESS LEADERS.

14 (D) PROVIDES BUSINESS CARDS OR OTHER IDENTIFICATION FOR
15 INNOVATIVE EDUCATORS THAT IDENTIFY THE INNOVATIVE EDUCATOR AS A
16 MEMBER OF AN ELITE CORPS OF EDUCATORS IN THIS STATE.

17 (E) PROVIDES INNOVATIVE EDUCATORS A YEARLY STIPEND IN AN
18 AMOUNT BETWEEN \$5,000.00 AND \$10,000.00.

19 (F) SELECTS INNOVATIVE EDUCATORS USING THE SELECTION PROCESS
20 UNDER SUBSECTION (3).

21 (G) EXAMINES THE USE OF INNOVATIVE EDUCATORS TO SUPPORT LOW-
22 PERFORMING SCHOOLS, INCLUDING, BUT NOT LIMITED TO, SCHOOLS THAT ARE
23 SUBJECT TO A PARTNERSHIP AGREEMENT.

24 (3) THE DEPARTMENT SHALL CONDUCT AN ANNUAL PROCESS FOR
25 SELECTING INNOVATIVE EDUCATORS FOR THE INNOVATIVE EDUCATOR CORPS
26 DEVELOPED AND IMPLEMENTED UNDER SUBSECTION (2). THE SELECTION
27 PROCESS MUST MEET ALL OF THE FOLLOWING:



1 (A) THE GOVERNING BODY OF EACH DISTRICT MAY NOMINATE 1
2 EDUCATOR FOR EVERY 2,000 PUPILS ENROLLED IN THE DISTRICT TO THE
3 INTERMEDIATE DISTRICT IN WHICH THE DISTRICT IS LOCATED FOR
4 APPOINTMENT TO THE INNOVATIVE EDUCATOR CORPS. A DISTRICT SHALL ONLY
5 NOMINATE AN EDUCATOR WHO MEETS ALL OF THE FOLLOWING:

6 (i) WAS RATED AS EFFECTIVE OR HIGHLY EFFECTIVE UNDER SECTION
7 1249 FOR EACH OF THE IMMEDIATELY PRECEDING 3 SCHOOL YEARS.

8 (ii) DEMONSTRATES EFFICACY, AS MEASURED BY PUPIL ACHIEVEMENT
9 OR INTEREST.

10 (iii) IS RECOMMENDED BY, AT LEAST, HIS OR HER STUDENTS, PEERS,
11 ADMINISTRATORS, AND COMMUNITY MEMBERS, AS DETERMINED BY THE
12 DISTRICT.

13 (iv) IS A MODEL FOR EDUCATORS ACROSS THIS STATE AND
14 DEMONSTRATES SPIRIT, DETERMINATION, AND PASSION FOR THE TEACHING
15 PROFESSION.

16 (v) SUCCESSFULLY IMPLEMENTED AN INNOVATIVE INSTRUCTIONAL
17 MODEL, INCLUDING, BUT NOT LIMITED TO, A FLIPPED CLASSROOM, PROJECT-
18 BASED LEARNING, INTENSIVE INTERVENTION FOR LOW-PERFORMING STUDENTS,
19 OR COMPETENCY-BASED LEARNING.

20 (B) EACH INTERMEDIATE DISTRICT SHALL NOMINATE AN EDUCATOR OR
21 EDUCATORS FROM AMONG THE NOMINATIONS RECEIVED FROM DISTRICTS UNDER
22 SUBDIVISION (A), IF ANY, TO THE DEPARTMENT FOR APPOINTMENT TO THE
23 INNOVATIVE EDUCATOR CORPS. THE NOMINATIONS SUBMITTED TO THE
24 DEPARTMENT UNDER THIS SUBDIVISION MUST MEET BOTH OF THE FOLLOWING:

25 (i) THE INTERMEDIATE DISTRICT SHALL NOMINATE 1 EDUCATOR FOR
26 EVERY 5,000 PUPILS ENROLLED IN THE PUBLIC SCHOOLS LOCATED IN THE
27 INTERMEDIATE DISTRICT. AN INTERMEDIATE DISTRICT WITH FEWER THAN



1 10,000 PUPILS ENROLLED SHALL NOMINATE 2 EDUCATORS.

2 (ii) THE NOMINATIONS MUST BE BASED ON AT LEAST ALL OF THE
3 FOLLOWING:

4 (A) THE EDUCATOR'S ABILITY TO POSITIVELY INFLUENCE OTHER
5 EDUCATORS IN THE INTERMEDIATE DISTRICT IN WHICH HE OR SHE TEACHES.

6 (B) THE EDUCATOR'S POSITIVE IMPACT ON THE COMMUNITY.

7 (C) THE EDUCATOR'S PROVEN EXPERIENCE AND SUCCESS IN A SKILL OR
8 INSTRUCTIONAL MODEL THAT IS IN DEMAND IN THE INTERMEDIATE DISTRICT
9 IN WHICH HE OR SHE TEACHES.

10 (C) AN INTERMEDIATE DISTRICT MAY NOMINATE AN EDUCATOR OR
11 EDUCATORS EMPLOYED BY THE INTERMEDIATE DISTRICT TO THE DEPARTMENT
12 FOR APPOINTMENT TO THE INNOVATIVE EDUCATOR CORPS.

13 (D) SUBJECT TO SUBSECTION (4), THE DEPARTMENT SHALL REVIEW THE
14 NOMINATIONS SUBMITTED UNDER SUBDIVISIONS (B) AND (C) AND SELECT UP
15 TO 100 EDUCATORS FROM THE SUBMITTED NOMINATIONS FOR APPOINTMENT TO
16 THE INNOVATIVE EDUCATOR CORPS FOR AN INITIAL TERM OF 3 YEARS. THE
17 DEPARTMENT SHALL SELECT INNOVATIVE EDUCATOR BASED ON AT LEAST ALL
18 OF THE FOLLOWING FACTORS:

19 (i) THE LEVEL OF ACHIEVEMENT FOR PUPILS OF THE NOMINATED
20 EDUCATOR, PARTICULARLY AMONG PUPILS REPRESENTING DISADVANTAGED
21 POPULATIONS.

22 (ii) GEOGRAPHIC DIVERSITY OF INNOVATIVE EDUCATORS.

23 (iii) DIVERSITY OF SUBJECT AREAS IN WHICH INNOVATIVE EDUCATORS
24 TEACH.

25 (iv) DIVERSITY OF GRADE LEVELS IN WHICH INNOVATIVE EDUCATORS
26 TEACH.

27 (v) THE ABILITY OF AN EDUCATOR TO BRING PRESTIGE, ESTEEM, AND



1 PROFESSIONALISM TO THE INNOVATIVE EDUCATOR CORPS.

2 (vi) AN EDUCATOR'S DIVERSITY OF EXPERIENCE AND SUCCESS IN
3 UNIQUE SKILLS AND INNOVATIVE INSTRUCTIONAL MODELS, AS DETERMINED BY
4 THE DEPARTMENT.

5 (4) THE DEPARTMENT SHALL ENSURE, AS PRACTICABLE, THAT AT LEAST
6 1 EDUCATOR FROM EACH OF THE FOLLOWING GROUPS IS SELECTED FOR
7 APPOINTMENT TO THE INNOVATIVE EDUCATOR CORPS UNDER SUBSECTION

8 (3) (D) :

9 (A) EDUCATORS WITH EXPERIENCE AND SUCCESS IN COMPETENCY-BASED
10 EDUCATION.

11 (B) EDUCATORS WITH EXPERIENCE AND SUCCESS IN PROJECT-BASED
12 LEARNING.

13 (C) EDUCATORS WITH EXPERIENCE AND SUCCESS IN BALANCED CALENDAR
14 SYSTEMS.

15 (D) EDUCATORS WITH EXPERIENCE AND SUCCESS IN THE TURNAROUND OF
16 A LOW-PERFORMING SCHOOL.

17 (5) AFTER THE INITIAL 3-YEAR TERM UNDER SUBSECTION (3), AN
18 EDUCATOR MAY SERVE ADDITIONAL 3-YEAR TERMS IN THE INNOVATIVE
19 EDUCATOR CORPS IF HE OR SHE IS RENOMINATED AT THE END OF EACH 3-
20 YEAR TERM BY THE DISTRICT THAT EMPLOYS THE EDUCATOR.

21 (6) THE DEPARTMENT SHALL CONSULT WITH A WORKGROUP, INCLUDING,
22 BUT NOT LIMITED TO, THE GOVERNOR OR HIS OR HER DESIGNEE, CURRENT
23 MEMBERS OF THE INNOVATIVE EDUCATOR CORPS, AND OTHER INTERESTED
24 PARTIES AS DETERMINED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION
25 TO ASSIST WITH THE SELECTION OF INNOVATIVE EDUCATORS UNDER
26 SUBSECTION (3) (D) .

27 (7) AN EDUCATOR SELECTED AS AN INNOVATIVE EDUCATOR UNDER THIS



1 SECTION SHALL ASSIST IN THE IDENTIFICATION OF OTHER EDUCATORS WHO
2 ARE CAPABLE OF MENTORING STUDENT TEACHERS.

3 (8) NOT LATER THAN JUNE 30 OF EACH YEAR, THE DEPARTMENT SHALL
4 PROVIDE A REPORT TO THE GOVERNOR, THE HOUSE AND SENATE SCHOOL AID
5 SUBCOMMITTEES, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE
6 BUDGET DIRECTOR. THE REPORT SHALL PROVIDE AT LEAST THE FOLLOWING
7 INFORMATION:

8 (A) THE NUMBER OF EDUCATORS RECEIVING ANNUAL STIPENDS UNDER
9 THIS SECTION.

10 (B) THE GEOGRAPHIC AREAS REPRESENTED BY EDUCATORS SELECTED BY
11 THE DEPARTMENT.

12 (C) THE VARIOUS SKILLS OF THE EDUCATORS NOMINATED UNDER THIS
13 SECTION.

14 (D) ANY OTHER INFORMATION THE DEPARTMENT DETERMINES NECESSARY
15 TO DESCRIBE THE PROGRAM OUTCOMES RELATED TO FUNDS ALLOCATED UNDER
16 THIS SECTION.

17 (9) NOT LATER THAN 90 DAYS AFTER THE EFFECTIVE DATE OF THIS
18 SECTION, THE DEPARTMENT SHALL PROMULGATE RULES AND DEVELOP
19 POLICIES, PROCEDURES, AND REGULATIONS TO ENSURE ALL OF THE
20 FOLLOWING:

21 (A) TO THE EXTENT POSSIBLE, STUDENT TEACHERS ARE PLACED WITH
22 MEMBERS OR EMERITI OF THE INNOVATIVE EDUCATOR CORPS.

23 (B) TO THE EXTENT POSSIBLE, TEACHERS IN THEIR FIRST 3 YEARS OF
24 TEACHING ARE PAIRED WITH MEMBERS OR EMERITI OF THE INNOVATIVE
25 EDUCATOR CORPS UNDER SECTION 1526 OF THE REVISED SCHOOL CODE, MCL
26 380.1526.

27 (C) THAT MEMBERS OF THE INNOVATIVE TEACHER CORPS HAVE THE



1 OPPORTUNITY TO MEET AT LEAST TWICE A YEAR WITH STATE POLICYMAKERS,
2 INCLUDING MEMBERS OF THE LEGISLATURE AND THE GOVERNOR'S OFFICE.

3 (10) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1),
4 FROM THE TALENT INVESTMENT FUND APPROPRIATION IN SECTION 11, THERE
5 IS ALLOCATED TO THE DEPARTMENT AN AMOUNT NOT TO EXCEED \$200,000.00
6 FOR COSTS RELATED TO THE ADMINISTRATION OF THIS SECTION.

7 Sec. 74. (1) From the amount appropriated in section 11, there
8 is allocated an amount not to exceed ~~\$3,730,300.00 for 2017-2018~~
9 **\$3,754,900.00 FOR 2018-2019** for the purposes of this section.

10 (2) From the allocation in subsection (1), there is allocated
11 for each fiscal year the amount necessary for payments to state
12 supported colleges or universities and intermediate districts
13 providing school bus driver safety instruction pursuant to section
14 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
15 payments shall be in an amount determined by the department not to
16 exceed the actual cost of instruction and driver compensation for
17 each public or nonpublic school bus driver attending a course of
18 instruction. For the purpose of computing compensation, the hourly
19 rate allowed each school bus driver shall not exceed the hourly
20 rate received for driving a school bus. Reimbursement compensating
21 the driver during the course of instruction shall be made by the
22 department to the college or university or intermediate district
23 providing the course of instruction.

24 (3) From the allocation in subsection (1), there is allocated
25 for ~~2017-2018~~ **2018-2019** the amount necessary to pay the reasonable
26 costs of nonspecial education auxiliary services transportation
27 provided pursuant to section 1323 of the revised school code, MCL



1 380.1323. Districts funded under this subsection shall not receive
2 funding under any other section of this article for nonspecial
3 education auxiliary services transportation.

4 (4) From the funds allocated in subsection (1), there is
5 allocated an amount not to exceed ~~\$1,705,300.00 for 2017-2018~~
6 **\$1,729,900.00 FOR 2018-2019** for reimbursement to districts and
7 intermediate districts for costs associated with the inspection of
8 school buses and pupil transportation vehicles by the department of
9 state police as required under section 715a of the Michigan vehicle
10 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
11 transportation act, 1990 PA 187, MCL 257.1839. The department of
12 state police shall prepare a statement of costs attributable to
13 each district for which bus inspections are provided and submit it
14 to the department and to an intermediate district serving as
15 fiduciary in a time and manner determined jointly by the department
16 and the department of state police. Upon review and approval of the
17 statement of cost, the department shall forward to the designated
18 intermediate district serving as fiduciary the amount of the
19 reimbursement on behalf of each district and intermediate district
20 for costs detailed on the statement within 45 days after receipt of
21 the statement. The designated intermediate district shall make
22 payment in the amount specified on the statement to the department
23 of state police within 45 days after receipt of the statement. The
24 total reimbursement of costs under this subsection shall not exceed
25 the amount allocated under this subsection. Notwithstanding section
26 17b, payments to eligible entities under this subsection shall be
27 paid on a schedule prescribed by the department.



1 Sec. 81. (1) From the appropriation in section 11, there is
2 allocated for ~~2017-2018-2018-2019~~ to the intermediate districts the
3 sum necessary, but not to exceed \$67,108,000.00 to provide state
4 aid to intermediate districts under this section.

5 (2) The amount allocated under this section to each
6 intermediate district is an amount equal to 100% of the amount
7 allocated to the intermediate district under this section for ~~2016-~~
8 ~~2017.-2017-2018~~. Funding provided under this section shall be used
9 to comply with requirements of this article and the revised school
10 code that are applicable to intermediate districts, and for which
11 funding is not provided elsewhere in this article, and to provide
12 technical assistance to districts as authorized by the intermediate
13 school board.

14 (3) Intermediate districts receiving funds under this section,
15 shall collaborate with the department to develop expanded
16 professional development opportunities for teachers to update and
17 expand their knowledge and skills needed to support the Michigan
18 merit curriculum.

19 (4) From the allocation in subsection (1), there is allocated
20 to an intermediate district, formed by the consolidation or
21 annexation of 2 or more intermediate districts or the attachment of
22 a total intermediate district to another intermediate school
23 district or the annexation of all of the constituent K-12 districts
24 of a previously existing intermediate school district which has
25 disorganized, an additional allotment of \$3,500.00 each fiscal year
26 for each intermediate district included in the new intermediate
27 district for 3 years following consolidation, annexation, or



1 attachment.

2 (5) In order to receive funding under this section, an
3 intermediate district shall do all of the following:

4 (a) Demonstrate to the satisfaction of the department that the
5 intermediate district employs at least 1 person who is trained in
6 pupil accounting and auditing procedures, rules, and regulations.

7 (b) Demonstrate to the satisfaction of the department that the
8 intermediate district employs at least 1 person who is trained in
9 rules, regulations, and district reporting procedures for the
10 individual-level student data that serves as the basis for the
11 calculation of the district and high school graduation and dropout
12 rates.

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

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

18 (e) Comply with section 1230g of the revised school code, MCL
19 380.1230g.

20 ~~_____ (f) Comply with section 761 of the revised school code, MCL~~
21 ~~380.761.~~

22 Sec. 94. (1) From the general fund appropriation in section
23 11, there is allocated to the department ~~for 2017-2018~~ **EACH FISCAL**
24 **YEAR FOR 2017-2018 AND FOR 2018-2019** an amount not to exceed
25 \$750,000.00 for efforts to increase the number of pupils who
26 participate and succeed in advanced placement and international
27 baccalaureate programs.



1 (2) From the funds allocated under this section, the
2 department shall award funds to cover all or part of the costs of
3 advanced placement test fees or international baccalaureate test
4 fees and international baccalaureate registration fees for low-
5 income pupils who take an advanced placement or an international
6 baccalaureate test. ~~Payments shall not exceed \$20.00 per test~~
7 ~~completed or \$150.00 per international baccalaureate registration~~
8 ~~fees per pupil registered.~~

9 (3) The department shall only award funds under this section
10 if the department determines that all of the following criteria are
11 met:

12 (a) Each pupil for whom payment is made meets eligibility
13 requirements of the federal advanced placement test fee program
14 under section 1701 of the no child left behind act of 2001, Public
15 Law 107-110, or under a corresponding provision of the every
16 student succeeds act, Public Law 114-95.

17 (b) The tests are administered by the college board, the
18 international baccalaureate organization, or another test provider
19 approved by the department.

20 (c) The pupil for whom payment is made pays at least \$5.00
21 toward the cost of each test for which payment is made.

22 (4) The department shall establish procedures for awarding
23 funds under this section.

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

26 Sec. 94a. (1) There is created within the state budget office
27 in the department of technology, management, and budget the center



1 for educational performance and information. The center shall do
2 all of the following:

3 (a) Coordinate the collection of all data required by state
4 and federal law from districts, intermediate districts, and
5 postsecondary institutions.

6 (b) Create, maintain, and enhance this state's P-20
7 longitudinal data system and ensure that it meets the requirements
8 of subsection (4).

9 (c) Collect data in the most efficient manner possible in
10 order to reduce the administrative burden on reporting entities,
11 including, but not limited to, electronic transcript services.

12 (d) Create, maintain, and enhance this state's web-based
13 educational portal to provide information to school leaders,
14 teachers, researchers, and the public in compliance with all
15 federal and state privacy laws. Data shall include, but are not
16 limited to, all of the following:

17 (i) Data sets that link teachers to student information,
18 allowing districts to assess individual teacher impact on student
19 performance and consider student growth factors in teacher and
20 principal evaluation systems.

21 (ii) Data access or, if practical, data sets, provided for
22 regional data hubs that, in combination with local data, can
23 improve teaching and learning in the classroom.

24 (iii) Research-ready data sets for researchers to perform
25 research that advances this state's educational performance.

26 (e) Provide data in a useful manner to allow state and local
27 policymakers to make informed policy decisions.



1 (f) Provide public reports to the citizens of this state to
2 allow them to assess allocation of resources and the return on
3 their investment in the education system of this state.

4 (g) Other functions as assigned by the state budget director.

5 (2) Each state department, officer, or agency that collects
6 information from districts, intermediate districts, or
7 postsecondary institutions as required under state or federal law
8 shall make arrangements with the center to ensure that the state
9 department, officer, or agency is in compliance with subsection
10 (1). This subsection does not apply to information collected by the
11 department of treasury under the uniform budgeting and accounting
12 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
13 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
14 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
15 388.1939; or section 1351a of the revised school code, MCL
16 380.1351a.

17 (3) The center may enter into any interlocal agreements
18 necessary to fulfill its functions.

19 (4) The center shall ensure that the P-20 longitudinal data
20 system required under subsection (1)(b) meets all of the following:

21 (a) Includes data at the individual student level from
22 preschool through postsecondary education and into the workforce.

23 (b) Supports interoperability by using standard data
24 structures, data formats, and data definitions to ensure linkage
25 and connectivity in a manner that facilitates the exchange of data
26 among agencies and institutions within the state and between
27 states.



1 (c) Enables the matching of individual teacher and student
2 records so that an individual student may be matched with those
3 teachers providing instruction to that student.

4 (d) Enables the matching of individual teachers with
5 information about their certification and the institutions that
6 prepared and recommended those teachers for state certification.

7 (e) Enables data to be easily generated for continuous
8 improvement and decision-making, including timely reporting to
9 parents, teachers, and school leaders on student achievement.

10 (f) Ensures the reasonable quality, validity, and reliability
11 of data contained in the system.

12 (g) Provides this state with the ability to meet federal and
13 state reporting requirements.

14 (h) For data elements related to preschool through grade 12
15 and postsecondary, meets all of the following:

16 (i) Contains a unique statewide student identifier that does
17 not permit a student to be individually identified by users of the
18 system, except as allowed by federal and state law.

19 (ii) Contains student-level enrollment, demographic, and
20 program participation information.

21 (iii) Contains student-level information about the points at
22 which students exit, transfer in, transfer out, drop out, or
23 complete education programs.

24 (iv) Has the capacity to communicate with higher education
25 data systems.

26 (i) For data elements related to preschool through grade 12
27 only, meets all of the following:



1 (i) Contains yearly test records of individual students for
 2 assessments approved by DED-OESE for accountability purposes under
 3 section 1111(b) of the elementary and secondary education act of
 4 1965, 20 USC 6311, including information on individual students not
 5 tested, by grade and subject.

6 (ii) Contains student-level transcript information, including
 7 information on courses completed and grades earned.

8 (iii) Contains student-level college readiness test scores.

9 (j) For data elements related to postsecondary education only:

10 (i) Contains data that provide information regarding the
 11 extent to which individual students transition successfully from
 12 secondary school to postsecondary education, including, but not
 13 limited to, all of the following:

14 (A) Enrollment in remedial coursework.

15 (B) Completion of 1 year's worth of college credit applicable
 16 to a degree within 2 years of enrollment.

17 (ii) Contains data that provide other information determined
 18 necessary to address alignment and adequate preparation for success
 19 in postsecondary education.

20 (5) From the general fund appropriation in section 11, there
 21 is allocated an amount not to exceed ~~\$10,173,200.00 for 2016-2017~~
 22 ~~and an amount not to exceed \$16,216,000.00 for 2017-2018~~
 23 **\$16,356,700.00 FOR 2018-2019** to the department of technology,
 24 management, and budget to support the operations of the center. In
 25 addition, from the federal funds appropriated in section 11 there
 26 is allocated for ~~each fiscal year for 2016-2017 and for 2017-2018~~
 27 **2018-2019** the amount necessary, estimated at \$193,500.00, to



1 support the operations of the center and to establish a P-20
2 longitudinal data system necessary for state and federal reporting
3 purposes. The center shall cooperate with the department to ensure
4 that this state is in compliance with federal law and is maximizing
5 opportunities for increased federal funding to improve education in
6 this state.

7 (6) From the funds allocated in subsection (5), the center may
8 use an amount determined by the center for competitive grants for
9 ~~2017-2018-2018-2019~~ to support collaborative efforts on the P-20
10 longitudinal data system. All of the following apply to grants
11 awarded under this subsection:

12 (a) The center shall award competitive grants to eligible
13 intermediate districts or a consortium of intermediate districts
14 based on criteria established by the center.

15 (b) Activities funded under the grant shall support the P-20
16 longitudinal data system portal and may include portal hosting,
17 hardware and software acquisition, maintenance, enhancements, user
18 support and related materials, and professional learning tools and
19 activities aimed at improving the utility of the P-20 longitudinal
20 data system.

21 (c) An applicant that received a grant under this subsection
22 for the immediately preceding fiscal year shall receive priority
23 for funding under this section. However, after 3 fiscal years of
24 continuous funding, an applicant is required to compete openly with
25 new applicants.

26 (7) Funds allocated under this section that are not expended
27 in the fiscal year in which they were allocated may be carried



1 forward to a subsequent fiscal year and are appropriated for the
2 purposes for which the funds were originally allocated.

3 (8) The center may bill departments as necessary in order to
4 fulfill reporting requirements of state and federal law. The center
5 may also enter into agreements to supply custom data, analysis, and
6 reporting to other principal executive departments, state agencies,
7 local units of government, and other individuals and organizations.
8 The center may receive and expend funds in addition to those
9 authorized in subsection (5) to cover the costs associated with
10 salaries, benefits, supplies, materials, and equipment necessary to
11 provide such data, analysis, and reporting services.

12 (9) As used in this section:

13 (a) "DED-OESE" means the United States Department of Education
14 Office of Elementary and Secondary Education.

15 (b) "State education agency" means the department.

16 Sec. 95b. (1) From the general fund appropriation under
17 section 11, there is allocated to the department an amount not to
18 exceed \$2,500,000.00 for ~~2017-2018~~**2018-2019** for the department to
19 adopt a model value-added growth and projection analytics system
20 and to incorporate that model into its reporting requirements under
21 the every student succeeds act, Public Law 114-95. The adopted
22 model shall do at least all of the following:

23 (a) Utilize existing assessments and any future assessments
24 that are suitable for measuring student growth.

25 (b) Report student growth measures at the district, school,
26 teacher, and subgroup levels.

27 (c) Recognize the growth of tested students, including those



1 who may have missing assessment data.

2 (d) Include all available prior standardized assessment data
3 that meet inclusion criteria across grades, subjects, and state and
4 local assessments.

5 (e) Allow student growth results to be disaggregated.

6 (f) Provide individual student projections showing the
7 probability of a student reaching specific performance levels on
8 future assessments.

9 (g) Demonstrate any prior success with this state's
10 assessments through the Michigan council of educator effectiveness
11 teacher evaluation pilot.

12 (h) Demonstrate prior statewide implementation in at least 2
13 other states for at least 10 years.

14 (i) Have a native roster verification system built into the
15 value-added reporting platform that has been implemented statewide
16 in at least 2 other states.

17 (j) Have a "Help/Contact Us" ticketing system built into the
18 value-added reporting platform.

19 (2) The department shall provide internet-based electronic
20 student growth and projection reporting based on the model adopted
21 under subsection (1) to educators at the school, district, and
22 state levels. The model shall include role-based permissions that
23 allow educators to access information about the performance of the
24 students within their immediate responsibility in accordance with
25 applicable privacy laws.

26 (3) The model adopted under subsection (1) must not be a
27 mandatory part of teacher evaluation or educator pay-for-



1 performance systems.

2 **(4) THE MODEL ADOPTED UNDER SUBSECTION (1) MUST HAVE RECEIVED**
 3 **FUNDING UNDER THIS SECTION IN 2017-2018.**

4 Sec. 98. (1) From the general fund money appropriated in
 5 section 11, there is allocated an amount not to exceed
 6 \$7,387,500.00 for ~~2017-2018~~**2018-2019** for the purposes described in
 7 this section. The Michigan Virtual University shall provide a
 8 report to the legislature not later than November 1 ~~, 2017~~ **OF EACH**
 9 **YEAR** that includes its mission, its plans, and proposed benchmarks
 10 it must meet, which shall include a plan to achieve a ~~50% increase~~
 11 ~~in documented improvement in each requirement of the Michigan~~
 12 ~~Virtual Learning Research Institute and Michigan Virtual School,~~
 13 ~~and all other~~**THE** organizational priorities identified in this
 14 section, in order to receive full funding for ~~2018-2019~~**. 2019-2020.**
 15 Not later than March 1 ~~, 2018,~~ **OF EACH YEAR,** the Michigan Virtual
 16 University shall provide an update to the house and senate
 17 appropriations subcommittees on school aid to show the progress
 18 being made to meet the benchmarks identified.

19 (2) The Michigan Virtual University shall operate the Michigan
 20 Virtual Learning Research Institute. The Michigan Virtual Learning
 21 Research Institute shall do all of the following:

22 (a) Support and accelerate innovation in education through the
 23 following activities:

24 (i) Test, evaluate, and recommend as appropriate new
 25 technology-based instructional tools and resources.

26 (ii) Research, design, and recommend virtual education
 27 delivery models for use by pupils and teachers that include age-



1 appropriate multimedia instructional content.

2 (iii) Research, develop, and recommend annually to the
3 department criteria by which cyber schools and virtual course
4 providers should be monitored and evaluated to ensure a quality
5 education for their pupils.

6 (iv) Based on pupil completion and performance data reported
7 to the department or the center for educational performance and
8 information from cyber schools and other virtual course providers
9 operating in this state, analyze the effectiveness of virtual
10 learning delivery models in preparing pupils to be college- and
11 career-ready and publish a report that highlights enrollment
12 totals, completion rates, and the overall impact on pupils. The
13 report shall be submitted to the house and senate appropriations
14 subcommittees on state school aid, the state budget director, the
15 house and senate fiscal agencies, the department, districts, and
16 intermediate districts not later than March 31 ~~2018~~ **OF EACH YEAR.**

17 (v) Provide an extensive professional development program to
18 at least 30,000 educational personnel, including teachers, school
19 administrators, and school board members, that focuses on the
20 effective integration of virtual learning into curricula and
21 instruction. The Michigan Virtual Learning Research Institute is
22 encouraged to work with the MiSTEM advisory council created under
23 section 99s to coordinate professional development of teachers in
24 applicable fields. In addition, the Michigan Virtual Learning
25 Research Institute and external stakeholders are encouraged to
26 coordinate with the department for professional development in this
27 state. Not later than December 1 ~~2018~~ **OF EACH YEAR**, the Michigan



1 Virtual Learning Research Institute shall submit a report to the
2 house and senate appropriations subcommittees on state school aid,
3 the state budget director, the house and senate fiscal agencies,
4 and the department on the number ~~and percentage~~ of teachers, school
5 administrators, and school board members who have received
6 professional development services from the Michigan Virtual
7 University. The report shall also identify barriers and other
8 opportunities to encourage the adoption of virtual learning in the
9 public education system.

10 (vi) Identify and share best practices for planning,
11 implementing, and evaluating virtual and blended education delivery
12 models with intermediate districts, districts, and public school
13 academies to accelerate the adoption of innovative education
14 delivery models statewide.

15 (b) Provide leadership for this state's system of virtual
16 learning education by doing the following activities:

17 (i) Develop and report policy recommendations to the governor
18 and the legislature that accelerate the expansion of effective
19 virtual learning in this state's schools.

20 (ii) Provide a clearinghouse for research reports, academic
21 studies, evaluations, and other information related to virtual
22 learning.

23 (iii) Promote and distribute the most current instructional
24 design standards and guidelines for virtual teaching.

25 (iv) In collaboration with the department and interested
26 colleges and universities in this state, support implementation and
27 improvements related to effective virtual learning instruction.



1 (v) Pursue public/private partnerships that include districts
2 to study and implement competency-based technology-rich virtual
3 learning models.

4 (vi) Create a statewide network of school-based mentors
5 serving as liaisons between pupils, virtual instructors, parents,
6 and school staff, as provided by the department or the center, and
7 provide mentors with research-based training and technical
8 assistance designed to help more pupils be successful virtual
9 learners.

10 (vii) Convene focus groups and conduct annual surveys of
11 teachers, administrators, pupils, parents, and others to identify
12 barriers and opportunities related to virtual learning.

13 (viii) Produce an annual consumer awareness report for schools
14 and parents about effective virtual education providers and
15 education delivery models, performance data, cost structures, and
16 research trends.

17 (ix) ~~Research and establish~~ **PROVIDE** an internet-based platform
18 that educators can use to create student-centric learning tools and
19 resources **FOR SHARING IN THE STATE'S OPEN EDUCATIONAL RESOURCE**
20 **REPOSITORY** and facilitate a user network that assists educators in
21 using the **CONTENT CREATION** platform **AND STATE REPOSITORY FOR OPEN**
22 **EDUCATIONAL RESOURCES**. As part of this initiative, the Michigan
23 Virtual University shall work collaboratively with districts and
24 intermediate districts to establish a plan to make available
25 virtual resources that align to Michigan's K-12 curriculum
26 standards for use by students, educators, and parents.

27 (x) Create and maintain a public statewide catalog of virtual



1 learning courses being offered by all public schools and community
2 colleges in this state. The Michigan Virtual Learning Research
3 Institute shall identify and develop a list of nationally
4 recognized best practices for virtual learning and use this list to
5 support reviews of virtual course vendors, courses, and
6 instructional practices. The Michigan Virtual Learning Research
7 Institute shall also provide a mechanism for intermediate districts
8 to use the identified best practices to review content offered by
9 constituent districts. The Michigan Virtual Learning Research
10 Institute shall review the virtual course offerings of the Michigan
11 Virtual University, and make the results from these reviews
12 available to the public as part of the statewide catalog. The
13 Michigan Virtual Learning Research Institute shall ensure that the
14 statewide catalog is made available to the public on the Michigan
15 Virtual University website and shall allow the ability to link it
16 to each district's website as provided for in section 21f. The
17 statewide catalog shall also contain all of the following:

18 (A) The number of enrollments in each virtual course in the
19 immediately preceding school year.

20 (B) The number of enrollments that earned 60% or more of the
21 total course points for each virtual course in the immediately
22 preceding school year.

23 (C) The ~~completion~~**PASS** rate for each virtual course.

24 (xi) ~~Develop prototype and pilot~~**SUPPORT** registration, payment
25 services, and transcript functionality ~~to~~**FOR** the statewide catalog
26 and train key stakeholders on how to use new features.

27 (xii) Collaborate with key stakeholders to examine district



1 level accountability and teacher effectiveness issues related to
2 virtual learning under section 21f and make findings and
3 recommendations publicly available.

4 (xiii) Provide a report on the activities of the Michigan
5 Virtual Learning Research Institute.

6 (3) To further enhance its expertise and leadership in virtual
7 learning, the Michigan Virtual University shall continue to operate
8 the Michigan Virtual School as a statewide laboratory and quality
9 model of instruction by implementing virtual and blended learning
10 solutions for Michigan schools in accordance with the following
11 parameters:

12 (a) The Michigan Virtual School must maintain its
13 accreditation status from recognized national and international
14 accrediting entities.

15 (b) The Michigan Virtual University shall use no more than
16 \$1,000,000.00 of the amount allocated under this section to
17 subsidize the cost paid by districts for virtual courses.

18 (c) In providing educators responsible for the teaching of
19 virtual courses as provided for in this section, the Michigan
20 Virtual School shall follow the requirements to request and assess,
21 and the department of state police shall provide, a criminal
22 history check and criminal records check under sections 1230 and
23 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
24 the same manner as if the Michigan Virtual School were a school
25 district under those sections.

26 (4) From the funds allocated under subsection (1), the
27 Michigan Virtual University shall allocate up to \$500,000.00 to



1 support the expansion of new online and blended educator
2 professional development programs.

3 (5) If the course offerings are included in the statewide
4 catalog of virtual courses under subsection (2)(b)(x), the Michigan
5 Virtual School operated by the Michigan Virtual University may
6 offer virtual course offerings, including, but not limited to, all
7 of the following:

8 (a) Information technology courses.

9 (b) College level equivalent courses, as defined in section
10 1471 of the revised school code, MCL 380.1471.

11 (c) Courses and dual enrollment opportunities.

12 (d) Programs and services for at-risk pupils.

13 (e) High school equivalency test preparation courses for
14 adjudicated youth.

15 (f) Special interest courses.

16 (g) Professional development programs for teachers, school
17 administrators, other school employees, and school board members.

18 (6) If a home-schooled or nonpublic school student is a
19 resident of a district that subscribes to services provided by the
20 Michigan Virtual School, the student may use the services provided
21 by the Michigan Virtual School to the district without charge to
22 the student beyond what is charged to a district pupil using the
23 same services.

24 (7) Not later than December 1 of each fiscal year, the
25 Michigan Virtual University shall provide a report to the house and
26 senate appropriations subcommittees on state school aid, the state
27 budget director, the house and senate fiscal agencies, and the



1 department that includes at least all of the following information
2 related to the Michigan Virtual School for the preceding state
3 fiscal year:

4 (a) A list of the districts served by the Michigan Virtual
5 School.

6 (b) A list of virtual course titles available to districts.

7 (c) The total number of virtual course enrollments and
8 information on registrations and completions by course.

9 (d) The overall course completion rate percentage.

10 (8) In addition to the information listed in subsection (7),
11 the report under subsection (7) shall also include a plan to serve
12 at least 600 schools with courses from the Michigan Virtual School
13 or with content available through the internet-based platform
14 identified in subsection (2) (b) (ix).

15 (9) The governor may appoint an advisory group for the
16 Michigan Virtual Learning Research Institute established under
17 subsection (2). The members of the advisory group shall serve at
18 the pleasure of the governor and shall serve without compensation.
19 The purpose of the advisory group is to make recommendations to the
20 governor, the legislature, and the president and board of the
21 Michigan Virtual University that will accelerate innovation in this
22 state's education system in a manner that will prepare elementary
23 and secondary students to be career and college ready and that will
24 promote the goal of increasing the percentage of citizens of this
25 state with high-quality degrees and credentials to at least 60% by
26 2025.

27 (10) Not later than November 1 ~~, 2017,~~ **OF EACH YEAR,** the



1 Michigan Virtual University shall submit to the house and senate
2 appropriations subcommittees on state school aid, the state budget
3 director, and the house and senate fiscal agencies a detailed
4 budget for ~~the 2017-2018~~ **THAT** fiscal year that includes a breakdown
5 on its projected costs to deliver virtual educational services to
6 districts and a summary of the anticipated fees to be paid by
7 districts for those services. Not later than March 1 each year, the
8 Michigan Virtual University shall submit to the house and senate
9 appropriations subcommittees on state school aid, the state budget
10 director, and the house and senate fiscal agencies a breakdown on
11 its actual costs to deliver virtual educational services to
12 districts and a summary of the actual fees paid by districts for
13 those services based on audited financial statements for the
14 immediately preceding fiscal year.

15 (11) As used in this section:

16 (a) "Blended learning" means a hybrid instructional delivery
17 model where pupils are provided content, instruction, and
18 assessment, in part at a supervised educational facility away from
19 home where the pupil and a teacher with a valid Michigan teaching
20 certificate are in the same physical location and in part through
21 internet-connected learning environments with some degree of pupil
22 control over time, location, and pace of instruction.

23 (b) "Cyber school" means a full-time instructional program of
24 virtual courses for pupils that may or may not require attendance
25 at a physical school location.

26 (c) "Virtual course" means a course of study that is capable
27 of generating a credit or a grade and that is provided in an



1 interactive learning environment in which the majority of the
2 curriculum is delivered using the internet and in which pupils are
3 separated from their instructor or teacher of record by time or
4 location, or both.

5 Sec. 99h. (1) From the state school aid fund appropriation in
6 section 11, there is allocated an amount not to exceed
7 \$2,500,000.00 for ~~2017-2018-2018-2019~~ for competitive grants to
8 districts, and from the general fund appropriation in section 11,
9 there is allocated an amount not to exceed \$300,000.00 for ~~2017-~~
10 ~~2018-2018-2019~~ for competitive grants to nonpublic schools, that
11 provide pupils in grades K to 12 with expanded opportunities to
12 improve mathematics, science, and technology skills by
13 participating in events hosted by a science and technology
14 development program known as FIRST (for inspiration and recognition
15 of science and technology) Robotics, including JR FIRST Lego
16 League, FIRST Lego League, FIRST tech challenge, and FIRST Robotics
17 competition, **OR OTHER COMPETITIVE ROBOTICS PROGRAMS, INCLUDING**
18 **THOSE HOSTED BY THE ROBOTICS EDUCATION AND COMPETITION (REC)**
19 **FOUNDATION.** Programs funded under this section are intended to
20 increase the number of pupils demonstrating proficiency in science
21 and mathematics on the state assessments and to increase the number
22 of pupils who are college- and career-ready upon high school
23 graduation. Notwithstanding section 17b, grant payments to
24 districts and nonpublic schools under this section shall be paid on
25 a schedule determined by the department. The department shall set
26 maximum grant awards for each different level of competition in a
27 manner that both maximizes the number of teams that will be able to



1 receive funds and expands the geographical distribution of teams.

2 (2) A district or nonpublic school applying for a grant under
3 this section shall submit an application in a form and manner
4 determined by the department. To be eligible for a grant, a
5 district or nonpublic school shall demonstrate in its application
6 that the district or nonpublic school has established a partnership
7 for the purposes of the FIRST Robotics program with at least 1
8 sponsor, business entity, higher education institution, or
9 technical school, shall submit a spending plan, and shall pay at
10 least 25% of the cost of the FIRST Robotics program.

11 (3) The department shall distribute the grant funding under
12 this section for the following purposes:

13 (a) Grants to districts or nonpublic schools to pay for
14 stipends not to exceed \$1,500.00 for 1 coach per team.

15 (b) Grants to districts or nonpublic schools for event
16 registrations, materials, travel costs, and other expenses
17 associated with the preparation for and attendance at FIRST
18 Robotics events and competitions. Each grant recipient shall
19 provide a local match from other private or local funds for the
20 funds received under this subdivision equal to at least 50% of the
21 costs of participating in an event.

22 (c) Grants to districts or nonpublic schools for awards to
23 teams that advance to the state and world championship
24 competitions. The department shall determine an equal amount per
25 team for those teams that advance to the state championship and a
26 second equal award amount to those teams that advance to the world
27 championship.



1 (4) A nonpublic school that receives a grant under this
2 section may use the funds for either FIRST Robotics or Science
3 Olympiad programs.

4 (5) To be eligible to receive funds under this section, a
5 nonpublic school must be a nonpublic school registered with the
6 department and must meet all applicable state reporting
7 requirements for nonpublic schools.

8 ~~Sec. 99k. (1) From the appropriation in section 11, there is~~
9 ~~allocated an amount not to exceed \$500,000.00 for 2017-2018 for~~
10 ~~competitive grants to districts that provide pupils in grades 6 to~~
11 ~~12 with expanded opportunities to improve computer science skills~~
12 ~~by participating in cybersecurity competitive events hosted by~~
13 ~~Merit Network, Incorporated, known as Michigan High School Cyber~~
14 ~~Challenge, or hosted by the Air Force Association, known as~~
15 ~~Cyberpatriot. Programs funded under this section are intended to~~
16 ~~increase the number of pupils demonstrating proficiency in science~~
17 ~~and mathematics on state assessments and to increase the number of~~
18 ~~pupils who are college- and career-ready upon high school~~
19 ~~graduation. Notwithstanding section 17b, grant payments to~~
20 ~~districts under this section shall be paid on a schedule determined~~
21 ~~by the department. The department shall set maximum grant awards~~
22 ~~for each competition in a manner that both maximizes the number of~~
23 ~~teams that will be able to receive funds and the geographical~~
24 ~~distribution of teams.~~

25 ~~(2) A district applying for a grant under this section shall~~
26 ~~submit an application in a form and manner determined by the~~
27 ~~department. To be eligible for a grant, a district shall~~



~~1 demonstrate in its application that the district has established a
2 partnership with at least 1 sponsor, business entity, higher
3 education institution, or technical school, shall submit a spending
4 plan, and shall pay at least 25% of the cost of the selected
5 eybersecurity program.~~

~~6 (3) The department shall distribute the grant funding under
7 this section for the following purposes:~~

~~8 (a) Grants to districts to pay for stipends not to exceed
9 \$1,500.00 for 1 coach or mentor per team.~~

~~10 (b) Grants to districts for event registrations, materials,
11 travel costs, and other expenses associated with the preparation
12 for and attendance at events and competitions. Each grant recipient
13 shall provide a local match from other private or local funds for
14 the funds received under this subdivision equal to at least 50% of
15 the costs of participating in an event.~~

~~16 (c) Grants to districts for awards to teams that advance to
17 state and world championship competitions. The department shall
18 determine an equal amount per team for those teams that advance to
19 the state championship and a second equal award amount to those
20 teams that advance to the world championship for the selected
21 eybersecurity program.~~

~~22 (4) The funds allocated under this section are a work project
23 appropriation, and any unexpended funds for 2017-2018 are carried
24 forward into 2018-2019. The purpose of the work project is to
25 continue to implement the projects described under subsection (1).
26 The estimated completion date of the work project is September 30,
27 2020.~~



1 (1) FROM THE TALENT INVESTMENT FUND APPROPRIATION IN SECTION
2 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$2,000,000.00 FOR
3 2018-2019 TO THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
4 TO SUPPORT CRITICAL CYBERSECURITY TRAINING AND INFRASTRUCTURE
5 PROGRAMS, AND IN COLLABORATION WITH THE DEPARTMENT, TO INCREASE THE
6 NUMBER OF PUPILS WITH SKILLS AND CREDENTIALS TO PURSUE CAREERS IN
7 THE EMERGING FIELD OF CYBERSECURITY.

8 (2) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
9 AN AMOUNT NOT TO EXCEED \$620,000.00 TO SUPPORT A COMPETITIVE GRANT
10 PROGRAM. FUNDS ALLOCATED UNDER THIS SUBSECTION MUST BE USED TO
11 SUPPORT A PIPELINE FOR PUPILS THAT IS INTEGRATED INTO A ROBUST,
12 HIGH-QUALITY EDUCATIONAL SYSTEMIC INFRASTRUCTURE. THE DEPARTMENT OF
13 TECHNOLOGY, MANAGEMENT, AND BUDGET SHALL AWARD GRANTS TO DISTRICTS
14 THAT PROVIDE PUPILS IN GRADES 6 TO 12 WITH EXPANDED OPPORTUNITIES
15 TO IMPROVE COMPUTER SCIENCE SKILLS BY PARTICIPATING IN COMPETITIVE
16 CYBERSECURITY EVENTS INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

17 (A) GOVERNOR'S HIGH SCHOOL CHALLENGE.

18 (B) NATIONAL YOUTH CYBER DEFENSE COMPETITION.

19 (C) CYBER SECURITY FOR AUTOMOTIVE CHALLENGE (CYBERAUTO
20 CHALLENGE) .

21 (3) THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET SHALL
22 COORDINATE WITH THE DEPARTMENT TO ADMINISTER GRANTS FUNDED UNDER
23 SUBSECTION (2). PROGRAMS FUNDED UNDER SUBSECTION (2) ARE INTENDED
24 TO INCREASE THE NUMBER OF PUPILS DEMONSTRATING PROFICIENCY IN
25 SCIENCE AND MATHEMATICS ON STATE ASSESSMENTS AND TO INCREASE THE
26 NUMBER OF PUPILS WHO ARE COLLEGE- AND CAREER-READY UPON HIGH SCHOOL
27 GRADUATION. THE DEPARTMENT SHALL SET MAXIMUM GRANT AWARDS FOR EACH



1 COMPETITION IN A MANNER THAT MAXIMIZES BOTH THE NUMBER OF TEAMS
2 THAT RECEIVE FUNDS AND THE GEOGRAPHICAL DISTRIBUTION OF TEAMS.

3 (4) A DISTRICT APPLYING FOR A GRANT UNDER SUBSECTION (2) SHALL
4 SUBMIT AN APPLICATION IN A FORM AND MANNER DETERMINED BY THE
5 DEPARTMENT. TO BE ELIGIBLE FOR A GRANT, A DISTRICT SHALL DO ALL OF
6 THE FOLLOWING:

7 (A) DEMONSTRATE IN ITS APPLICATION THAT THE DISTRICT HAS
8 ESTABLISHED A PARTNERSHIP WITH AT LEAST 1 SPONSOR, BUSINESS ENTITY,
9 HIGHER EDUCATION INSTITUTION, OR TECHNICAL SCHOOL.

10 (B) SUBMIT A SPENDING PLAN.

11 (C) PAY AT LEAST 25% OF THE COST OF THE SELECTED CYBERSECURITY
12 PROGRAM.

13 (5) DISTRICTS MAY USE FUNDS RECEIVED UNDER SUBSECTION (2) FOR
14 EVENT REGISTRATION FEES, MATERIALS, TRAVEL COSTS, STIPENDS TO
15 COACHES, AND OTHER EXPENSES ASSOCIATED WITH THE PREPARATION FOR AND
16 ATTENDANCE AT EVENTS AND COMPETITIONS.

17 (6) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
18 AN AMOUNT NOT TO EXCEED \$1,100,000.00 TO SUPPORT CRITICAL
19 CYBERSECURITY TRAINING AND INFRASTRUCTURE PROGRAMS, AS APPROVED BY
20 THIS STATE'S INFORMATION TECHNOLOGY GOVERNANCE COUNCIL. FUNDING
21 ALLOCATED UNDER THIS SUBSECTION MAY BE USED TO EXPAND THE MICHIGAN
22 HIGH SCHOOL CYBER CHALLENGE PROGRAM, AS APPROVED BY THE DEPARTMENT
23 OF TECHNOLOGY, MANAGEMENT, AND BUDGET. THE EXPANSION MUST INCLUDE,
24 BUT IS NOT LIMITED TO, BOTH OF THE FOLLOWING:

25 (A) AN OPEN PROFESSIONAL CREDENTIALING OR MICRO-CREDENTIALING
26 PROCESS, OR BOTH, FOR ANY PUPIL IN GRADES 9 TO 12 WHO DEMONSTRATES
27 MASTERY OF INDUSTRY-RECOGNIZED CYBERSECURITY SKILLS.



1 (B) COLLABORATION WITH OTHER CYBERSECURITY PROGRAMS TO ENSURE
2 ALIGNMENT OF COACH, MENTOR, AND EDUCATOR SKILLS.

3 (7) FROM THE ALLOCATION IN SUBSECTION (1), THERE IS ALLOCATED
4 AN AMOUNT NOT TO EXCEED \$280,000.00 TO SUPPORT THE EXPANSION OF THE
5 MICHIGAN CYBERPATRIOT PROGRAM, AS APPROVED BY THE DEPARTMENT OF
6 TECHNOLOGY, MANAGEMENT, AND BUDGET. THE EXPANSION MUST INCLUDE, BUT
7 IS NOT LIMITED TO, ALL OF THE FOLLOWING:

8 (A) EDUCATION PROVIDED IN MULTIPLE MODALITIES AND CONNECTED TO
9 CURRENT STATE PROFESSIONAL DEVELOPMENT PLATFORMS.

10 (B) COLLABORATION WITH OTHER CYBERSECURITY PROGRAMS TO ENSURE
11 ALIGNMENT OF PUPIL SKILLS AND READINESS TO PARTICIPATE IN THE
12 CREDENTIALING PROCESS.

13 (C) COLLABORATION WITH THE DEPARTMENT AND OTHER EDUCATIONAL
14 ENTITIES TO ENSURE THE ALIGNMENT OF THE MICHIGAN INTEGRATED
15 TECHNOLOGY COMPETENCIES FOR STUDENTS (MITECS) AND THE EMERGING
16 COMPUTER SCIENCE STANDARDS.

17 Sec. 99r. (1) From the general fund appropriation under
18 section 11, there is allocated for ~~2016-2017 an amount not to~~
19 ~~exceed \$75,000.00, and there is allocated for 2017-2018-2018-2019~~
20 ~~an amount not to exceed \$250,000.00,~~ **\$300,000.00 TO THE DEPARTMENT**
21 **OF TECHNOLOGY, MANAGEMENT, AND BUDGET** to support the ~~creation~~
22 **FUNCTIONS** of the **EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT FOR THE**
23 **MiSTEM** network.

24 ~~— (2) From the general fund allocation under this section, there~~
25 ~~is allocated for 2016-2017 an amount not to exceed \$75,000.00 to~~
26 ~~the department of technology, management, and budget to support the~~
27 ~~functions of a transitional executive director and executive~~



~~1 assistant for the MiSTEM network. The department of technology,
2 management, and budget shall work with the Michigan Mathematics and
3 Science Centers Network and the MiSTEM council to hire the
4 transitional executive director and executive assistant. The
5 transitional executive director and executive assistant shall work
6 with the president and executive director of the Michigan
7 Mathematics and Science Centers Network and the chairperson and
8 vice-chairperson of the MiSTEM council. The transitional executive
9 director and executive assistant shall do all of the following:~~

~~10 — (a) Develop a plan for the creation of MiSTEM network regions
11 that does all of the following:~~

~~12 — (i) Creates a structured relationship between the MiSTEM
13 council, MiSTEM network executive director and executive assistant,
14 and MiSTEM network region staff that ensures services to all
15 regions and local communities in each region.~~

~~16 — (ii) Empowers the MiSTEM network regions in a manner that
17 creates a robust statewide STEM culture, empowers STEM teachers,
18 integrates business and education into the MiSTEM network, and
19 ensures high-quality and equitable distribution of STEM experiences
20 for pupils.~~

~~21 — (iii) Identifies region boundaries throughout the state and
22 identifies fiscal agents within those regions.~~

~~23 — (iv) Identifies MiSTEM state and regional goals and objectives
24 and processes by which goals and objectives shall be measured.~~

~~25 — (v) Includes processes by which the MiSTEM network regions
26 apply for MiSTEM grants, provide feedback on grant-funded
27 programming, share best practices, and create regional master~~



1 ~~plans.~~

2 ~~—— (vi) Creates a marketing campaign, including, at least, an~~
3 ~~online presence which includes dashboards of outcomes for the~~
4 ~~MiSTEM network.~~

5 ~~—— (b) Form a committee for the purpose of identifying each~~
6 ~~MiSTEM network region and selecting a fiscal agent and determining~~
7 ~~staffing for that region. Fiscal agents shall be an intermediate~~
8 ~~district within the region, a university within the region, or~~
9 ~~another organization that served as fiscal agent within the~~
10 ~~Michigan Mathematics and Science Centers Network. Agencies~~
11 ~~interested in serving as the region's fiscal agent shall be~~
12 ~~included on this committee. The committee shall also include~~
13 ~~representatives of the general education leadership network and the~~
14 ~~governor's talent investment board, in addition to the math and~~
15 ~~science centers and MiSTEM council. The committee shall identify~~
16 ~~necessary staffing levels and locations of staff and determine~~
17 ~~processes by which the entire region will receive and share~~
18 ~~services. All fiscal agents for the Michigan Mathematics and~~
19 ~~Science Centers Network are required to maintain current levels of~~
20 ~~effort for the MiSTEM network as for the Michigan Mathematics and~~
21 ~~Science Centers Network.~~

22 ~~—— (c) Establish a system to distribute and monitor MiSTEM grants~~
23 ~~during the creation of the MiSTEM network. The monitoring of the~~
24 ~~grants shall include conducting reviews of recipients and the~~
25 ~~experiences and feedback of pupils.~~

26 ~~—— (d) Report to the governor and the legislature on the~~
27 ~~development of the MiSTEM network.~~



1 ~~— (e) Submit the plan developed under subdivision (a) to the~~
 2 ~~governor and the legislature on or before December 1, 2017.~~

3 ~~(2) (3) From the general fund allocation under this section,~~
 4 ~~there is allocated for 2017-2018 an amount not to exceed~~
 5 ~~\$250,000.00 to support a permanent executive director and an~~
 6 ~~executive assistant for the MiSTEM network. After the creation of~~
 7 ~~the MiSTEM network region, the transitional executive director~~
 8 ~~funded under subsection (2) may be appointed as the permanent~~
 9 ~~executive director, or a new permanent executive director may be~~
 10 ~~hired. The permanent executive director and executive assistant **FOR**~~
 11 ~~**THE MISTEM NETWORK** shall do all of the following:~~

12 (a) Serve as a liaison among and between the department, the
 13 department of technology, management, and budget, the MiSTEM
 14 advisory council, **THE MICHIGAN MATHEMATICS AND SCIENCE CENTERS**
 15 **NETWORK, THE GOVERNOR'S TALENT INVESTMENT BOARD, THE GENERAL**
 16 **EDUCATION LEADERSHIP NETWORK,** and the ~~regional MiSTEM centers~~
 17 **REGIONS** in a manner that creates a robust statewide STEM culture,
 18 that empowers STEM teachers, that integrates business and education
 19 into the STEM network, and that ensures high-quality STEM
 20 experiences for pupils.

21 (b) Coordinate the implementation of a marketing campaign,
 22 including, but not limited to, a website that includes dashboards
 23 of outcomes, to build STEM awareness and communicate STEM needs and
 24 opportunities to pupils, parents, educators, and the business
 25 community.

26 (c) ~~Award~~ **WORK WITH THE DEPARTMENT AND THE MISTEM ADVISORY**
 27 **COUNCIL TO COORDINATE, AWARD,** and monitor MiSTEM state and federal



1 grants to the MiSTEM network regions and conduct reviews of grant
 2 recipients, including, but not limited to, pupil experience and
 3 feedback.

4 (d) Report to the governor, the legislature, **THE DEPARTMENT**,
 5 and the MiSTEM advisory council annually on the activities and
 6 performance of the MiSTEM network regions.

7 (e) Coordinate recurring discussions and work with regional
 8 staff to ensure that a network or loop of feedback and best
 9 practices are shared, including funding, programming, professional
 10 learning opportunities, discussion of MiSTEM strategic vision, and
 11 regional objectives.

12 ~~—— (f) Coordinate major grant application efforts with the MiSTEM~~
 13 ~~advisory council to assist regional staff with grant applications~~
 14 ~~on a local level. The MiSTEM advisory council shall leverage~~
 15 ~~private and nonprofit relationships to coordinate and align private~~
 16 ~~funds in addition to funds appropriated under this section.~~

17 **(F) (g)** Train state and regional staff in the STEMworks rating
 18 system, **IN COLLABORATION WITH THE MISTEM ADVISORY COUNCIL AND THE**
 19 **DEPARTMENT.**

20 ~~—— (h) Hire all MiSTEM network staff no later than July 1, 2018.~~

21 **(G) COLLABORATE WITH THE MISTEM NETWORK TO HIRE MISTEM NETWORK**
 22 **REGION STAFF.**

23 Sec. 99s. (1) From the funds appropriated under section 11,
 24 there is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
 25 ~~\$6,234,300.00~~ **\$7,834,300.00** from the state school aid fund
 26 appropriation and ~~an amount not to exceed \$1,600,000.00 from the~~
 27 ~~general fund appropriation for Michigan science, technology,~~



1 engineering, and mathematics (MiSTEM) programs. In addition, from
 2 the federal funds appropriated in section 11, there is allocated
 3 for ~~2017-2018-2018-2019~~ an amount estimated at ~~\$4,700,000.00~~
 4 **\$3,500,000.00** from DED-OESE, title II, mathematics and science
 5 partnership grants. Programs funded under this section are intended
 6 to increase the number of pupils demonstrating proficiency in
 7 science and mathematics on the state assessments and to increase
 8 the number of pupils who are college- and career-ready upon high
 9 school graduation. Notwithstanding section 17b, payments under this
 10 section shall be paid on a schedule determined by the department.

11 ~~(2) From the general fund allocation in subsection (1), there~~
 12 ~~is allocated an amount not to exceed \$50,000.00 to the department~~
 13 ~~for administrative, training, and travel costs related to the~~
 14 ~~MiSTEM advisory council.~~ **THE MISTEM ADVISORY COUNCIL IS CREATED.**

15 All of the following apply to the MiSTEM advisory council. ~~funded~~
 16 ~~under this subsection:~~

17 ~~(a) The MiSTEM advisory council is created.~~ The MiSTEM
 18 advisory council shall provide to the governor, legislature,
 19 department of talent and economic development, and department
 20 recommendations designed to improve and promote innovation in STEM
 21 education and to prepare students for careers in science,
 22 technology, engineering, and mathematics.

23 (b) The MiSTEM advisory council created under subdivision (a)
 24 shall consist of the following members:

25 (i) The governor shall appoint 11 voting members who are
 26 representative of business sectors that are important to Michigan's
 27 economy and rely on a STEM-educated workforce, nonprofit



1 organizations and associations that promote STEM education, K-12
2 and postsecondary education entities involved in STEM-related
3 career education, or other sectors as considered appropriate by the
4 governor. Each of these members shall serve at the pleasure of the
5 governor and for a term determined by the governor.

6 (ii) The senate majority leader shall appoint 2 members of the
7 senate to serve as nonvoting, ex-officio members of the MiSTEM
8 advisory council, including 1 majority party member and 1 minority
9 party member.

10 (iii) The speaker of the house of representatives shall
11 appoint 2 members of the house of representatives to serve as
12 nonvoting, ex-officio members of the MiSTEM advisory council,
13 including 1 majority party member and 1 minority party member.

14 (c) Each member of the MiSTEM advisory council shall serve
15 without compensation.

16 (d) The MiSTEM advisory council annually shall review and make
17 recommendations to the governor, the legislature, and the
18 department concerning changes to the statewide strategy adopted by
19 the council for delivering STEM education-related opportunities to
20 pupils. The MiSTEM advisory council shall use funds received under
21 this subsection to ensure that its members or their designees are
22 trained in the Change the Equation STEMworks rating system program
23 for the purpose of rating STEM programs.

24 (e) The MiSTEM advisory council shall make specific funding
25 recommendations for the funds allocated under subsection (3) by
26 December 15 of each fiscal year. ~~The amount of each grant~~
27 ~~recommended shall not exceed \$100,000.00.~~ Each specific funding



1 recommendation shall be for a program approved by the MiSTEM
2 advisory council. To be eligible for MiSTEM advisory council
3 approval, a program must satisfy all of the following:

4 (i) Align with this state's academic standards.

5 (ii) Have STEMworks certification.

6 (iii) Provide project-based experiential learning, student
7 programming, or educator professional learning experiences.

8 (iv) Focus predominantly on classroom-based STEM experiences
9 or professional learning experiences.

10 (f) The MiSTEM advisory council shall approve programs that
11 **REPRESENT ALL NETWORK REGIONS AND** include a diverse array of
12 options for students and educators and at least 1 program in each
13 of the following areas:

14 (i) Robotics.

15 (ii) Computer science or coding.

16 (iii) Engineering or bioscience.

17 (g) The MiSTEM advisory council is encouraged to work with the
18 ~~MiSTEM Network regions~~**NETWORK** to develop locally and regionally
19 developed programs and professional development experiences for the
20 programs on the list of approved programs.

21 (h) If the MiSTEM advisory council is unable to make specific
22 funding recommendations by December 15 of a fiscal year, the
23 ~~department of technology, management, and budget~~ shall award and
24 ~~the department shall~~ distribute the funds allocated under
25 subsection (3) on a competitive grant basis that at least follows
26 the statewide STEM strategy plan and rating system recommended by
27 the MiSTEM advisory council. Each grant ~~shall not exceed~~



1 ~~\$100,000.00~~ and must provide STEM education-related opportunities
2 for pupils.

3 (i) The MiSTEM advisory council shall work with the executive
4 director of the MiSTEM network funded under section 99r to
5 implement the statewide STEM strategy adopted by the MiSTEM
6 advisory council.

7 (3) From the state school aid fund money allocated under
8 subsection (1), there is allocated for ~~2017-2018~~ **2018-2019** an
9 amount not to exceed ~~\$2,850,000.00~~ **\$4,000,000.00** for the purpose of
10 funding programs under this section for ~~2017-2018~~, **2018-2019**, as
11 recommended by the MiSTEM advisory council.

12 ~~—— (4) From the state school aid fund allocation under subsection~~
13 ~~(1), there is allocated for 2017-2018 an amount not to exceed~~
14 ~~\$3,299,300.00 to support the activities and programs of mathematics~~
15 ~~and science centers. In addition, from the federal funds allocated~~
16 ~~under subsection (1), there is allocated for 2017-2018 an amount~~
17 ~~estimated at \$4,700,000.00 from DED-OESE, title II, mathematics and~~
18 ~~science partnership grants, for the purposes of this subsection.~~
19 ~~All of the following apply to the programs and funding under this~~
20 ~~subsection:~~

21 ~~—— (a) Within a service area designated locally, approved by the~~
22 ~~department, and consistent with the comprehensive master plan for~~
23 ~~mathematics and science centers developed by the department and~~
24 ~~approved by the state board, an established mathematics and science~~
25 ~~center shall provide 2 or more of the following 6 basic services,~~
26 ~~as described in the master plan, to constituent districts and~~
27 ~~communities: leadership, pupil services, curriculum support,~~



1 ~~community involvement, professional development, and resource~~
2 ~~clearinghouse services.~~

3 ~~—— (b) The department shall not award a state grant under this~~
4 ~~subsection to more than 1 mathematics and science center located in~~
5 ~~a designated region as prescribed in the 2007 master plan unless~~
6 ~~each of the grants serves a distinct target population or provides~~
7 ~~a service that does not duplicate another program in the designated~~
8 ~~region.~~

9 ~~—— (c) As part of the technical assistance process, the~~
10 ~~department shall provide minimum standard guidelines that may be~~
11 ~~used by the mathematics and science center for providing fair~~
12 ~~access for qualified pupils and professional staff as prescribed in~~
13 ~~this subsection.~~

14 ~~—— (d) Allocations under this subsection to support the~~
15 ~~activities and programs of mathematics and science centers shall be~~
16 ~~continuing support grants to all 33 established mathematics and~~
17 ~~science centers. For 2017-2018, each established mathematics and~~
18 ~~science center shall receive state funding in an amount equal to~~
19 ~~100% of the amount it was allocated under former section 99 for~~
20 ~~2014-2015. If a center declines state funding or a center closes,~~
21 ~~the remaining money available under this subsection shall be~~
22 ~~distributed to the remaining centers, as determined by the~~
23 ~~department.~~

24 ~~—— (e) From the funds allocated under this subsection, the~~
25 ~~department shall distribute for 2017-2018 an amount not to exceed~~
26 ~~\$750,000.00 in a form and manner determined by the department to~~
27 ~~those centers able to provide curriculum and professional~~



1 ~~development support to assist districts in implementing the~~
 2 ~~Michigan merit curriculum components for mathematics and science.~~
 3 ~~Funding under this subdivision is in addition to funding allocated~~
 4 ~~under subdivision (d).~~

5 ~~—— (f) It is the intent of the legislature that the funding~~
 6 ~~allocated under this subsection represents the final year of~~
 7 ~~funding for mathematics and science centers and that mathematics~~
 8 ~~and science centers shall not be funded in 2018-2019.~~

9 ~~—— (5) From the funds allocated under subsection (1), there is~~
 10 ~~allocated an amount not to exceed \$85,000.00 to the Michigan~~
 11 ~~Mathematics and Science Centers Network to reimburse intermediate~~
 12 ~~school districts for transition costs incurred as the centers~~
 13 ~~transition to MiSTEM network regions.~~

14 **(4)** ~~(6)~~ From the ~~general~~ **SCHOOL AID** fund allocation under
 15 subsection (1), there is allocated an amount not to exceed
 16 ~~\$1,400,000.00 to~~ **\$3,834,300.00 TO SUPPORT THE ACTIVITIES AND**
 17 **PROGRAMS OF** the MiSTEM network regions. ~~For 2017-2018, each~~
 18 ~~established MiSTEM network region shall receive funding under this~~
 19 ~~subsection in an amount equal to 50% of the state funding amount~~
 20 ~~allocated for 2017-2018 to the mathematics and science centers~~
 21 ~~located within that region to allow the MiSTEM network region to~~
 22 ~~begin operating by April 1, 2018. For former mathematics and~~
 23 ~~science centers with territory in more than 1 MiSTEM network~~
 24 ~~region, the amount allocated shall be divided proportionally.~~ **IN**
 25 **ADDITION, FROM THE FEDERAL FUNDS ALLOCATED UNDER SUBSECTION (1),**
 26 **THERE IS ALLOCATED AN AMOUNT ESTIMATED AT \$3,500,000.00 FROM DED-**
 27 **OESE, TITLE II, MATHEMATICS AND SCIENCE PARTNERSHIP GRANTS, FOR THE**



1 PURPOSES OF THIS SUBSECTION. BEGINNING IN 2018-2019, THE FISCAL
 2 AGENT FOR EACH MISTEM NETWORK REGION SHALL RECEIVE \$200,000.00 FOR
 3 THE BASE OPERATIONS OF EACH REGION. THE REMAINING FUNDS WILL BE
 4 DISTRIBUTED TO EACH FISCAL AGENT IN AN EQUAL AMOUNT PER PUPIL,
 5 BASED ON THE NUMBER OF K TO 12 PUPILS ENROLLED IN DISTRICTS WITHIN
 6 EACH REGION IN THE PRIOR FISCAL YEAR.

7 (5) ~~(7)~~—A MiSTEM network region shall do all of the following:

8 (a) Collaborate with the ~~talent-district-career~~ **AND**
 9 **EDUCATIONAL ADVISORY** council that is located in the ~~prosperity~~
 10 **MISTEM** region to develop a regional strategic plan for STEM
 11 education that creates a robust regional STEM culture, that
 12 empowers STEM teachers, that integrates business and education into
 13 the STEM network, and that ensures high-quality STEM experiences
 14 for pupils. At a minimum, a regional STEM strategic plan should do
 15 all of the following:

16 (i) Identify regional employer need for STEM.

17 (ii) Identify processes for regional employers and educators
 18 to create guided pathways for STEM careers that include internships
 19 or externships, apprenticeships, and other experiential engagements
 20 for pupils.

21 (iii) Identify educator professional development
 22 opportunities, including internships or externships and
 23 apprenticeships, that integrate this state's science ~~content~~
 24 standards into high-quality STEM experiences that engage pupils.

25 (b) Facilitate regional STEM events such as educator and
 26 employer networking and STEM career fairs to raise STEM awareness.

27 (c) Contribute to the MiSTEM website and engage in other



1 MiSTEM network functions to further the mission of STEM in this
 2 state in coordination with the MiSTEM advisory council and its
 3 executive director.

4 (d) Facilitate application and implementation of state and
 5 federal funds under this subsection and any other grants or funds
 6 for the MiSTEM network region.

7 (e) Work with districts to provide STEM programming and
 8 professional development.

9 (f) Coordinate recurring discussions and work with the ~~talent~~
 10 ~~district-career~~ **AND EDUCATIONAL ADVISORY** council to ensure that
 11 feedback and best practices are being shared, including funding,
 12 program, professional learning opportunities, and regional
 13 strategic plans.

14 **(6)** ~~(8)~~—In order to receive state or federal funds under
 15 subsection (4), ~~or (6)~~, a grant recipient shall allow access for
 16 the department or the department's designee to audit all records
 17 related to the program for which it receives those funds. The grant
 18 recipient shall reimburse the state for all disallowances found in
 19 the audit.

20 **(7)** ~~(9)~~—In order to receive state funds under subsection (4),
 21 ~~or (6)~~, a grant recipient shall provide at least a 10% local match
 22 from local public or private resources for the funds received under
 23 this subsection.

24 **(8)** ~~(10)~~—Not later than July 1, 2019 and July 1 of each year
 25 thereafter, a MiSTEM network region that receives funds under
 26 subsection ~~(6)~~ **(4)** shall report to the executive director of the
 27 MiSTEM network in a form and manner prescribed by the executive



1 director on performance measures developed by the MiSTEM network
 2 regions and approved by the executive director. The performance
 3 measures shall be designed to ensure that the activities of the
 4 MiSTEM network are improving student academic outcomes.

5 (9) ~~(11)~~—Not more than 5% of a MiSTEM network region grant
 6 under subsection (4) OR (6) may be retained by a fiscal agent for
 7 serving as the fiscal agent of a MiSTEM network region.

8 (10) ~~(12)~~—As used in this section:

9 (A) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN
 10 ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED
 11 IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR,
 12 AND PARENT REPRESENTATIVES.

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

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

16 (D) ~~(c)~~—"STEM" means science, technology, engineering, and
 17 mathematics delivered in an integrated fashion using cross-
 18 disciplinary learning experiences that can include language arts,
 19 performing and fine arts, and career and technical education.

20 ~~(d) "Talent district career council" means an advisory council~~
 21 ~~to the local workforce development boards located in a prosperity~~
 22 ~~region consisting of educational, employer, labor, and parent~~
 23 ~~representatives.~~

24 ~~(13) From the general fund allocation under subsection (1),~~
 25 ~~there is allocated an amount not to exceed \$150,000.00 for 2017-~~
 26 ~~2018 for a grant to the Van Andel Education Institute for the~~
 27 ~~purposes of advancing and promoting science education and~~



1 ~~increasing the number of students who choose to pursue careers in~~
2 ~~science or science-related fields. Funds allocated under this~~
3 ~~subsection shall be used to provide professional development for~~
4 ~~science teachers in using student-driven, inquiry-based~~
5 ~~instruction.~~

6 ~~—— (14) Not later than January 1, 2019, the executive director of~~
7 ~~the MiSTEM centers network shall report to the house and senate~~
8 ~~appropriations subcommittees on school aid and the house and senate~~
9 ~~fiscal agencies on the number of male and female MiSTEM center~~
10 ~~program participants and the steps, if any, that the MiSTEM centers~~
11 ~~are taking to reduce any disparity between the number of male and~~
12 ~~female participants.~~

13 Sec. 99t. (1) From the general fund appropriation under
14 section 11, there is allocated an amount not to exceed
15 ~~\$1,100,000.00 for 2017-2018~~ **\$1,500,000.00 FOR 2018-2019** to purchase
16 statewide access to an online algebra tool that meets all of the
17 following:

18 (a) Provides students statewide with complete access to videos
19 aligned with state standards including study guides and workbooks
20 that are aligned with the videos.

21 (b) Provides students statewide with access to a personalized
22 online algebra learning tool including adaptive diagnostics.

23 (c) Provides students statewide with dynamic algebra practice
24 assessments that emulate the state assessment with immediate
25 feedback and help solving problems.

26 (d) Provides students statewide with online access to algebra
27 help 24 hours a day and 7 days a week from study experts, teachers,



1 and peers on a moderated social networking platform.

2 (e) Provides an online algebra professional development
3 network for teachers.

4 (f) Is already provided under a statewide contract in at least
5 1 other state that has a population of at least 18,000,000 but not
6 more than 19,000,000 according to the most recent decennial census
7 and is offered in that state in partnership with a public
8 university.

9 (2) The department shall purchase the online algebra tool that
10 was chosen under this section in ~~2016-2017~~**2017-2018**.

11 (3) A grantee receiving funding under this section shall
12 comply with the requirements of section 19b.

13 Sec. 99u. (1) From the general fund appropriation under
14 section 11, there is allocated for ~~2017-2018~~**2018-2019** an amount
15 not to exceed ~~\$1,000,000.00~~**\$1,500,000.00** to purchase statewide
16 access to an online mathematics tool that meets all of the
17 following:

18 (a) Provides students statewide with complete access to
19 mathematics support aligned with state standards through a program
20 that has all of the following elements:

21 (i) Student motivation.

22 (ii) Valid and reliable assessments.

23 (iii) Personalized learning pathways.

24 (iv) Highly qualified, live teachers available all day and all
25 year.

26 (v) Twenty-four-hour reporting.

27 (vi) Content built for rigorous mathematics.



1 (b) Has a record of improving student mathematics scores in at
2 least 5 other states.

3 **(C) RECEIVED FUNDING UNDER THIS SECTION IN 2017-2018.**

4 (2) A grantee that receives funding under this section shall
5 comply with the requirements of section 19b.

6 Sec. 102d. (1) From the funds appropriated in section 11,
7 there is allocated an amount not to exceed \$1,500,000.00 for ~~2017-~~
8 ~~2018-2018-2019~~ for reimbursements to districts, intermediate
9 districts, and authorizing bodies of public school academies for
10 the licensing of school data analytical tools as described under
11 this section. The reimbursement is for districts, intermediate
12 districts, and authorizing bodies of public school academies that
13 choose to use a school data analytical tool to assist the district,
14 intermediate district, or authorizing body of a public school
15 academy and that enter into a licensing agreement for a school data
16 analytical tool with 1 of the vendors approved by the department of
17 technology, management, and budget under subsection (2). Funds
18 allocated under this section are intended to provide districts,
19 intermediate districts, and authorizing bodies of public school
20 academies with financial forecasting and transparency reporting
21 tools to help improve the financial health of districts and to
22 improve communication with the public, resulting in increased fund
23 balances for districts and intermediate districts.

24 (2) Not later than October 15, ~~2017,~~**2018**, the department of
25 technology, management, and budget shall review vendors for school
26 data analytical tools and provide districts, intermediate
27 districts, and authorizing bodies of public school academies with a



1 list of up to 2 approved vendors that districts, intermediate
2 districts, and authorizing bodies of public school academies may
3 use to be eligible for a reimbursement paid under this section. In
4 addition, a vendor approved under this section for ~~2016-2017-2017-~~
5 **2018** is considered to be approved for use by a district,
6 intermediate district, or authorizing body of a public school
7 academy and for reimbursement for ~~2017-2018.~~ **2018-2019**. An approved
8 school data analytical tool supplied by the vendor must meet at
9 least all of the following:

10 (a) Analyzes financial data.

11 (b) Analyzes academic data.

12 (c) Provides early warning indicators of financial stress.

13 (d) Has the capability to provide peer district comparisons of
14 both financial and academic data.

15 (e) Has the capability to provide financial projections for at
16 least 3 subsequent fiscal years.

17 (3) Funds allocated under this section shall be paid to
18 districts, intermediate districts, and authorizing bodies of public
19 school academies as a reimbursement for already having a licensing
20 agreement or for entering into a licensing agreement not later than
21 December 1, ~~2017-2018~~ with a vendor approved under subsection (2)
22 to implement a school data analytical tool. Reimbursement will be
23 prorated for the portion of the state fiscal year not covered by
24 the licensing agreement. However, a licensing agreement that takes
25 effect after October 1, ~~2017-2018~~ and before December 1, ~~2017-2018~~
26 will not be prorated if the term of the agreement is at least 1
27 year. Reimbursement under this section shall be made as follows:



1 (a) All districts, intermediate districts, and authorizing
2 bodies of public school academies seeking reimbursement shall
3 submit requests not later than December 1, ~~2017~~—**2018** indicating the
4 cost paid for the financial data analytical tool.

5 (b) The department shall determine the sum of the funding
6 requests under subdivision (a) and, if there are sufficient funds,
7 shall pay 1/2 of the costs submitted under subdivision (a). If
8 there are insufficient funds to pay 1/2 of the costs submitted
9 under (a), then reimbursement shall be made on an equal percentage
10 basis.

11 (c) Funds remaining after the calculation and payment under
12 subdivision (b) shall be distributed on an equal per-pupil basis,
13 with an intermediate district's pupils considered to be the sum of
14 the pupil memberships of the constituent districts for which the
15 intermediate district is purchasing the financial data analytical
16 tool, and with an authorizing body's pupils considered to be the
17 sum of the pupil memberships of the public school academies
18 authorized by the authorizing body for which the authorizing body
19 is purchasing the financial data analytical tool.

20 (d) The reimbursement to a district, intermediate district, or
21 authorizing body of a public school academy shall not be greater
22 than the amount paid for a data analytics application.

23 (e) A district, intermediate district, or authorizing body of
24 a public school academy shall not be reimbursed for the purchase of
25 more than 1 software application.

26 (4) If an intermediate district purchases both a school data
27 analytical tool specifically for intermediate district finances and



1 a school data analytical tool for those constituent districts that
2 opt in, the intermediate district shall be reimbursed for both
3 purchases under this section.

4 (5) If an intermediate district makes available to 1 or more
5 of its constituent districts a school data analytical tool funded
6 under this section, that constituent district shall not be
7 reimbursed under this section for the purchase of that school data
8 analytical tool if the constituent district has opted in for that
9 tool.

10 (6) If an authorizing body of a public school academy makes
11 available to 1 or more public school academies a school data
12 analytical tool funded under this section, the public school
13 academy shall not be reimbursed under this section for the purchase
14 of a school data analytical tool if the public school academy opted
15 in for that tool.

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

18 Sec. 104. (1) In order to receive state aid under this
19 article, a district shall comply with sections 1249, 1278a, 1278b,
20 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
21 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
22 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
23 the state school aid fund money appropriated in section 11, there
24 is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
25 ~~\$34,709,400.00~~ **\$31,009,400.00** for payments on behalf of districts
26 for costs associated with complying with those provisions of law.
27 In addition, from the federal funds appropriated in section 11,



1 there is allocated for ~~2017-2018-2018-2019~~ an amount estimated at
2 \$6,250,000.00, funded from DED-OESE, title VI, state assessment
3 funds, and from DED-OSERS, section 504 of part B of the individuals
4 with disabilities education act, Public Law 94-142, plus any
5 carryover federal funds from previous year appropriations, for the
6 purposes of complying with the federal no child left behind act of
7 2001, Public Law 107-110, or the every student succeeds act, Public
8 Law 114-95.

9 (2) The results of each test administered as part of the
10 Michigan student test of educational progress (M-STEP), including
11 tests administered to high school students, shall include an item
12 analysis that lists all items that are counted for individual pupil
13 scores and the percentage of pupils choosing each possible
14 response. The department shall work with the center to identify the
15 number of students enrolled at the time assessments are given by
16 each district. In calculating the percentage of pupils assessed for
17 a district's scorecard, the department shall use only the number of
18 pupils enrolled in the district at the time the district
19 administers the assessments and shall exclude pupils who enroll in
20 the district after the district administers the assessments.

21 (3) All federal funds allocated under this section shall be
22 distributed in accordance with federal law and with flexibility
23 provisions outlined in Public Law 107-116, and in the education
24 flexibility partnership act of 1999, Public Law 106-25.

25 (4) From the funds allocated in subsection (1), there is
26 allocated an amount not to exceed \$1,000,000.00 for ~~2017-2018-2018-~~
27 **2019** to an intermediate district described in this subsection to



1 implement a Michigan kindergarten entry observation tool in
2 ~~2017-2018.~~ **2018-2019.** The funding under this subsection is
3 allocated to an intermediate district in prosperity region 9 with
4 at least 3,000 kindergarten pupils enrolled in its constituent
5 districts to continue participation in the Maryland-Ohio pilot and
6 cover the costs of implementing the ~~pilot~~-observation tool,
7 including a contract with a university for implementation of the
8 ~~pilot~~-observation tool, **ALSO REFERRED TO AS THE KINDERGARTEN**
9 **READINESS ASSESSMENT.** The intermediate district shall continue
10 implementation of the ~~2016-2017 pilot study with existing~~
11 ~~participating intermediate districts during the 2017-2018 school~~
12 ~~year.~~ The Michigan kindergarten entry observation. shall ~~THE~~
13 **KINDERGARTEN READINESS ASSESSMENT MUST** be conducted in all
14 kindergarten classrooms in districts located in prosperity regions
15 4, 5, and 9 beginning in August ~~2018.~~ **2019.** A constituent district
16 of an intermediate district located within **THESE** prosperity ~~region~~
17 ~~4, 5, or 9~~ **REGIONS** shall administer the Maryland-Ohio tool within
18 each kindergarten classroom to either the full census of
19 kindergarten pupils or a representative sample of not less than 35%
20 of the enrolled kindergarten pupils in each classroom. The
21 intermediate district receiving the funding allocated under this
22 subsection shall work with other intermediate districts to
23 implement the Michigan kindergarten entry observation, engage with
24 the office of great start and the department, and provide a report
25 to the legislature on the demonstrated readiness of kindergarten
26 pupils within the participating intermediate districts. That
27 intermediate district may share this funding with the other



1 affected intermediate districts and districts. ~~Allowable costs~~
 2 ~~under this subsection include those incurred in July, August, and~~
 3 ~~September 2017 as well as those incurred in 2017-2018.~~ As used in
 4 this subsection, "kindergarten" may include a classroom for young
 5 5-year-olds, commonly referred to as "young 5s" or "developmental
 6 kindergarten". The department shall approve the language and
 7 literacy domain within the Maryland-Ohio tool, also referred to as
 8 the "Kindergarten Readiness Assessment", for use by districts as an
 9 initial assessment that may be delivered to all kindergarten
 10 students to assist with identifying any possible area of concern
 11 for a student in English language arts.

12 ~~— (5) The department shall continue to make the kindergarten~~
 13 ~~entry assessment developed by the department and field tested in~~
 14 ~~2015-2016 available to districts in 2017-2018.~~

15 (5) ~~(6)~~—The department may recommend, but may not require,
 16 districts to allow pupils to use an external keyboard with tablet
 17 devices for online M-STEP testing, including, but not limited to,
 18 open-ended test items such as constructed response or equation
 19 builder items.

20 (6) ~~(7)~~—Notwithstanding section 17b, payments on behalf of
 21 districts, intermediate districts, and other eligible entities
 22 under this section shall be paid on a schedule determined by the
 23 department.

24 (7) ~~(8)~~—From the allocation in subsection (1), there is
 25 allocated an amount not to exceed ~~\$3,200,000.00~~ **\$500,000.00** for the
 26 development or selection of an online reporting tool to provide
 27 student-level assessment data in a secure environment to educators,



1 parents, and pupils immediately after assessments are scored. The
2 department and the center shall ensure that any data collected by
3 the online reporting tool do not provide individually identifiable
4 student data to the federal government.

5 **(8) FROM THE ALLOCATION UNDER SUBSECTION (1), THERE IS**
6 **ALLOCATED AN AMOUNT NOT TO EXCEED \$100.00 FOR BENCHMARK ASSESSMENTS**
7 **THAT ARE APPROVED BY THE DEPARTMENT UNDER MICHIGAN SOLICITATION**
8 **"18000000144: ADMINISTRATION, SCORING, AND REPORTING OF BENCHMARK**
9 **ASSESSMENTS".**

10 (9) As used in this section:

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

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

14 (c) "DED-OSERS" means the DED Office of Special Education and
15 Rehabilitative Services.

16 Sec. 104c. (1) In order to receive state aid under this
17 article, a district shall administer the state assessments
18 described in this section.

19 (2) For the purposes of this section, the department shall
20 develop ~~for use in the spring of 2015-2016~~ **AND ADMINISTER** the
21 Michigan student test of educational progress (M-STEP) assessments
22 in English language arts and mathematics. These assessments shall
23 be aligned to state standards.

24 (3) For the purposes of this section, the department shall
25 implement a summative assessment system that is proven to be valid
26 and reliable for administration to pupils as provided under this
27 subsection. The summative assessment system shall meet all of the



1 following requirements:

2 (a) The summative assessment system shall measure student
3 proficiency on the current state standards, shall measure student
4 growth for consecutive grade levels in which students are assessed
5 in the same subject area in both grade levels, and shall be capable
6 of measuring individual student performance.

7 (b) The summative assessments for English language arts and
8 mathematics shall be administered to all public school pupils in
9 grades 3 to 11, including those pupils as required by the federal
10 individuals with disabilities education act, Public Law 108-446,
11 and by title I of the federal every student succeeds act (ESSA),
12 Public Law 114-95.

13 (c) The summative assessments for science shall be
14 administered to all public school pupils in at least grades ~~4 and~~
15 ~~7, 5 AND 8~~, including those pupils as required by the federal
16 individuals with disabilities education act, Public Law 108-446,
17 and by title I of the federal every student succeeds act (ESSA),
18 Public Law 114-95.

19 (d) The summative assessments for social studies shall be
20 administered to all public school pupils in at least grades 5 and
21 8, including those pupils as required by the federal individuals
22 with disabilities education act, Public Law 108-446, and by title I
23 of the federal every student succeeds act (ESSA), Public Law 114-
24 95.

25 (e) The content of the summative assessments shall be aligned
26 to state standards.

27 (f) The pool of questions for the summative assessments shall



1 be subject to a transparent review process for quality, bias, and
2 sensitive issues involving educator review and comment. The
3 department shall post samples from tests or retired tests featuring
4 questions from this pool for review by the public.

5 (g) The summative assessment system shall ensure that
6 students, parents, and teachers are provided with reports that
7 convey individual student proficiency and growth on the assessment
8 and that convey individual student domain-level performance in each
9 subject area, including representative questions, and individual
10 student performance in meeting state standards.

11 (h) The summative assessment system shall be capable of
12 providing, and the department shall ensure that students, parents,
13 teachers, administrators, and community members are provided with,
14 reports that convey aggregate student proficiency and growth data
15 by teacher, grade, school, and district.

16 (i) The summative assessment system shall ensure the
17 capability of reporting the available data to support educator
18 evaluations.

19 (j) The summative assessment system shall ensure that the
20 reports provided to districts containing individual student data
21 are available within 60 days after completion of the assessments.

22 (k) The summative assessment system shall ensure that access
23 to individually identifiable student data meets all of the
24 following:

25 (i) Is in compliance with 20 USC 1232g, commonly referred to
26 as the family educational rights and privacy act of 1974.

27 (ii) Except as may be provided for in an agreement with a



1 vendor to provide assessment services, as necessary to support
2 educator evaluations pursuant to subdivision (i), or for research
3 or program evaluation purposes, is available only to the student;
4 to the student's parent or legal guardian; and to a school
5 administrator or teacher, to the extent that he or she has a
6 legitimate educational interest.

7 (l) The summative assessment system shall ensure that the
8 assessments are pilot tested before statewide implementation.

9 (m) The summative assessment system shall ensure that
10 assessments are designed so that the maximum total combined length
11 of time that schools are required to set aside for a pupil to
12 answer all test questions on all assessments that are part of the
13 system for the pupil's grade level does not exceed that maximum
14 total combined length of time for the previous statewide assessment
15 system or 9 hours, whichever is less. This subdivision does not
16 limit the amount of time a district may allow a pupil to complete a
17 test.

18 (n) The total cost of executing the summative assessment
19 system statewide each year, including, but not limited to, the cost
20 of contracts for administration, scoring, and reporting, shall not
21 exceed an amount equal to 2 times the cost of executing the
22 previous statewide assessment after adjustment for inflation.

23 (o) Beginning with the 2017-2018 school year, the summative
24 assessment system shall not require more than 3 hours in duration,
25 on average, for an individual pupil to complete the combined
26 administration of the math and English language arts portions of
27 the assessment for any 1 grade level.



~~1 (4) In an effort to develop a cohesive state assessment
2 system, the department shall implement a request for information
3 process for a common formative assessment system that is fully
4 aligned to this state's content standards for English language arts
5 and mathematics. The department may use information compiled from a
6 request for proposal in 2016-2017 to satisfy this request.~~

~~7 (4) (5) Beginning in the 2015-2016 school year, the **THE**
8 department shall field test **ADMINISTER BENCHMARK** assessments in the
9 fall and spring of each school year to measure English language
10 arts and mathematics in each of grades K to 2. for full
11 implementation when the assessments have been successfully field
12 tested. This full **FULL** implementation shall occur not later than
13 the 2018-2019 school year. These assessments are necessary to
14 determine a pupil's proficiency level before grade 3.~~

~~15 (6) Not later than November 1, 2017, the department shall
16 issue a request for information for not less than 3 benchmark
17 assessments that each meet all of the following:~~

~~18 (a) Assesses all of grades 3 through 7 in math and English
19 language arts.~~

~~20 (b) Is aligned with this state's content standards such that
21 items were written for this state's content standards.~~

~~22 (c) Is computer adaptive above and below grade level.~~

~~23 (d) Produces a pupil's results in not more than 48 hours from
24 the time the benchmark assessment is administered.~~

~~25 (e) Is self-scoring.~~

~~26 (f) Aligns to this state's content standards.~~

~~27 (g) Measures the academic growth of pupils and provides an~~



1 ~~estimate for adequate yearly growth.~~

2 ~~—— (h) Demonstrates validity and reliability as appropriate for a~~
3 ~~computer adaptive assessment.~~

4 ~~—— (i) Is provided by a vendor that is willing to negotiate a~~
5 ~~discounted state rate for pricing.~~

6 ~~—— (7) Not later than March 1, 2018 and in consultation with~~
7 ~~experts in the field of education and educational assessment~~
8 ~~measurement, the department shall approve at least 3 benchmark~~
9 ~~assessments that were included in a response to the request for~~
10 ~~information under subsection (6) and meet the requirements~~
11 ~~described in subsection (6).~~

12 ~~—— (8) The department shall use the responses to the request for~~
13 ~~information to create a benchmark assessment budget request for the~~
14 ~~2018-2019 fiscal year.~~

15 **(5) THE DEPARTMENT SHALL PROVIDE GUIDANCE TO DISTRICTS ON**
16 **OPTIONS FOR ADOPTING AND IMPLEMENTING DEPARTMENT-APPROVED BENCHMARK**
17 **ASSESSMENTS FOR GRADES 3 TO 7 IN ENGLISH LANGUAGE ARTS AND**
18 **MATHEMATICS AND SHALL RECOMMEND THAT DISTRICTS COMMIT TO USING THE**
19 **SAME BENCHMARK ASSESSMENT FOR NO LESS THAN 3 YEARS WITHOUT**
20 **SWITCHING TO ANOTHER BENCHMARK ASSESSMENT.**

21 **(6)** ~~(9)~~—This section does not prohibit districts from adopting
22 interim assessments.

23 **(7)** ~~(10)~~—As used in this section, "English language arts"
24 means that term as defined in section 104b.

25 Sec. 104d. (1) From the state school aid fund money
26 appropriated in section 11, there is allocated for ~~2017-2018-2018-~~
27 **2019** an amount not to exceed \$4,000,000.00 for providing



1 reimbursement to districts that purchase a computer-adaptive test,
2 or that purchase 1 or more diagnostic tools, screening tools, or
3 benchmark assessments for pupils in grades K to 3 that are intended
4 to increase reading proficiency by grade 4.

5 (2) In order to receive reimbursement under this section for
6 the purchase of a computer-adaptive test, the computer-adaptive
7 test must provide for at least all of the following:

8 (a) Internet-delivered, standards-based assessment using a
9 computer-adaptive model to target the instructional level of each
10 pupil.

11 (b) Unlimited testing opportunities throughout the ~~2017-2018~~
12 **2018-2019** school year.

13 (c) Valid and reliable diagnostic assessment data.

14 (d) Adjustment of testing difficulty based on previous answers
15 to test questions.

16 (e) Immediate feedback to pupils and teachers.

17 (3) In order to receive reimbursement under this section for
18 the purchase of 1 or more diagnostic tools or screening tools for
19 pupils in grades K to 3, each of the tools must meet all of the
20 following:

21 (a) Be reliable.

22 (b) Be valid.

23 (c) Be useful. As used in this subdivision, "useful" means
24 that a tool is easy to administer and requires a short time to
25 complete and that results are linked to intervention.

26 (4) In order to receive funding under this section for the
27 purchase of 1 or more benchmark assessments for pupils in grades K



1 to 3, each of the benchmark assessments must meet all of the
2 following:

3 (a) Be aligned to the state standards of this state.

4 (b) Complement this state's summative assessment system.

5 (c) Be administered at least once a year before the
6 administration of any summative assessment to monitor pupil
7 progress.

8 (d) Provide information on pupil achievement with regard to
9 learning the content required in a given year or grade span.

10 (5) Reimbursement under this section shall be made to eligible
11 districts that purchase a computer-adaptive test or 1 or more
12 diagnostic tools, screening tools, or benchmark assessments
13 described in this section by October 15, ~~2017~~**2018** and shall be
14 made on an equal per-pupil basis according to the available
15 funding, based on the number of pupils for whom assessments were
16 purchased.

17 (6) In order to receive reimbursement under this section, a
18 district shall demonstrate to the satisfaction of the department
19 that each qualifying computer-adaptive test, diagnostic tool,
20 screening tool, or benchmark assessment was purchased by the
21 district by December 1, ~~2017~~**2018 AND SHALL REPORT TO THE**
22 **DEPARTMENT WHICH TESTS, TOOLS, AND ASSESSMENTS THE DISTRICT**
23 **PURCHASED.**

24 (7) **NOT LATER THAN FEBRUARY 1, 2019, THE DEPARTMENT SHALL**
25 **COMPILE THE DATA PROVIDED BY DISTRICTS UNDER SUBSECTION (6) AND**
26 **REPORT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON**
27 **SCHOOL AID AND THE HOUSE AND SENATE FISCAL AGENCIES THE NUMBER OF**



1 **DISTRICTS THAT PURCHASED EACH TEST, TOOL, AND ASSESSMENT.**

2 Sec. 104e. (1) From the general fund appropriation in section
3 11, there is allocated an amount not to exceed \$250,000.00 for the
4 implementation of an assessment digital literacy preparation pilot
5 project for pupils enrolled in grades K to 8 **FOR 2017-2018 AND**
6 **2018-2019**. The department shall ensure that a pilot project funded
7 under this subsection satisfies all of the following:

8 (a) Is available to districts in the 2017-2018 **AND 2018-2019**
9 school year. ~~YEARS~~.

10 (b) Focuses on ensuring pupils have the necessary skills
11 required for state online assessments by assessing pupil digital
12 literacy skill levels and providing teachers with a digital
13 curriculum targeted at areas of determined weakness.

14 (c) Allows pupils to engage with the digital curriculum in an
15 independent or teacher-facilitated modality.

16 (d) Includes training and professional development for
17 teachers.

18 (e) Is implemented in at least ~~220~~**50** districts that operate
19 grades K to 8 and that represent a diverse geography and socio-
20 economic demographic.

21 (2) Funding under subsection (1) shall be allocated to a
22 district that operates at least grades K to 8 and has a partnership
23 with a third party that is experienced in the assessment of digital
24 literacy and the preparation of digital literacy skills and has
25 demonstrable experience serving districts in this state and local
26 education agencies in other states. The district, along with its
27 third-party partner, shall provide a report to the house and senate



1 appropriations subcommittees on school aid and the house and senate
 2 fiscal agencies on the efficacy and usefulness of the assessment
 3 digital literacy preparation pilot project no later than ~~September~~
 4 ~~30, 2018.~~ **APRIL 1, 2019.**

5 (3) Notwithstanding section 17b, payments under subsection (1)
 6 shall be made in a manner determined by the department.

7 Sec. 107. (1) From the appropriation in section 11, there is
 8 allocated an amount not to exceed \$27,000,000.00 for ~~2017-2018~~
 9 **2018-2019** for adult education programs authorized under this
 10 section. Except as otherwise provided under subsections (14) ~~7~~
 11 ~~(15), and (19),~~ **AND (15)**, funds allocated under this section are
 12 restricted for adult education programs as authorized under this
 13 section only. A recipient of funds under this section shall not use
 14 those funds for any other purpose.

15 (2) To be eligible for funding under this section, an eligible
 16 adult education provider shall employ certificated teachers and
 17 qualified administrative staff and shall offer continuing education
 18 opportunities for teachers to allow them to maintain certification.

19 (3) To be eligible to be a participant funded under this
 20 section, an individual shall be enrolled in an adult basic
 21 education program, an adult secondary education program, an adult
 22 English as a second language program, a high school equivalency
 23 test preparation program, or a high school completion program, that
 24 meets the requirements of this section, and for which instruction
 25 is provided, and **THE INDIVIDUAL** shall ~~meet either of the following:~~

26 ~~—— (a) Has attained 20 years of age.~~

27 ~~—— (b) Has attained 18 years of age and the individual's~~



1 ~~graduating class has graduated.~~ **BE AT LEAST 18 YEARS OF AGE AND THE**
2 **INDIVIDUAL'S GRADUATING CLASS SHALL HAVE GRADUATED.**

3 (4) By April 1 of each fiscal year, the intermediate districts
4 within a prosperity region or subregion shall determine which
5 intermediate district will serve as the prosperity region's or
6 subregion's fiscal agent for the next fiscal year and shall notify
7 the department in a form and manner determined by the department.
8 The department shall approve or disapprove of the prosperity
9 region's or subregion's selected fiscal agent. From the funds
10 allocated under subsection (1), an amount as determined under this
11 subsection shall be allocated to each intermediate district serving
12 as a fiscal agent for adult education programs in each of the
13 prosperity regions or subregions identified by the department. An
14 intermediate district shall not use more than 5% of the funds
15 allocated under this subsection for administration costs for
16 serving as the fiscal agent. Beginning in 2014-2015, 67% of the
17 allocation provided to each intermediate district serving as a
18 fiscal agent shall be based on the proportion of total funding
19 formerly received by the adult education providers in that
20 prosperity region or subregion in 2013-2014, and 33% shall be
21 allocated based on the factors in subdivisions (a), (b), and (c).
22 For 2018-2019, 33% of the allocation provided to each intermediate
23 district serving as a fiscal agent shall be based upon the
24 proportion of total funding formerly received by the adult
25 education providers in that prosperity region in 2013-2014 and 67%
26 of the allocation shall be based upon the factors in subdivisions
27 (a), (b), and (c). Beginning in 2019-2020, 100% of the allocation



1 provided to each intermediate district serving as a fiscal agent
2 shall be based on the factors in subdivisions (a), (b), and (c).
3 The funding factors for this section are as follows:

4 (a) Sixty percent of this portion of the funding shall be
5 distributed based upon the proportion of the state population of
6 individuals between the ages of 18 and 24 that are not high school
7 graduates that resides in each of the prosperity regions or
8 subregions, as reported by the most recent 5-year estimates from
9 the American ~~community survey~~ **COMMUNITY SURVEY** (ACS) from the
10 United States Census Bureau.

11 (b) Thirty-five percent of this portion of the funding shall
12 be distributed based upon the proportion of the state population of
13 individuals age 25 or older who are not high school graduates that
14 resides in each of the prosperity regions or subregions, as
15 reported by the most recent 5-year estimates from the American
16 ~~community survey~~ **COMMUNITY SURVEY** (ACS) from the United States
17 Census Bureau.

18 (c) Five percent of this portion of the funding shall be
19 distributed based upon the proportion of the state population of
20 individuals age 18 or older who lack basic English language
21 proficiency that resides in each of the prosperity regions or
22 subregions, as reported by the most recent 5-year estimates from
23 the American ~~community survey~~ **COMMUNITY SURVEY** (ACS) from the
24 United States Census Bureau.

25 (5) To be an eligible fiscal agent, an intermediate district
26 must agree to do the following in a form and manner determined by
27 the department:



1 (a) Distribute funds to adult education programs in a
2 prosperity region or subregion as described in this section.

3 (b) Collaborate with the ~~talent district~~ career **AND**
4 **EDUCATIONAL ADVISORY** council, which is an advisory council of the
5 workforce development boards located in the prosperity region or
6 subregion, or its successor, to develop a regional strategy that
7 aligns adult education programs and services into an efficient and
8 effective delivery system for adult education learners, with
9 special consideration for providing contextualized learning and
10 career pathways and addressing barriers to education and
11 employment.

12 (c) Collaborate with the ~~talent district~~ career **AND**
13 **EDUCATIONAL ADVISORY** council, which is an advisory council of the
14 workforce development boards located in the prosperity region or
15 subregion, or its successor, to create a local process and criteria
16 that will identify eligible adult education providers to receive
17 funds allocated under this section based on location, demand for
18 services, past performance, quality indicators as identified by the
19 department, and cost to provide instructional services. The fiscal
20 agent shall determine all local processes, criteria, and provider
21 determinations. However, the local processes, criteria, and
22 provider services must be approved by the department before funds
23 may be distributed to the fiscal agent.

24 (d) Provide oversight to its adult education providers
25 throughout the program year to ensure compliance with the
26 requirements of this section.

27 (e) Report adult education program and participant data and



1 information as prescribed by the department.

2 (6) An adult basic education program, an adult secondary
3 education program, or an adult English as a second language program
4 operated on a year-round or school year basis may be funded under
5 this section, subject to all of the following:

6 (a) The program enrolls adults who are determined by a
7 department-approved assessment, in a form and manner prescribed by
8 the department, to be below twelfth grade level in reading or
9 mathematics, or both, or to lack basic English proficiency.

10 (b) The program tests individuals for eligibility under
11 subdivision (a) before enrollment and upon completion of the
12 program in compliance with the state-approved assessment policy.

13 (c) A participant in an adult basic education program is
14 eligible for reimbursement until 1 of the following occurs:

15 (i) The participant's reading and mathematics proficiency are
16 assessed at or above the ninth grade level.

17 (ii) The participant fails to show progress on 2 successive
18 assessments after having completed at least 450 hours of
19 instruction.

20 (d) A participant in an adult secondary education program is
21 eligible for reimbursement until 1 of the following occurs:

22 (i) The participant's reading and mathematics proficiency are
23 assessed above the twelfth grade level.

24 (ii) The participant fails to show progress on 2 successive
25 assessments after having at least 450 hours of instruction.

26 (e) A funding recipient enrolling a participant in an English
27 as a second language program is eligible for funding according to



1 subsection (9) until the participant meets 1 of the following:

2 (i) The participant is assessed as having attained basic
3 English proficiency as determined by a department-approved
4 assessment.

5 (ii) The participant fails to show progress on 2 successive
6 department-approved assessments after having completed at least 450
7 hours of instruction. The department shall provide information to a
8 funding recipient regarding appropriate assessment instruments for
9 this program.

10 (7) A high school equivalency test preparation program
11 operated on a year-round or school year basis may be funded under
12 this section, subject to all of the following:

13 (a) The program enrolls adults who do not have a high school
14 diploma or a high school equivalency certificate.

15 (b) The program shall administer a pre-test approved by the
16 department before enrolling an individual to determine the
17 individual's literacy levels, shall administer a high school
18 equivalency practice test to determine the individual's potential
19 for success on the high school equivalency test, and shall
20 administer a post-test upon completion of the program in compliance
21 with the state-approved assessment policy.

22 (c) A funding recipient shall receive funding according to
23 subsection (9) for a participant, and a participant may be enrolled
24 in the program until 1 of the following occurs:

25 (i) The participant achieves a high school equivalency
26 certificate.

27 (ii) The participant fails to show progress on 2 successive



1 department-approved assessments used to determine readiness to take
2 a high school equivalency test after having completed at least 450
3 hours of instruction.

4 (8) A high school completion program operated on a year-round
5 or school year basis may be funded under this section, subject to
6 all of the following:

7 (a) The program enrolls adults who do not have a high school
8 diploma.

9 (b) The program tests participants described in subdivision
10 (a) before enrollment and upon completion of the program in
11 compliance with the state-approved assessment policy.

12 (c) A funding recipient shall receive funding according to
13 subsection (9) for a participant in a course offered under this
14 subsection until 1 of the following occurs:

15 (i) The participant passes the course and earns a high school
16 diploma.

17 (ii) The participant fails to earn credit in 2 successive
18 semesters or terms in which the participant is enrolled after
19 having completed at least 900 hours of instruction.

20 (9) A funding recipient shall receive payments under this
21 section in accordance with all of the following:

22 (a) Statewide allocation criteria, including 3-year average
23 enrollments, census data, and local needs.

24 (b) Participant completion of the adult basic education
25 objectives by achieving an educational gain as determined by the
26 national reporting system levels; for achieving basic English
27 proficiency, as determined by the department; for achieving a high



1 school equivalency certificate or passage of 1 or more individual
2 high school equivalency tests; for attainment of a high school
3 diploma or passage of a course required for a participant to attain
4 a high school diploma; for enrollment in a postsecondary
5 institution, or for entry into or retention of employment, as
6 applicable.

7 (c) Participant completion of core indicators as identified in
8 the innovation and opportunity act.

9 (d) Allowable expenditures.

10 (10) A person who is not eligible to be a participant funded
11 under this section may receive adult education services upon the
12 payment of tuition. In addition, a person who is not eligible to be
13 served in a program under this section due to the program
14 limitations specified in subsection (6), (7), or (8) may continue
15 to receive adult education services in that program upon the
16 payment of tuition. The tuition level shall be determined by the
17 local or intermediate district conducting the program.

18 (11) An individual who is an inmate in a state correctional
19 facility shall not be counted as a participant under this section.

20 (12) A funding recipient shall not commingle money received
21 under this section or from another source for adult education
22 purposes with any other funds and shall establish a separate ledger
23 account for funds received under this section. This subsection does
24 not prohibit a district from using general funds of the district to
25 support an adult education or community education program.

26 (13) A funding recipient receiving funds under this section
27 may establish a sliding scale of tuition rates based upon a



1 participant's family income. A funding recipient may charge a
2 participant tuition to receive adult education services under this
3 section from that sliding scale of tuition rates on a uniform
4 basis. The amount of tuition charged per participant shall not
5 exceed the actual operating cost per participant minus any funds
6 received under this section per participant. A funding recipient
7 may not charge a participant tuition under this section if the
8 participant's income is at or below 200% of the federal poverty
9 guidelines published by the United States Department of Health and
10 Human Services.

11 (14) In order to receive funds under this section, a funding
12 recipient shall furnish to the department, in a form and manner
13 determined by the department, all information needed to administer
14 this program and meet federal reporting requirements; shall allow
15 the department or the department's designee to review all records
16 related to the program for which it receives funds; and shall
17 reimburse the state for all disallowances found in the review, as
18 determined by the department. In addition, a funding recipient
19 shall agree to pay to a career and technical education program
20 under section 61a the amount of funding received under this section
21 in the proportion of career and technical education coursework used
22 to satisfy adult basic education programming, as billed to the
23 funding recipient by programs operating under section 61a.

24 ~~———— (15) From the amount appropriated in subsection (1), an amount~~
25 ~~not to exceed \$500,000.00 shall be allocated for 2017-2018 to not~~
26 ~~more than 1 pilot program that is located in a prosperity region~~
27 ~~with 2 or more subregions and that connects adult education~~



~~1 participants directly with employers by linking adult education,
2 career and technical skills, and workforce development. To be
3 eligible for funding under this subsection, a pilot program shall
4 provide a collaboration linking adult education programs within the
5 county, the area career/technical center, and local employers, and
6 shall meet the additional criteria in subsections (16) and (17).
7 Funding under this subsection for 2017-2018 is for the third of 3
8 years of funding.~~

~~9 — (16) A pilot program funded under subsection (15) shall
10 require adult education staff to work with Michigan works! agency
11 to identify a cohort of participants who are most prepared to
12 successfully enter the workforce. Participants identified under
13 this subsection shall be dually enrolled in adult education
14 programming and at least 1 technical course at the area
15 career/technical center.~~

~~16 — (17) A pilot program funded under subsection (15) shall have
17 on staff an adult education navigator who will serve as a
18 caseworker for each participant identified under subsection (16).
19 The navigator shall work with adult education staff and potential
20 employers to design an educational program best suited to the
21 personal and employment needs of the participant, and shall work
22 with human service agencies or other entities to address any
23 barrier in the way of participant access.~~

~~24 — (18) Not later than December 1, 2018, the pilot program funded
25 under subsection (15) shall provide to the senate and house
26 appropriations subcommittees on school aid, to the senate and house
27 fiscal agencies, and to the state budget director a report~~



1 ~~detailing number of participants, graduation rates, and a measure~~
 2 ~~of transitioning to employment.~~

3 **(15)** ~~(19)~~ From the amount appropriated in subsection (1), an
 4 amount not to exceed \$2,000,000.00 shall be allocated for ~~2017-2018~~
 5 **2018-2019** for grants to not more than 5 pilot programs ~~that are~~
 6 ~~additional to the pilot program funded under subsection (15)~~ to
 7 connect adult education participants with employers as provided
 8 under this subsection. **TO BE ELIGIBLE FOR FUNDING UNDER THIS**
 9 **SUBSECTION, A PILOT PROGRAM MUST PROVIDE A COLLABORATION LINKING**
 10 **ADULT EDUCATION PROGRAMS WITHIN THE COUNTY, THE AREA CAREER AND**
 11 **TECHNICAL CENTER, AND LOCAL EMPLOYERS.** The grant to each eligible
 12 pilot program shall be up to \$400,000.00. To receive funding under
 13 this subsection, an eligible pilot program shall satisfy all of the
 14 following:

15 (a) Meets 1 of the following:

16 (i) Is located in prosperity region 1c.

17 (ii) Is located in prosperity region 2 and borders prosperity
 18 region 4.

19 (iii) Is located in prosperity region 4a and borders
 20 prosperity region 5.

21 (iv) Is located in prosperity region 5 and borders Lake Huron.

22 (v) Is located in prosperity region 9 and borders a
 23 neighboring state.

24 ~~— (b) Begins operations at the start of the 2017-2018 school~~
 25 ~~year.~~

26 ~~— (c) Replicates the pilot program funded under subsection (15).~~

27 ~~— (d) Meets the requirements under subsections (15), (16), and~~



1 ~~(17) for a pilot program funded under subsection (15).~~

2 **(B) SHALL REQUIRE ADULT EDUCATION STAFF TO WORK WITH MICHIGAN**
 3 **WORKS! AGENCY TO IDENTIFY A COHORT OF PARTICIPANTS WHO ARE MOST**
 4 **PREPARED TO SUCCESSFULLY ENTER THE WORKFORCE. PARTICIPANTS**
 5 **IDENTIFIED UNDER THIS SUBSECTION SHALL BE DUALY ENROLLED IN ADULT**
 6 **EDUCATION PROGRAMMING AND AT LEAST 1 TECHNICAL COURSE AT THE AREA**
 7 **CAREER AND TECHNICAL CENTER.**

8 **(C) SHALL HAVE AN INDIVIDUAL STAFFED AS AN ADULT EDUCATION**
 9 **NAVIGATOR WHO WILL SERVE AS A CASEWORKER FOR EACH PARTICIPANT**
 10 **IDENTIFIED UNDER SUBDIVISION (B). THE NAVIGATOR SHALL WORK WITH**
 11 **ADULT EDUCATION STAFF AND POTENTIAL EMPLOYERS TO DESIGN AN**
 12 **EDUCATIONAL PROGRAM BEST SUITED TO THE PERSONAL AND EMPLOYMENT**
 13 **NEEDS OF THE PARTICIPANT AND SHALL WORK WITH HUMAN SERVICE AGENCIES**
 14 **OR OTHER ENTITIES TO ADDRESS ANY BARRIER IN THE WAY OF PARTICIPANT**
 15 **ACCESS.**

16 **(16) ~~(20)~~Not later than December 1, 2018, 2019, a pilot**
 17 **program funded under subsection ~~(19)~~ (15) shall provide a report to**
 18 **the senate and house appropriations subcommittees on school aid, to**
 19 **the senate and house fiscal agencies, and to the state budget**
 20 **director identifying the number of participants, graduation rates,**
 21 **and a measure of transition to employment.**

22 **(17) ~~(21)~~The department shall approve at least 3 high school**
 23 **equivalency tests and determine whether a high school equivalency**
 24 **certificate meets the requisite standards for high school**
 25 **equivalency in this state.**

26 **(18) ~~(22)~~As used in this section:**

27 **(A) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN**



1 **ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED**
2 **IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR,**
3 **AND PARENT REPRESENTATIVES.**

4 (B) ~~(a)~~—"Career pathway" means a combination of rigorous and
5 high-quality education, training, and other services that comply
6 with all of the following:

7 (i) Aligns with the skill needs of industries in the economy
8 of this state or in the regional economy involved.

9 (ii) Prepares an individual to be successful in any of a full
10 range of secondary or postsecondary education options, including
11 apprenticeships registered under the act of August 16, 1937
12 (commonly known as the "national apprenticeship act"), 29 USC 50 et
13 seq.

14 (iii) Includes counseling to support an individual in
15 achieving the individual's education and career goals.

16 (iv) Includes, as appropriate, education offered concurrently
17 with and in the same context as workforce preparation activities
18 and training for a specific occupation or occupational cluster.

19 (v) Organizes education, training, and other services to meet
20 the particular needs of an individual in a manner that accelerates
21 the educational and career advancement of the individual to the
22 extent practicable.

23 (vi) Enables an individual to attain a secondary school
24 diploma or its recognized equivalent, and at least 1 recognized
25 postsecondary credential.

26 (vii) Helps an individual enter or advance within a specific
27 occupation or occupational cluster.



1 (C) ~~(b)~~—"Department" means the department of talent and
2 economic development.

3 (D) ~~(e)~~—"Eligible adult education provider" means a district,
4 intermediate district, a consortium of districts, a consortium of
5 intermediate districts, or a consortium of districts and
6 intermediate districts that is identified as part of the local
7 process described in subsection (5) (c) and approved by the
8 department.

9 **SEC. 110. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION**
10 **11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$600,000.00 FOR**
11 **2018-2019 TO EXPAND AN EXISTING ADVANCED 911 STATE CONTRACT FOR THE**
12 **SOLE PURPOSE OF IMPLEMENTING A STATEWIDE PILOT SECURE SCHOOLS**
13 **PROGRAM AND PANIC BUTTON APP PHONE APPLICATION SYSTEM IN PUBLIC AND**
14 **NONPUBLIC HIGH SCHOOLS.**

15 **(2) THE PANIC BUTTON APP PHONE APPLICATION SYSTEM FUNDED UNDER**
16 **THIS SECTION MUST BE ABLE TO DO ALL OF THE FOLLOWING**
17 **SIMULTANEOUSLY:**

18 **(A) ALLOW AUTHORIZED USERS TO PLACE A VOICE CALL TO 911.**

19 **(B) PROVIDE INTELLIGENT NOTIFICATIONS VIA TEXT AND ELECTRONIC**
20 **MAIL.**

21 **(C) PROVIDE PUSH NOTIFICATIONS THAT CONTAIN INFORMATION**
22 **REGARDING THE IDENTITY AND LOCATION OF THE REPORTING PARTY,**
23 **RESPONSE TYPE REQUIRED BASED ON INCIDENT TYPE, AND ADDITIONAL**
24 **LOCATION DETAILS TO RELEVANT COMMUNITIES TO WHICH USERS BELONG**
25 **INCLUDING, BUT NOT LIMITED TO, BOTH OF THE FOLLOWING, AS APPLICABLE**
26 **BASED ON THE LOCATION AND CATEGORY OF THE EMERGENCY EVENT:**

27 **(i) KEY STAKEHOLDERS.**



1 (ii) AUTHORIZED USERS, INCLUDING, BUT NOT LIMITED TO, ALL OF
2 THE FOLLOWING:

3 (A) SCHOOL STAFF.

4 (B) SCHOOL RESOURCE OFFICERS.

5 (C) 911.

6 (D) FIRST RESPONDER AGENCIES.

7 (D) ALLOW 911, SCHOOL OFFICIALS, AND FIRST RESPONDER AGENCIES
8 TO SEND MESSAGES TO PANIC BUTTON APP USERS BOTH DURING AND AFTER
9 EMERGENCY EVENTS IN ORDER TO FACILITATE ONGOING COMMUNICATIONS AND
10 COORDINATION.

11 (3) THE SECURE SCHOOLS PROGRAM FUNDED UNDER THIS SECTION MUST
12 INTEGRATE WITH THIS STATE'S CURRENT SUPPLEMENTAL 911 DATABASE TO
13 MAINTAIN INFORMATION VOLUNTARILY PROVIDED BY INDIVIDUALS AND
14 FACILITY MANAGERS VIA A SECURE WEB APPLICATION. ANY INFORMATION
15 SUBMITTED BY DISTRICTS UNDER THE SECURE SCHOOLS PROGRAM, INCLUDING,
16 BUT NOT LIMITED TO, FLOORPLANS, AUTOMATED EXTERNAL DEFIBRILLATOR
17 INFORMATION, SCHOOL SAFETY PLANS, REUNIFICATION PLANS, AND ENTRY OR
18 EXIT POINTS MUST AUTOMATICALLY APPEAR TO 911 WHENEVER THE PANIC
19 BUTTON APP IS ACTIVATED.

20 (4) FUNDS APPROPRIATED UNDER THIS SECTION MAY BE USED TO
21 DEFRAY THE INITIAL COSTS ASSOCIATED WITH THE IMPLEMENTATION OF THE
22 SECURE SCHOOLS PROGRAM, INCLUDING INSTALLATION, TRAINING, AND
23 MAINTENANCE COSTS. FUNDS MUST BE DISTRIBUTED IN 2 PAYMENTS. THE
24 FIRST PAYMENT MUST BE MADE BY OCTOBER 1, 2018 AND THE SECOND
25 PAYMENT MUST BE MADE BY DECEMBER 30, 2018.

26 Sec. 147. (1) The allocation for ~~2017-2018-2018-2019~~ for the
27 public school employees' retirement system pursuant to the public



1 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
2 to 38.1437, shall be made using the individual projected benefit
3 entry age normal cost method of valuation and risk assumptions
4 adopted by the public school employees retirement board and the
5 department of technology, management, and budget.

6 (2) The annual level percentage of payroll contribution rates
7 for the ~~2017-2018~~**2018-2019** fiscal year, as determined by the
8 retirement system, are estimated as follows:

9 (a) For public school employees who first worked for a public
10 school reporting unit before July 1, 2010 and who are enrolled in
11 the health premium subsidy, the annual level percentage of payroll
12 contribution rate is estimated at ~~36.88%~~**38.39%**, with ~~25.56%~~
13 **26.18%** paid directly by the employer.

14 (b) For public school employees who first worked for a public
15 school reporting unit on or after July 1, 2010 and who are enrolled
16 in the health premium subsidy, the annual level percentage of
17 payroll contribution rate is estimated at ~~35.60%~~**36.60%**, with
18 ~~24.28%~~**24.39%** paid directly by the employer.

19 (c) For public school employees who first worked for a public
20 school reporting unit on or after July 1, 2010 and who participate
21 in the personal healthcare fund, the annual level percentage of
22 payroll contribution rate is estimated at ~~35.35%~~**36.24%**, with
23 24.03% paid directly by the employer.

24 (d) For public school employees who first worked for a public
25 school reporting unit on or after September 4, 2012, who elect
26 defined contribution, and who participate in the personal
27 healthcare fund, the annual level percentage of payroll



1 contribution rate is estimated at ~~32.28%~~, **33.17%**, with 20.96% paid
2 directly by the employer.

3 (e) For public school employees who first worked for a public
4 school reporting unit before July 1, 2010, who elect defined
5 contribution, and who are enrolled in the health premium subsidy,
6 the annual level percentage of payroll contribution rate is
7 estimated at ~~32.53%~~, **33.53%**, with ~~21.21%~~ **21.32%** paid directly by
8 the employer.

9 (f) For public school employees who first worked for a public
10 school reporting unit before July 1, 2010, who elect defined
11 contribution, and who participate in the personal healthcare fund,
12 the annual level percentage of payroll contribution rate is
13 estimated at ~~32.28%~~, **33.17%**, with 20.96% paid directly by the
14 employer.

15 (g) For public school employees who first worked for a public
16 school reporting unit before July 1, 2010 and who participate in
17 the personal healthcare fund, the annual level percentage of
18 payroll contribution rate is estimated at ~~36.63%~~, **38.03%**, with
19 ~~25.31%~~ **25.82%** paid directly by the employer.

20 **(H) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC**
21 **SCHOOL REPORTING UNIT AFTER JANUARY 31, 2018 AND WHO ELECT TO**
22 **BECOME MEMBERS OF THE MPSERS PLAN, THE ANNUAL LEVEL PERCENTAGE OF**
23 **PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 39.37%, WITH 27.16% PAID**
24 **DIRECTLY BY THE EMPLOYER.**

25 (3) In addition to the employer payments described in
26 subsection (2), the employer shall pay the applicable contributions
27 to the Tier 2 plan, as determined by the public school employees



1 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

2 (4) The contribution rates in subsection (2) reflect an
3 amortization period of ~~21-20~~ years for ~~2017-2018-2018-2019~~. The
4 public school employees' retirement system board shall notify each
5 district and intermediate district by February 28 of each fiscal
6 year of the estimated contribution rate for the next fiscal year.

7 Sec. 147a. (1) From the appropriation in section 11, there is
8 allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
9 \$100,000,000.00 for payments to participating districts. A
10 participating district that receives money under this subsection
11 shall use that money solely for the purpose of offsetting a portion
12 of the retirement contributions owed by the district for the fiscal
13 year in which it is received. The amount allocated to each
14 participating district under this subsection shall be based on each
15 participating district's percentage of the total statewide payroll
16 for all participating districts for the immediately preceding
17 fiscal year. As used in this subsection, "participating district"
18 means a district that is a reporting unit of the Michigan public
19 school employees' retirement system under the public school
20 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
21 38.1437, and that reports employees to the Michigan public school
22 employees' retirement system for the applicable fiscal year.

23 (2) In addition to the allocation under subsection (1), from
24 the state school aid fund money appropriated under section 11,
25 there is allocated an amount not to exceed ~~\$48,940,000.00 for 2017-~~
26 ~~2018-~~**\$88,091,000.00 FOR 2018-2019** for payments to participating
27 districts and intermediate districts and from the general fund



1 money appropriated under section 11, there is allocated an amount
2 not to exceed ~~\$29,000.00 for 2017-2018~~ **\$48,000.00 FOR 2018-2019** for
3 payments to participating district libraries. The amount allocated
4 to each participating entity under this subsection shall be based
5 on each participating entity's percentage of the total statewide
6 payroll for that type of participating entity for the immediately
7 preceding fiscal year. A participating entity that receives money
8 under this subsection shall use that money solely for the purpose
9 of offsetting a portion of the normal cost contribution rate. As
10 used in this subsection:

11 (a) "District library" means a district library established
12 under the district library establishment act, 1989 PA 24, MCL
13 397.171 to 397.196.

14 (b) "Participating entity" means a district, intermediate
15 district, or district library that is a reporting unit of the
16 Michigan public school employees' retirement system under the
17 public school employees retirement act of 1979, 1980 PA 300, MCL
18 38.1301 to 38.1437, and that reports employees to the Michigan
19 public school employees' retirement system for the applicable
20 fiscal year.

21 Sec. 147b. (1) The MPSERS retirement obligation reform reserve
22 fund is created as a separate account within the state school aid
23 fund.

24 (2) The state treasurer may receive money or other assets from
25 any source for deposit into the MPSERS retirement obligation reform
26 reserve fund. The state treasurer shall direct the investment of
27 the MPSERS retirement obligation reform reserve fund. The state



1 treasurer shall credit to the MPSERS retirement obligation reform
2 reserve fund interest and earnings from the MPSERS retirement
3 obligation reform reserve fund.

4 (3) Money available in the MPSERS retirement obligation reform
5 reserve fund shall not be expended without a specific
6 appropriation.

7 (4) Money in the MPSERS retirement obligation reform reserve
8 fund at the close of the fiscal year shall remain in the MPSERS
9 retirement obligation reform reserve fund and shall not lapse to
10 the state school aid fund or to the general fund. The department of
11 treasury shall be the administrator of the MPSERS retirement
12 obligation reform reserve fund for auditing purposes.

13 ~~—— (5) If the contributions described in section 43c of the~~
14 ~~public school employees retirement act of 1979, 1980 PA 300, MCL~~
15 ~~38.1343c, as that section was added by 2010 PA 75, are determined~~
16 ~~by a final order of a court of competent jurisdiction for which all~~
17 ~~rights of appeal have been exhausted to be constitutional and if~~
18 ~~the order for preliminary injunction in case no. 10-45-MM issued on~~
19 ~~July 13, 2010 is lifted, the money placed in a separate interest~~
20 ~~bearing account as a result of implementing the preliminary~~
21 ~~injunction shall be deposited into the MPSERS retirement obligation~~
22 ~~reform reserve fund created in this section to be used solely for~~
23 ~~health care unfunded accrued liabilities.~~

24 ~~—— (6) For the fiscal year ending September 30, 2018,~~
25 ~~\$55,000,000.00 from the state school aid fund shall be deposited~~
26 ~~into the MPSERS retirement obligation reform reserve fund to be~~
27 ~~used for the purposes under section 147e.~~



1 Sec. 147c. ~~(1)~~ From the appropriation in section 11, there is
 2 allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
 3 ~~\$960,130,000.00~~ **\$1,032,000,000.00** from the state school aid fund
 4 for payments to districts and intermediate districts that are
 5 participating entities of the Michigan public school employees'
 6 retirement system. In addition, from the general fund money
 7 appropriated in section 11, there is allocated for ~~2017-2018-2018-~~
 8 **2019** an amount not to exceed ~~\$654,000.00~~ **\$700,000.00** for payments
 9 to district libraries that are participating entities of the
 10 Michigan public school employees' retirement system. All of the
 11 following apply to funding under this subsection:

12 (a) For ~~2017-2018,~~ **2018-2019**, the amounts allocated under this
 13 subsection are estimated to provide an average MPSERS rate cap per
 14 pupil amount of ~~\$640.00~~ **\$690.00** and are estimated to provide a rate
 15 cap per pupil for districts ranging between \$4.00 and
 16 ~~\$3,020.00.~~ **\$3,000.00.**

17 (b) Payments made under this subsection shall be equal to the
 18 difference between the unfunded actuarial accrued liability
 19 contribution rate as calculated pursuant to section 41 of the
 20 public school employees retirement act of 1979, 1980 PA 300, MCL
 21 38.1341, as calculated without taking into account the maximum
 22 employer rate of 20.96% included in section 41 of the public school
 23 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
 24 maximum employer rate of 20.96% included in section 41 of the
 25 public school employees retirement act of 1979, 1980 PA 300, MCL
 26 38.1341.

27 (c) The amount allocated to each participating entity under



1 this subsection shall be based on each participating entity's
2 proportion of the total covered payroll for the immediately
3 preceding fiscal year for the same type of participating entities.
4 A participating entity that receives funds under this subsection
5 shall use the funds solely for the purpose of retirement
6 contributions as specified in subdivision (d).

7 (d) Each participating entity receiving funds under this
8 subsection shall forward an amount equal to the amount allocated
9 under subdivision (c) to the retirement system in a form, manner,
10 and time frame determined by the retirement system.

11 (e) Funds allocated under this subsection should be considered
12 when comparing a district's growth in total state aid funding from
13 1 fiscal year to the next.

14 (f) Not later than December 20, ~~2017~~, **2018**, the department
15 shall publish and post on its website an estimated MPSEERS rate cap
16 per pupil for each district.

17 (g) It is the intent of the legislature that any funds
18 allocated under this subsection are first applied to pension
19 contributions, and if any funds remain after that payment, those
20 remaining funds shall be applied to other postemployment benefit
21 contributions.

22 (h) As used in this subsection:

23 (i) "District library" means a district library established
24 under the district library establishment act, 1989 PA 24, MCL
25 397.171 to 397.196.

26 (ii) "MPSEERS rate cap per pupil" means an amount equal to the
27 quotient of the district's payment under this subsection divided by



1 the district's pupils in membership.

2 (iii) "Participating entity" means a district, intermediate
3 district, or district library that is a reporting unit of the
4 Michigan public school employees' retirement system under the
5 public school employees retirement act of 1979, 1980 PA 300, MCL
6 38.1301 to 38.1437, and that reports employees to the Michigan
7 public school employees' retirement system for the applicable
8 fiscal year.

9 (iv) "Retirement board" means the board that administers the
10 retirement system under the public school employees retirement act
11 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

12 (v) "Retirement system" means the Michigan public school
13 employees' retirement system under the public school employees
14 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

15 ~~———— (2) In addition to the funds allocated under subsection (1),
16 from the appropriation in section 11, there is allocated for 2017-
17 2018 only an amount not to exceed \$200,000,000.00 for payments to
18 participating entities. Notwithstanding section 17b, payments to
19 eligible participating entities under this subsection shall be paid
20 in 1 installment no later than October 20, 2017. Payments under
21 this subsection shall be made as follows:~~

22 ~~———— (a) The amount allocated to each participating entity under
23 this subsection shall be based on each participating entity's
24 proportion of the total covered payroll for the fiscal year ending
25 September 30, 2016. A participating entity that receives funds
26 under this subsection shall use the funds solely for purposes of
27 this subsection.~~



1 ~~—— (b) Each participating entity receiving funds under this~~
 2 ~~subsection shall forward an amount equal to the sum of the amount~~
 3 ~~allocated under this subsection and the amount allocated under~~
 4 ~~subsection (1) to the retirement system in a form, manner, and time~~
 5 ~~frame prescribed by the retirement system.~~

6 ~~—— (c) Payments under this subsection shall be used by the~~
 7 ~~retirement system specifically for the payment or prepayment of the~~
 8 ~~final years or partial years of any additional costs to the~~
 9 ~~retirement system due to the operation of section 81b of the public~~
 10 ~~school employees retirement act of 1979, 1980 PA 300, MCL 38.1381b,~~
 11 ~~without regard to the amortization of those costs under section~~
 12 ~~81b(5) of the public school employees retirement act of 1979, 1980~~
 13 ~~PA 300, MCL 38.1381b, and in a manner and form as determined by the~~
 14 ~~office of retirement services.~~

15 ~~—— (d) As used in this subsection:~~

16 ~~—— (i) "Participating entity" means a district, intermediate~~
 17 ~~district, community college, or district library that is a~~
 18 ~~reporting unit of the Michigan public school employees' retirement~~
 19 ~~system under the public school employees retirement act of 1979,~~
 20 ~~1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to~~
 21 ~~the Michigan public school employees' retirement system for the~~
 22 ~~applicable fiscal year.~~

23 ~~—— (ii) "Retirement system" means the Michigan public school~~
 24 ~~employees' retirement system under the public school employees~~
 25 ~~retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

26 Sec. 147e. (1) From the appropriation in section 11, there is
 27 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed



1 ~~\$23,100,000.00~~ **\$31,900,000.00** from the MPSERS retirement obligation
2 reform reserve fund **AND \$5,700,000.00 FROM THE STATE SCHOOL AID**
3 **FUND** for payments to participating entities.

4 (2) The payment to each participating entity under this
5 section shall be the sum of the amounts under this subsection as
6 follows:

7 (a) An amount equal to the contributions made by a
8 participating entity for the additional contribution made to a
9 qualified participant's Tier 2 account in an amount equal to the
10 contribution made by the qualified participant not to exceed 3% of
11 the qualified participant's compensation as provided for under
12 section 131(6) of the public school employees retirement act of
13 1979, 1980 PA 300, MCL 38.1431. ~~, if that act is amended by either~~
14 ~~Senate Bill No. 401 or House Bill No. 4647 of the 99th Legislature.~~

15 (b) Beginning October 1, 2017, an amount equal to the
16 contributions made by a participating entity for a qualified
17 participant who is only a Tier 2 qualified participant under
18 section 81d of the public school employees retirement act of 1979,
19 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning
20 February 1, 2018, not to exceed 1%, of the qualified participant's
21 compensation. ~~, if that act is amended by either Senate Bill No.~~
22 ~~401 or House Bill No. 4647 of the 99th Legislature.~~

23 (c) An amount equal to the increase in employer normal cost
24 contributions under section 41b(2) of the public school employees
25 retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member
26 that was hired after February 1, 2018 and chose to participate in
27 Tier 1, compared to the employer normal cost contribution for a



1 member under section 41b(1) of the public school employees
2 retirement act of 1979, 1980 PA 300, MCL 38.1341b. ~~, if section 41b~~
3 ~~of the public school employees retirement act of 1979, 1980 PA 300,~~
4 ~~MCL 38.1341b, is amended by either Senate Bill No. 401 or House~~
5 ~~Bill No. 4647 of the 99th Legislature.~~

6 (3) As used in this section:

7 (a) "Member" means that term as defined under the public
8 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
9 to 38.1437.

10 (b) "Participating entity" means a district, intermediate
11 district, or community college that is a reporting unit of the
12 Michigan public school employees' retirement system under the
13 public school employees retirement act of 1979, 1980 PA 300, MCL
14 38.1301 to 38.1437, and that reports employees to the Michigan
15 public school employees' retirement system for the applicable
16 fiscal year.

17 (c) "Qualified participant" means that term as defined under
18 section 124 of the public school employees retirement act of 1979,
19 1980 PA 300, MCL 38.1424.

20 Sec. 152a. (1) As required by the court in the consolidated
21 cases known as Adair v State of Michigan, ~~**Adair v State of**~~
22 ~~**Michigan**~~, 486 Mich 468 (2010), from the state school aid fund money
23 appropriated in section 11 there is allocated for ~~2017-2018-2018-~~
24 ~~2019~~ an amount not to exceed \$38,000,500.00 to be used solely for
25 the purpose of paying necessary costs related to the state-mandated
26 collection, maintenance, and reporting of data to this state.

27 (2) From the allocation in subsection (1), the department



1 shall make payments to districts and intermediate districts in an
2 equal amount per-pupil based on the total number of pupils in
3 membership in each district and intermediate district. The
4 department shall not make any adjustment to these payments after
5 the final installment payment under section 17b is made.

6 Sec. 152b. (1) From the general fund money appropriated under
7 section 11, there is allocated an amount not to exceed
8 \$2,500,000.00 ~~for each fiscal year for 2016-2017 and for 2017-2018~~
9 **AND FOR 2018-2019** to reimburse actual costs incurred by nonpublic
10 schools in complying with a health, safety, or welfare requirement
11 mandated by a law or administrative rule of this state.

12 (2) By January 1 of each applicable fiscal year, the
13 department shall publish a form for reporting actual costs incurred
14 by a nonpublic school in complying with a health, safety, or
15 welfare requirement mandated under state law containing each
16 health, safety, or welfare requirement mandated by a law or
17 administrative rule of this state applicable to a nonpublic school
18 and with a reference to each relevant provision of law or
19 administrative rule for the requirement. The form shall be posted
20 on the department's website in electronic form.

21 (3) By June 30 of each applicable fiscal year, a nonpublic
22 school seeking reimbursement for actual costs incurred in complying
23 with a health, safety, or welfare requirement under a law or
24 administrative rule of this state during each applicable school
25 year shall submit a completed form described in subsection (2) to
26 the department. This section does not require a nonpublic school to
27 submit a form described in subsection (2). A nonpublic school is



1 not eligible for reimbursement under this section if the nonpublic
2 school does not submit the form described in subsection (2) in a
3 timely manner.

4 (4) By August 15 of each applicable fiscal year, the
5 department shall distribute funds to each nonpublic school that
6 submits a completed form described under subsection (2) in a timely
7 manner. The superintendent shall determine the amount of funds to
8 be paid to each nonpublic school in an amount that does not exceed
9 the nonpublic school's actual costs in complying with a health,
10 safety, or welfare requirement under a law or administrative rule
11 of this state. The superintendent shall calculate a nonpublic
12 school's actual cost in accordance with this section.

13 (5) If the funds allocated under this section are insufficient
14 to fully fund payments as otherwise calculated under this section,
15 the department shall distribute funds under this section on a
16 prorated or other equitable basis as determined by the
17 superintendent.

18 (6) The department may review the records of a nonpublic
19 school submitting a form described in subsection (2) only for the
20 limited purpose of verifying the nonpublic school's compliance with
21 this section. If a nonpublic school does not allow the department
22 to review records under this subsection, the nonpublic school is
23 not eligible for reimbursement under this section.

24 (7) The funds appropriated under this section are for purposes
25 related to education, are considered to be incidental to the
26 operation of a nonpublic school, are noninstructional in character,
27 and are intended for the public purpose of ensuring the health,



1 safety, and welfare of the children in nonpublic schools and to
2 reimburse nonpublic schools for costs described in this section.

3 (8) Funds allocated under this section are not intended to aid
4 or maintain any nonpublic school, support the attendance of any
5 student at a nonpublic school, employ any person at a nonpublic
6 school, support the attendance of any student at any location where
7 instruction is offered to a nonpublic school student, or support
8 the employment of any person at any location where instruction is
9 offered to a nonpublic school student.

10 (9) For purposes of this section, "actual cost" means the
11 hourly wage for the employee or employees performing a task or
12 tasks required to comply with a health, safety, or welfare
13 requirement under a law or administrative rule of this state
14 identified by the department under subsection (2) and is to be
15 calculated in accordance with the form published by the department
16 under subsection (2), which shall include a detailed itemization of
17 costs. The nonpublic school shall not charge more than the hourly
18 wage of its lowest-paid employee capable of performing a specific
19 task regardless of whether that individual is available and
20 regardless of who actually performs a specific task. Labor costs
21 under this subsection shall be estimated and charged in increments
22 of 15 minutes or more, with all partial time increments rounded
23 down. When calculating costs under subsection (4), fee components
24 shall be itemized in a manner that expresses both the hourly wage
25 and the number of hours charged. The nonpublic school may not
26 charge any applicable labor charge amount to cover or partially
27 cover the cost of health or fringe benefits. A nonpublic school



1 shall not charge any overtime wages in the calculation of labor
2 costs.

3 (10) For the purposes of this section, the actual cost
4 incurred by a nonpublic school for taking daily student attendance
5 shall be considered an actual cost in complying with a health,
6 safety, or welfare requirement under a law or administrative rule
7 of this state. Training fees, inspection fees, and criminal
8 background check fees are considered actual costs in complying with
9 a health, safety, or welfare requirement under a law or
10 administrative rule of this state.

11 (11) The funds allocated under this section for ~~2016-2017~~
12 **2017-2018** are a work project appropriation, and any unexpended
13 funds for ~~2016-2017-2017-2018~~ are carried forward into ~~2017-2018-~~
14 **2018-2019**. The purpose of the work project is to continue to
15 reimburse nonpublic schools for actual costs incurred in complying
16 with a health, safety, or welfare requirement mandated by a law or
17 administrative rule of this state. The estimated completion date of
18 the work project is September 30, ~~2019-2020~~.

19 **(12) THE FUNDS ALLOCATED UNDER THIS SECTION FOR 2018-2019 ARE**
20 **A WORK PROJECT APPROPRIATION, AND ANY UNEXPENDED FUNDS FOR 2018-**
21 **2019 ARE CARRIED FORWARD INTO 2019-2020. THE PURPOSE OF THE WORK**
22 **PROJECT IS TO CONTINUE TO REIMBURSE NONPUBLIC SCHOOLS FOR ACTUAL**
23 **COSTS INCURRED IN COMPLYING WITH A HEALTH, SAFETY, OR WELFARE**
24 **REQUIREMENT MANDATED BY A LAW OR ADMINISTRATIVE RULE OF THIS STATE.**
25 **THE ESTIMATED COMPLETION DATE OF THE WORK PROJECT IS SEPTEMBER 30,**
26 **2020.**

27 Sec. 166b. (1) This act does not prohibit a parent or legal



1 guardian of a minor who is enrolled in any of grades kindergarten
2 to 12 in a nonpublic school or who is being home-schooled from also
3 enrolling the minor in a district, public school academy, or
4 intermediate district in any curricular offering that is provided
5 by the district, public school academy, or intermediate district at
6 a public school site and is available to pupils in the minor's
7 grade level or age group, subject to compliance with the same
8 requirements that apply to a full-time pupil's participation in the
9 offering. However, state school aid shall be provided under this
10 act for a minor enrolled as described in this subsection only for
11 curricular offerings that are available to full-time pupils in the
12 minor's grade level or age group.

13 (2) This act does not prohibit a parent or legal guardian of a
14 minor who is enrolled in any of grades kindergarten to 12 in a
15 nonpublic school or who resides within the district and is being
16 home-schooled from also enrolling the minor in the district in a
17 curricular offering being provided by the district at the nonpublic
18 school site. However, state school aid shall be provided under this
19 act for a minor enrolled as described in this subsection only if
20 all of the following apply:

21 (a) Either of the following:

22 (i) The nonpublic school site is located, or the nonpublic
23 students are educated, within the geographic boundaries of the
24 district.

25 (ii) If the nonpublic school has submitted a written request
26 to the district in which the nonpublic school is located for the
27 district to provide certain instruction under this subsection for a



1 school year and the district does not agree to provide some or all
2 of that instruction by May 1 immediately preceding that school year
3 or, if the request is submitted after March 1 immediately preceding
4 that school year, within 60 days after the nonpublic school submits
5 the request, the instruction is instead provided by an eligible
6 other district. This subparagraph does not require a nonpublic
7 school to submit more than 1 request to the district in which the
8 nonpublic school is located for that district to provide
9 instruction under this subsection, and does not require a nonpublic
10 school to submit an additional request to the district in which the
11 nonpublic school is located for that district to provide additional
12 instruction under this subsection beyond the instruction requested
13 in the original request, before having the instruction provided by
14 an eligible other district. A public school academy that is located
15 in the district in which the nonpublic school is located or in an
16 eligible other district also may provide instruction under this
17 subparagraph under the same conditions as an eligible other
18 district. As used in this subparagraph, "eligible other district"
19 means a district that is located in the same intermediate district
20 as the district in which the nonpublic school is located or is
21 located in an intermediate district that is contiguous to that
22 intermediate district.

23 (b) The nonpublic school is registered with the department as
24 a nonpublic school and meets all state reporting requirements for
25 nonpublic schools.

26 (c) The instruction is provided directly by a certified
27 teacher ~~at~~**OF** the district, ~~or~~ public school academy, or ~~at~~**an**



1 intermediate district.

2 (d) ~~The curricular offering is also available to full-time~~
 3 ~~pupils in the minor's grade level or age group in the district or~~
 4 ~~public school academy at a public school site.~~**DISTRICT HAS**
 5 **PUBLISHED THE CURRICULAR OFFERING IN A COURSE CATALOG PROVIDED TO**
 6 **FULL-TIME PUPILS IN THE MINOR'S GRADE LEVEL OR AGE GROUP, OR THE**
 7 **DISTRICT HAS PUBLISHED THE CURRICULAR OFFERING OR A LINK TO THE**
 8 **CURRICULAR OFFERING ON ITS PUBLICLY AVAILABLE WEBSITE.**

9 (e) The curricular offering is restricted to nonessential
 10 elective courses for pupils in grades kindergarten to 12.

11 (3) A nonessential course in grades 1 to 8 is a course other
 12 than a mathematics, science, social studies, ~~and~~**OR** English
 13 language arts course ~~required by the district for grade~~
 14 ~~progression.~~**THAT CONTAINS SUBSTANTIALLY ALL OF THE GRADE LEVEL**
 15 **MODEL CORE ACADEMIC CURRICULUM CONTENT STANDARDS DEVELOPED BY THE**
 16 **STATE BOARD UNDER SECTION 1278 OF THE REVISED SCHOOL CODE, MCL**
 17 **380.1278, AS APPLICABLE.** Nonessential courses in grades 9 to 12 are
 18 those other than algebra 1, algebra 2, English 9-12, geometry,
 19 biology, chemistry, physics, economics, geography, American
 20 history, world history, the Constitution, government, and civics,
 21 or courses ~~that fulfill the same credit requirement as these~~
 22 ~~courses.~~**THAT ARE ALIGNED WITH THE SAME SUBJECT AREA CONTENT**
 23 **EXPECTATIONS DEVELOPED FOR THOSE COURSES BY THE DEPARTMENT AND**
 24 **APPROVED BY THE STATE BOARD UNDER SECTIONS 1278A AND 1278B OF THE**
 25 **REVISED SCHOOL CODE, MCL 380.1278A AND 380.1278B, AS APPLICABLE.**
 26 Nonessential elective courses include courses offered by the local
 27 district for high school credit that are also capable of generating



1 postsecondary credit, including, at least, advanced placement and
2 international baccalaureate courses. College level courses taken by
3 high school students for college credit are nonessential courses.
4 Remedial courses for any grade in the above-listed essential
5 courses are considered essential. Kindergarten is considered
6 nonessential.

7 (4) Subject to section 6(4) (ii), a minor enrolled as described
8 in this section is a part-time pupil for purposes of state school
9 aid under this act.

10 (5) A district that receives a written request to provide
11 instruction under subsection (2) shall reply to the request in
12 writing by May 1 immediately preceding the applicable school year
13 or, if the request is made after March 1 immediately preceding that
14 school year, within 60 days after the nonpublic school submits the
15 request. The written reply shall specify whether the district
16 agrees to provide or does not agree to provide the instruction for
17 each portion of instruction included in the request.

18 **SEC. 167B. (1) NOT LATER THAN AUGUST 1, 2018, AND NOT LATER**
19 **THAN AUGUST 1 OF EACH SUBSEQUENT YEAR, A DISTRICT OR INTERMEDIATE**
20 **DISTRICT THAT OPERATES A SCHOOL VIOLENCE TIP LINE SHALL REPORT TO**
21 **THE ATTORNEY GENERAL ON THE OPERATION OF THE TIP LINE. THE**
22 **INFORMATION REPORTED MUST INCLUDE AT LEAST ALL OF THE FOLLOWING,**
23 **FOR THE PURPOSES OF STUDYING BEST PRACTICES:**

24 (A) WHETHER THE TIP LINE OPERATES 24 HOURS A DAY.

25 (B) WHETHER THE TIP LINE IS CONNECTED TO LOCAL LAW
26 ENFORCEMENT.

27 (C) THE TYPE AND DURATION OF TRAINING FOR PERSONNEL WHO



1 OPERATE THE TIP LINE.

2 (2) A DISTRICT OR INTERMEDIATE DISTRICT SHALL ANNUALLY
 3 DESIGNATE AT LEAST 1, BUT NO MORE THAN 2, EMPLOYEES AS THE SCHOOL
 4 OFFICIALS WHO WILL RECEIVE INFORMATION UNDER SECTION 3(4) OF THE
 5 STUDENT SAFETY ACT, 2013 PA 183, MCL 752.913, AND SHALL PROVIDE THE
 6 ATTORNEY GENERAL WITH THE CONTACT INFORMATION FOR THE DESIGNATED
 7 SCHOOL OFFICIALS THAT ALLOWS THE DESIGNATED SCHOOL OFFICIALS TO
 8 RECEIVE INFORMATION 24 HOURS A DAY, 365 DAYS A YEAR.

9 Sec. 201. (1) Subject to the conditions set forth in this
 10 article, the amounts listed in this section are appropriated for
 11 community colleges for the fiscal year ending September 30, ~~2018,~~
 12 **2019**, from the funds indicated in this section. The following is a
 13 summary of the appropriations in this section:

14 (a) The gross appropriation is ~~\$399,326,500.00.~~
 15 **\$408,215,500.00**. After deducting total interdepartmental grants and
 16 intradepartmental transfers in the amount of \$0.00, the adjusted
 17 gross appropriation is ~~\$399,326,500.00.~~ **\$408,215,500.00.**

18 (b) The sources of the adjusted gross appropriation described
 19 in subdivision (a) are as follows:

20 (i) Total federal revenues, \$0.00.

21 (ii) Total local revenues, \$0.00.

22 (iii) Total private revenues, \$0.00.

23 (iv) Total other state restricted revenues,
 24 ~~\$398,301,500.00.~~ **\$408,215,500.00.**

25 (v) State general fund/general purpose money,
 26 ~~\$1,025,000.00.~~ **\$0.00.**

27 (2) Subject to subsection (3), the amount appropriated for



1 community college operations is ~~\$319,050,900.00, \$322,250,900.00,~~
2 allocated as follows:

3 (a) The appropriation for Alpena Community College is
4 ~~\$5,627,500.00, \$5,596,200.00 for operations and \$31,300.00 for~~
5 ~~performance funding.~~ **\$5,681,600.00, \$5,627,500.00 FOR OPERATIONS AND**
6 **\$54,100.00 FOR PERFORMANCE FUNDING.**

7 (b) The appropriation for Bay de Noc Community College is
8 ~~\$5,589,000.00, \$5,560,900.00 for operations and \$28,100.00 for~~
9 ~~performance funding.~~ **\$5,635,400.00, \$5,589,000.00 FOR OPERATIONS AND**
10 **\$46,400.00 FOR PERFORMANCE FUNDING.**

11 (c) The appropriation for Delta College is ~~\$14,990,700.00,~~
12 ~~\$14,907,700.00 for operations and \$83,000.00 for performance~~
13 ~~funding.~~ **\$15,138,200.00, \$14,990,700.00 FOR OPERATIONS AND**
14 **\$147,500.00 FOR PERFORMANCE FUNDING.**

15 (d) The appropriation for Glen Oaks Community College is
16 ~~\$2,601,400.00, \$2,586,900.00 for operations and \$14,500.00 for~~
17 ~~performance funding.~~ **\$2,625,600.00, \$2,601,400.00 FOR OPERATIONS AND**
18 **\$24,200.00 FOR PERFORMANCE FUNDING.**

19 (e) The appropriation for Gogebic Community College is
20 ~~\$4,715,400.00, \$4,692,200.00 for operations and \$23,200.00 for~~
21 ~~performance funding.~~ **\$4,760,300.00, \$4,715,400.00 FOR OPERATIONS AND**
22 **\$44,900.00 FOR PERFORMANCE FUNDING.**

23 (f) The appropriation for Grand Rapids Community College is
24 ~~\$18,556,800.00, \$18,450,500.00 for operations and \$106,300.00 for~~
25 ~~performance funding.~~ **\$18,754,800.00, \$18,556,800.00 FOR OPERATIONS**
26 **AND \$198,000.00 FOR PERFORMANCE FUNDING.**

27 (g) The appropriation for Henry Ford College is



1 ~~\$22,299,200.00, \$22,176,000.00 for operations and \$123,200.00 for~~
2 ~~performance funding.~~ **\$22,512,700.00, \$22,299,200.00 FOR OPERATIONS**
3 **AND \$213,500.00 FOR PERFORMANCE FUNDING.**

4 (h) The appropriation for Jackson College is ~~\$12,590,100.00,~~
5 ~~\$12,527,400.00 for operations and \$62,700.00 for performance~~
6 ~~funding.~~ **\$12,695,200.00, \$12,590,100.00 FOR OPERATIONS AND**
7 **\$105,100.00 FOR PERFORMANCE FUNDING.**

8 (i) The appropriation for Kalamazoo Valley Community College
9 is ~~\$12,948,700.00, \$12,873,900.00 for operations and \$74,800.00 for~~
10 ~~performance funding.~~ **\$13,075,800.00, \$12,948,700.00 FOR OPERATIONS**
11 **AND \$127,100.00 FOR PERFORMANCE FUNDING.**

12 (j) The appropriation for Kellogg Community College is
13 ~~\$10,143,600.00, \$10,087,500.00 for operations and \$56,100.00 for~~
14 ~~performance funding.~~ **\$10,235,500.00, \$10,143,600.00 FOR OPERATIONS**
15 **AND \$91,900.00 FOR PERFORMANCE FUNDING.**

16 (k) The appropriation for Kirtland Community College is
17 ~~\$3,289,400.00, \$3,270,000.00 for operations and \$19,400.00 for~~
18 ~~performance funding.~~ **\$3,331,300.00, \$3,289,400.00 FOR OPERATIONS AND**
19 **\$41,900.00 FOR PERFORMANCE FUNDING.**

20 (l) The appropriation for Lake Michigan College is
21 ~~\$5,523,600.00, \$5,492,800.00 for operations and \$30,800.00 for~~
22 ~~performance funding.~~ **\$5,577,000.00, \$5,523,600.00 FOR OPERATIONS AND**
23 **\$53,400.00 FOR PERFORMANCE FUNDING.**

24 (m) The appropriation for Lansing Community College is
25 ~~\$32,324,200.00, \$32,165,600.00 for operations and \$158,600.00 for~~
26 ~~performance funding.~~ **\$32,597,400.00, \$32,324,200.00 FOR OPERATIONS**
27 **AND \$273,200.00 FOR PERFORMANCE FUNDING.**



1 (n) The appropriation for Macomb Community College is
2 ~~\$33,863,600.00, \$33,681,800.00 for operations and \$181,800.00 for~~
3 ~~performance funding.~~**\$34,201,700.00, \$33,863,600.00 FOR OPERATIONS**
4 **AND \$338,100.00 FOR PERFORMANCE FUNDING.**

5 (o) The appropriation for Mid Michigan Community College is
6 ~~\$4,968,900.00, \$4,937,400.00 for operations and \$31,500.00 for~~
7 ~~performance funding.~~**\$5,026,100.00, \$4,968,900.00 FOR OPERATIONS AND**
8 **\$57,200.00 FOR PERFORMANCE FUNDING.**

9 (p) The appropriation for Monroe County Community College is
10 ~~\$4,665,500.00, \$4,636,700.00 for operations and \$28,800.00 for~~
11 ~~performance funding.~~**\$4,721,400.00, \$4,665,500.00 FOR OPERATIONS AND**
12 **\$55,900.00 FOR PERFORMANCE FUNDING.**

13 (q) The appropriation for Montcalm Community College is
14 ~~\$3,446,300.00, \$3,426,700.00 for operations and \$19,600.00 for~~
15 ~~performance funding.~~**\$3,482,200.00, \$3,446,300.00 FOR OPERATIONS AND**
16 **\$35,900.00 FOR PERFORMANCE FUNDING.**

17 (r) The appropriation for C.S. Mott Community College is
18 ~~\$16,258,100.00, \$16,167,200.00 for operations and \$90,900.00 for~~
19 ~~performance funding.~~**\$16,418,500.00, \$16,258,100.00 FOR OPERATIONS**
20 **AND \$160,400.00 FOR PERFORMANCE FUNDING.**

21 (s) The appropriation for Muskegon Community College is
22 ~~\$9,203,000.00, \$9,150,600.00 for operations and \$52,400.00 for~~
23 ~~performance funding.~~**\$9,283,100.00, \$9,203,000.00 FOR OPERATIONS AND**
24 **\$80,100.00 FOR PERFORMANCE FUNDING.**

25 (t) The appropriation for North Central Michigan College is
26 ~~\$3,353,200.00, \$3,330,200.00 for operations and \$23,000.00 for~~
27 ~~performance funding.~~**\$3,397,600.00, \$3,353,200.00 FOR OPERATIONS AND**



1 **\$44,400.00 FOR PERFORMANCE FUNDING.**

2 (u) The appropriation for Northwestern Michigan College is
3 ~~\$9,508,900.00, \$9,459,800.00 for operations and \$49,100.00 for~~
4 ~~performance funding.~~**\$9,594,200.00, \$9,508,900.00 FOR OPERATIONS AND**
5 **\$85,300.00 FOR PERFORMANCE FUNDING.**

6 (v) The appropriation for Oakland Community College is
7 ~~\$21,905,700.00, \$21,770,900.00 for operations and \$134,800.00 for~~
8 ~~performance funding.~~**\$22,149,000.00, \$21,905,700.00 FOR OPERATIONS**
9 **AND \$243,300.00 FOR PERFORMANCE FUNDING.**

10 (w) The appropriation for Schoolcraft College is
11 ~~\$12,991,300.00, \$12,909,300.00 for operations and \$82,000.00 for~~
12 ~~performance funding.~~**\$13,149,200.00, \$12,991,300.00 FOR OPERATIONS**
13 **AND \$157,900.00 FOR PERFORMANCE FUNDING.**

14 (x) The appropriation for Southwestern Michigan College is
15 ~~\$6,860,700.00, \$6,827,000.00 for operations and \$33,700.00 for~~
16 ~~performance funding.~~**\$6,917,300.00, \$6,860,700.00 FOR OPERATIONS AND**
17 **\$56,600.00 FOR PERFORMANCE FUNDING.**

18 (y) The appropriation for St. Clair County Community College
19 is ~~\$7,300,100.00, \$7,259,300.00 for operations and \$40,800.00 for~~
20 ~~performance funding.~~**\$7,376,200.00, \$7,300,100.00 FOR OPERATIONS AND**
21 **\$76,100.00 FOR PERFORMANCE FUNDING.**

22 (z) The appropriation for Washtenaw Community College is
23 ~~\$13,631,400.00, \$13,534,000.00 for operations and \$97,400.00 for~~
24 ~~performance funding.~~**\$13,803,500.00, \$13,631,400.00 FOR OPERATIONS**
25 **AND \$172,100.00 FOR PERFORMANCE FUNDING.**

26 (aa) The appropriation for Wayne County Community College is
27 ~~\$17,338,300.00, \$17,234,200.00 for operations and \$104,100.00 for~~



1 ~~performance funding.~~ **\$17,531,600.00, \$17,338,300.00 FOR OPERATIONS**
 2 **AND \$193,300.00 FOR PERFORMANCE FUNDING.**

3 (bb) The appropriation for West Shore Community College is
 4 ~~\$2,556,300.00, \$2,540,000.00 for operations and \$16,300.00 for~~
 5 ~~performance funding.~~ **\$2,578,500.00, \$2,556,300.00 FOR OPERATIONS AND**
 6 **\$22,200.00 FOR PERFORMANCE FUNDING.**

7 (3) The amount appropriated in subsection (2) for community
 8 college operations is ~~\$319,050,900.00~~ **\$322,250,900.00** and is
 9 appropriated from the state school aid fund.

10 (4) From the appropriations described in subsection (1), both
 11 of the following apply:

12 (a) Subject to section 207a, the amount appropriated for
 13 fiscal year ~~2017-2018~~ **2018-2019** to offset certain fiscal year ~~2017-~~
 14 ~~2018~~ **2018-2019** retirement contributions is ~~\$1,733,600.00,~~
 15 **\$1,733,600.00**, appropriated from the state school aid fund.

16 (b) For fiscal year ~~2017-2018~~ **2018-2019** only, there is
 17 allocated an amount not to exceed ~~\$3,612,000.00~~ **\$6,431,000.00** for
 18 payments to participating community colleges, appropriated from the
 19 state school aid fund. A community college that receives money
 20 under this subdivision shall use that money solely for the purpose
 21 of offsetting the normal cost contribution rate.

22 (5) From the appropriations described in subsection (1),
 23 subject to section 207b, the amount appropriated for payments to
 24 community colleges that are participating entities of the
 25 retirement system is ~~\$70,805,000.00,~~ **\$75,300,000.00**, appropriated
 26 from the state school aid fund.

27 (6) From the appropriations described in subsection (1),



1 subject to section 207c, the amount appropriated for renaissance
 2 zone tax reimbursements is ~~\$3,100,000.00~~, **\$2,500,000.00**,
 3 appropriated from the state school aid fund.

4 ~~—— (7) From the appropriations described in subsection (1), there~~
 5 ~~is appropriated \$1,025,000.00 from general fund/general purpose~~
 6 ~~money, for fiscal year 2017-2018 only, to the Michigan Community~~
 7 ~~College Association, for the purpose of enhancing the Michigan~~
 8 ~~Transfer Network website to improve the transfer of college credit~~
 9 ~~among Michigan's postsecondary institutions. The Michigan Community~~
 10 ~~College Association shall provide information on request to the~~
 11 ~~house and senate subcommittees on community colleges, the house and~~
 12 ~~senate fiscal agencies, and the state budget director on the use of~~
 13 ~~these funds until the project is completed.~~

14 Sec. 201a. It is the intent of the legislature to provide
 15 appropriations for the fiscal year ending on September 30, ~~2019~~
 16 **2020** for the items listed in section 201. The fiscal year ~~2018-2019~~
 17 **2019-2020** appropriations are anticipated to be the same as those
 18 for fiscal year ~~2017-2018~~, **2018-2019**, except that the amounts will
 19 be adjusted for changes in retirement costs, caseload and related
 20 costs, federal fund match rates, economic factors, and available
 21 revenue. These adjustments will be determined after the January
 22 ~~2018-2019~~ consensus revenue estimating conference.

23 Sec. 206. (1) The funds appropriated in section 201 are
 24 appropriated for community colleges with fiscal years ending June
 25 30, ~~2018-2019~~ and shall be paid out of the state treasury and
 26 distributed by the state treasurer to the respective community
 27 colleges in 11 monthly installments on the sixteenth of each month,



1 or the next succeeding business day, beginning with October 16,
2 ~~2017-2018~~. Each community college shall accrue its July and August
3 ~~2018-2019~~ payments to its institutional fiscal year ending June 30,
4 ~~2018-2019~~.

5 (2) If the state budget director determines that a community
6 college failed to submit any of the information described in
7 subdivisions (a) to (f) in the form and manner specified by the
8 center, the state treasurer shall, subject to subdivision (g),
9 withhold the monthly installments from that community college until
10 those data are submitted:

11 (a) ~~All verified~~**THE** Michigan community colleges ~~activities~~
12 ~~classification structure data~~**VERIFIED DATA INVENTORY** for the
13 preceding academic year to the center by November 1 of each year as
14 specified in section 217.

15 (b) The college credit opportunity data set as specified in
16 section 209.

17 (c) The longitudinal data set for the preceding academic year
18 to the center as specified in section 219.

19 (d) The annual independent audit as specified in section 222.

20 (e) Tuition and mandatory fees information for the current
21 academic year as specified in section 225.

22 (f) The number and type of associate degrees and other
23 certificates awarded during the previous academic year as specified
24 in section 226.

25 (g) The state budget director shall notify the chairs of the
26 house and senate appropriations subcommittees on community colleges
27 at least 10 days before withholding funds from any community



1 college.

2 Sec. 207a. All of the following apply to the allocation of the
3 fiscal year ~~2017-2018~~**2018-2019** appropriations described in section
4 201(4):

5 (a) A community college that receives money under section
6 201(4) shall use that money solely for the purpose of offsetting a
7 portion of the retirement contributions owed by the college for
8 that fiscal year.

9 (b) The amount allocated to each participating community
10 college under section 201(4) shall be based on each college's
11 percentage of the total covered payroll for all community colleges
12 that are participating colleges in the immediately preceding fiscal
13 year.

14 Sec. 207b. All of the following apply to the allocation of the
15 fiscal year ~~2017-2018~~**2018-2019** appropriations described in section
16 201(5) for payments to community colleges that are participating
17 entities of the retirement system:

18 (a) The amount of a payment under section 201(5) shall be the
19 difference between the unfunded actuarial accrued liability
20 contribution rate as calculated under section 41 of the public
21 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,
22 as calculated without taking into account the maximum employer rate
23 of 20.96% included in section 41 of the public school employees
24 retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum
25 employer rate of 20.96% under section 41 of the public school
26 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

27 (b) The amount allocated to each community college under



1 section 201(5) shall be based on each community college's
2 percentage of the total covered payroll for all community colleges
3 that are participating colleges in the immediately preceding fiscal
4 year. A community college that receives funds under this
5 subdivision shall use the funds solely for the purpose of
6 retirement contributions under section 201(5).

7 (c) Each participating college that receives funds under
8 section 201(5) shall forward an amount equal to the amount
9 allocated under subdivision (b) to the retirement system in a form
10 and manner determined by the retirement system.

11 Sec. 207c. All of the following apply to the allocation of the
12 appropriations described in section 201(6) to community colleges
13 described in section 12(3) of the Michigan renaissance zone act,
14 1996 PA 376, MCL 125.2692:

15 (a) The amount allocated to each community college under
16 section 201(6) for fiscal year ~~2017-2018~~**2018-2019** shall be based
17 on that community college's proportion of total revenue lost by
18 community colleges as a result of the exemption of property taxes
19 levied in ~~2017-2018~~ under the Michigan renaissance zone act, 1996
20 PA 376, MCL 125.2681 to 125.2696.

21 (b) The appropriations described in section 201(6) shall be
22 made to each eligible community college within 60 days after the
23 department of treasury certifies to the state budget director that
24 it has received all necessary information to properly determine the
25 amounts payable to each eligible community college under section 12
26 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

27 Sec. 209. (1) Within 30 days after the board of a community



1 college adopts its annual operating budget for the following fiscal
2 year, or after the board adopts a subsequent revision to that
3 budget, the community college shall make all of the following
4 available through a link on its website homepage:

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

7 (b) A link to the most recent ~~"Activities Classification
8 Structure Data Book and Companion"~~. **"MICHIGAN COMMUNITY COLLEGE DATA
9 INVENTORY REPORT"**.

10 (c) General fund revenue and expenditure projections for the
11 current fiscal year and the next fiscal year.

12 (d) A listing of all debt service obligations, detailed by
13 project, anticipated ~~fiscal year~~ payment of each project, and total
14 outstanding debt for the current fiscal year.

15 (e) Links to all of the following for the community college:

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

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

23 (iii) Audits and financial reports for the most recent fiscal
24 year for which they are available.

25 (iv) A copy of the board of trustees resolution regarding
26 compliance with best practices for the local strategic value
27 component described in section 230(2).



1 (2) For statewide consistency and public visibility, community
2 colleges must use the icon badge provided by the department of
3 technology, management, and budget consistent with the icon badge
4 developed by the department of education for K-12 school districts.
5 It must appear on the front of each community college's homepage.
6 The size of the icon may be reduced to 150 x 150 pixels.

7 (3) The state budget director shall determine whether a
8 community college has complied with this section. The state budget
9 director may withhold a community college's monthly installments
10 described in section 206 until the community college complies with
11 this section. The state budget director shall notify the chairs of
12 the house and senate appropriations subcommittee on community
13 colleges at least 10 days before withholding funds from any
14 community college.

15 (4) Each community college shall report the following
16 information to the senate and house appropriations subcommittees on
17 community colleges, the senate and house fiscal agencies, and the
18 state budget office by November 15 of each fiscal year and post
19 that information on its website as required under subsection (1):

20 (a) Budgeted current fiscal year general fund revenue from
21 tuition and fees.

22 (b) Budgeted current fiscal year general fund revenue from
23 state appropriations.

24 (c) Budgeted current fiscal year general fund revenue from
25 property taxes.

26 (d) Budgeted current fiscal year total general fund revenue.

27 (e) Budgeted current fiscal year total general fund



1 expenditures.

2 (5) By November 15 of each year, a community college shall
3 report the following information to the center and post the
4 information on its website under the budget transparency icon
5 badge:

6 (a) Opportunities for earning college credit through the
7 following programs:

8 (i) State approved career and technical education or a tech
9 prep articulated program of study.

10 (ii) Direct college credit or concurrent enrollment.

11 (iii) Dual enrollment.

12 (iv) An early college/middle college program.

13 (b) For each program described in subdivision (a) that the
14 community college offers, all of the following information:

15 (i) The number of high school students participating in the
16 program.

17 (ii) The number of school districts that participate in the
18 program with the community college.

19 (iii) Whether a college professor, qualified local school
20 district employee, or other individual teaches the course or
21 courses in the program.

22 (iv) The total cost to the community college to operate the
23 program.

24 (v) The cost per credit hour for the course or courses in the
25 program.

26 (vi) The location where the course or courses in the program
27 are held.



1 (vii) Instructional resources offered to the program
2 instructors.

3 (viii) Resources offered to the student in the program.

4 (ix) Transportation services provided to students in the
5 program.

6 Sec. 210b. By March 1, ~~2018~~, **2019**, the Michigan Community
7 College Association and the Michigan Association of State
8 Universities shall submit a report to the senate and house
9 appropriations subcommittees on community colleges, the senate and
10 house fiscal agencies, and the state budget director on the
11 activities and programs of the transfer steering committee since
12 the March 1, ~~2017~~**2018** report required under this section,
13 including all of the following:

14 (a) The alignment of learning outcomes in gateway mathematics
15 courses in the quantitative reasoning, college algebra, and
16 statistics pathways and the transferability of mathematics gateway
17 courses between and among community colleges and universities.

18 (b) The development of program-specific, statewide transfer
19 pathways that meet program requirements for both associate and
20 bachelor's degree programs.

21 (c) The development of an enhanced online communication tool
22 to share information about postsecondary options in Michigan,
23 course equivalencies, and transfer pathways that are clearly
24 articulated.

25 (d) The establishment of clear timelines for developing and
26 implementing transfer pathways.

27 (e) A progress report on the implementation of the Michigan



1 transfer agreement.

2 SEC. 210F. BY FEBRUARY 1, 2019, THE MICHIGAN COMMUNITY COLLEGE
3 ASSOCIATION, THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES, AND
4 THE MICHIGAN INDEPENDENT COLLEGES AND UNIVERSITIES, ON BEHALF OF
5 THEIR MEMBER COLLEGES AND UNIVERSITIES, SHALL SUBMIT TO THE SENATE
6 AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE
7 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY
8 COLLEGES, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE
9 BUDGET DIRECTOR A COMPREHENSIVE REPORT DETAILING THE NUMBER OF
10 ACADEMIC PROGRAM PARTNERSHIPS BETWEEN PUBLIC COMMUNITY COLLEGES,
11 PUBLIC UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES,
12 INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING INFORMATION:

13 (A) THE NAMES OF THE BACCALAUREATE DEGREE PROGRAMS OF STUDY
14 OFFERED BY PUBLIC AND PRIVATE UNIVERSITIES ON COMMUNITY COLLEGE
15 CAMPUSES.

16 (B) THE NAMES OF THE ARTICULATION AGREEMENTS FOR BACCALAUREATE
17 DEGREE PROGRAMS OF STUDY BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC
18 UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES.

19 (C) THE NUMBER OF STUDENTS ENROLLED AND NUMBER OF DEGREES
20 AWARDED THROUGH ARTICULATION AGREEMENTS, AND THE NUMBER OF COURSES
21 OFFERED, NUMBER OF STUDENTS ENROLLED, AND NUMBER OF DEGREES AWARDED
22 THROUGH ON-CAMPUS PROGRAMS NAMED IN SUBDIVISION (A) FROM JULY 1,
23 2017 THROUGH JUNE 30, 2018.

24 SEC. 215. BY OCTOBER 31, EACH COMMUNITY COLLEGE RECEIVING
25 FUNDS UNDER SECTION 201 SHALL REPORT TO THE SENATE AND HOUSE
26 APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE SENATE AND
27 HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ITS ANNUAL



1 TITLE IX REPORT, ALSO KNOWN AS THE STUDENT SEXUAL MISCONDUCT
 2 REPORT, ISSUED BY THE TITLE IX COORDINATOR, AS REQUIRED UNDER THE
 3 FEDERAL CAMPUS SAVE ACT OF 2013, PUBLIC LAW 113-4, SECTION 304, 127
 4 STAT 54, 89-92 (2013).

5 Sec. 217. (1) The center shall do all of the following:

6 (a) Establish, maintain, and coordinate the state community
 7 college database commonly known as the ~~"activities classification~~
 8 ~~structure" or "ACS" database.~~ **"MICHIGAN COMMUNITY COLLEGE DATA**
 9 **INVENTORY"**.

10 (b) Collect data concerning community colleges and community
 11 college programs in this state, including data required by law.

12 (c) Establish procedures to ensure the validity and
 13 reliability of the data and the collection process.

14 (d) Develop model data collection policies, including, but not
 15 limited to, policies that ensure the privacy of any individual
 16 student data. Privacy policies shall ensure that student social
 17 security numbers are not released to the public for any purpose.

18 (e) Provide data in a useful manner to allow state
 19 policymakers and community college officials to make informed
 20 policy decisions.

21 **(F) WORK WITH THE TALENT INVESTMENT AGENCY IN THE DEPARTMENT**
 22 **OF TALENT AND ECONOMIC DEVELOPMENT TO COMPILE AND PUBLISH**
 23 **ELECTRONICALLY THE DEMOGRAPHIC ENROLLMENT PROFILE.**

24 (2) There is created within the center the ~~activities~~
 25 ~~classification structure~~ **MICHIGAN COMMUNITY COLLEGE DATA INVENTORY**
 26 advisory committee. The committee shall provide advice to the
 27 director of the center regarding the management of the state



1 community college database, including, but not limited to:

2 (a) Determining what data are necessary to collect and
3 maintain to enable state and community college officials to make
4 informed policy decisions.

5 (b) Defining the roles of all stakeholders in the data
6 collection system.

7 (c) Recommending timelines for the implementation and ongoing
8 collection of data.

9 (d) Establishing and maintaining data definitions, data
10 transmission protocols, and system specifications and procedures
11 for the efficient and accurate transmission and collection of data.

12 (e) Establishing and maintaining a process for ensuring the
13 accuracy of the data.

14 (f) Establishing and maintaining policies related to data
15 collection, including, but not limited to, privacy policies related
16 to individual student data.

17 (g) Ensuring that the data are made available to state
18 policymakers and citizens of this state in the most useful format
19 possible.

20 (h) Addressing other matters as determined by the director of
21 the center or as required by law.

22 (3) The ~~activities classification structure~~ **MICHIGAN COMMUNITY**
23 **COLLEGE DATA INVENTORY** advisory committee created in subsection (2)
24 shall consist of the following members:

25 (a) One representative from the house fiscal agency, appointed
26 by the director of the house fiscal agency.

27 (b) One representative from the senate fiscal agency,



1 appointed by the director of the senate fiscal agency.

2 (c) One representative from the workforce development agency,
3 appointed by the director of the workforce development agency.

4 (d) One representative from the center appointed by the
5 director of the center.

6 (e) One representative from the state budget office, appointed
7 by the state budget director.

8 (f) One representative from the governor's policy office,
9 appointed by that office.

10 (g) Four representatives of the Michigan Community College
11 Association, appointed by the president of the association. ~~From~~
12 ~~the groupings of community colleges given in table 17 of the~~
13 ~~activities classification structure database described in~~
14 ~~subsection (1), the association shall appoint 1 representative each~~
15 ~~from group 1, group 2, and group 3, and 1 representative from~~
16 ~~either group 3 or 4.~~

17 Sec. 225. Each community college shall report to the center by
18 August 31 of each year the tuition and mandatory fees paid by a
19 full-time in-district student and a full-time out-of-district
20 student as established by the college governing board for the
21 current academic year. ~~This report should also include the annual~~
22 ~~cost of attendance based on a full-time course load of 30 credits.~~
23 **THIS REPORT MUST ALSO SPECIFY THE AMOUNT THAT TUITION AND FEES HAVE**
24 **INCREASED FOR EACH INSTITUTION FROM THE PRIOR ACADEMIC YEAR.** Each
25 community college shall also report any revisions to the reported
26 current academic year tuition and mandatory fees adopted by the
27 college governing board to the center within 15 days of being



1 adopted. The center shall provide this information and any
 2 revisions to the house and senate fiscal agencies and the state
 3 budget director.

4 Sec. 226. Each community college shall report to the center **BY**
 5 **OCTOBER 15 OF EACH YEAR** the numbers and type of associate degrees
 6 and other certificates awarded by the community college during the
 7 previous ~~fiscal~~ **ACADEMIC** year . ~~The report shall be made not later~~
 8 ~~than November 15 of each year. Community colleges shall work with~~
 9 ~~the center to develop a systematic approach for meeting this~~
 10 ~~requirement using the P-20 longitudinal data system.~~ **USING THE P-20**
 11 **LONGITUDINAL DATA SYSTEM.**

12 Sec. 229. (1) Each community college that receives an
 13 appropriation in section 201 is expected to include in its
 14 admission application process a specific question as to whether an
 15 applicant for admission has ever served or is currently serving in
 16 the United States Armed Forces or is the spouse or dependent of an
 17 individual who has served or is currently serving in the United
 18 States Armed Forces, in order to more quickly identify potential
 19 educational assistance available to that applicant.

20 (2) It is expected that each public community college that
 21 receives an appropriation in section 201 shall work with the house
 22 and senate community college subcommittees, the Michigan Community
 23 College Association, and veterans groups to review the issue of in-
 24 district tuition for veterans of this state when determining
 25 tuition rates and fees.

26 (3) As used in this section, "veteran" means an honorably
 27 discharged veteran entitled to educational assistance under the



1 provisions of section 5003 of the post-911 veterans educational
 2 assistance act of 2008, 38 USC 3301 to ~~3325-3327~~.

3 Sec. 229a. Included in the fiscal year ~~2017-2018-2018-2019~~
 4 appropriations for the department of technology, management, and
 5 budget are appropriations totaling ~~\$30,879,600.00~~ **\$36,378,100.00** to
 6 provide funding for the state share of costs for previously
 7 constructed capital projects for community colleges. Those
 8 appropriations for state building authority rent represent
 9 additional state general fund support for community colleges, and
 10 the following is an estimate of the amount of that support to each
 11 community college:

- 12 (a) Alpena Community College, ~~\$630,000.00~~ **\$876,300.00**.
 13 (b) Bay de Noc Community College, ~~\$682,400.00~~ **\$677,000.00**.
 14 (c) Delta College, ~~\$3,347,300.00~~ **\$3,798,700.00**.
 15 (d) Glen Oaks Community College, ~~\$124,000.00~~ **\$123,000.00**.
 16 (e) Gogebic Community College, ~~\$56,400.00~~ **\$56,000.00**.
 17 (f) Grand Rapids Community College,
 18 ~~\$2,075,300.00~~ **\$2,536,500.00**.
 19 (g) Henry Ford College, ~~\$1,036,200.00~~ **\$1,028,000.00**.
 20 (h) Jackson College, ~~\$2,264,800.00~~ **\$2,164,000.00**.
 21 (i) Kalamazoo Valley Community College,
 22 ~~\$1,957,400.00~~ **\$1,942,000.00**.
 23 (j) Kellogg Community College, ~~\$524,100.00~~ **\$681,300.00**.
 24 (k) Kirtland Community College, ~~\$365,900.00~~ **\$591,800.00**.
 25 (l) Lake Michigan College, ~~\$342,700.00~~ **\$975,800.00**.
 26 (m) Lansing Community College, ~~\$1,150,000.00~~ **\$1,141,000.00**.
 27 (n) Macomb Community College, ~~\$1,662,100.00~~ **\$1,649,000.00**.



1 (o) Mid Michigan Community College,

2 ~~\$1,627,800.00.~~ **\$1,615,000.00.**

3 (p) Monroe County Community College,

4 ~~\$1,273,000.00.~~ **\$1,544,300.00.**

5 (q) Montcalm Community College, ~~\$978,700.00.~~ **\$971,000.00.**

6 (r) C.S. Mott Community College, ~~\$1,817,300.00.~~ **\$2,107,200.00.**

7 (s) Muskegon Community College, ~~\$570,500.00.~~ **\$989,000.00.**

8 (t) North Central Michigan College, ~~\$416,300.00.~~ **\$668,000.00.**

9 (u) Northwestern Michigan College,

10 ~~\$1,315,400.00.~~ **\$1,844,900.00.**

11 (v) Oakland Community College, ~~\$468,700.00.~~ **\$465,000.00.**

12 (w) Schoolcraft College, ~~\$1,558,300.00.~~ **\$2,296,000.00.**

13 (x) Southwestern Michigan College, ~~\$531,700.00.~~ **\$877,500.00.**

14 (y) St. Clair County Community College,

15 ~~\$358,800.00.~~ **\$723,500.00.**

16 (z) Washtenaw Community College, ~~\$1,689,300.00.~~ **\$1,826,000.00.**

17 (aa) Wayne County Community College,

18 ~~\$1,473,600.00.~~ **\$1,462,000.00.**

19 (bb) West Shore Community College, ~~\$581,600.00.~~ **\$738,300.00.**

20 Sec. 230. (1) Money included in the appropriations for
 21 community college operations under section 201(2) in fiscal year
 22 ~~2017-2018-2018-2019~~ for performance funding is distributed based on
 23 the following formula:

24 (a) Allocated proportionate to fiscal year ~~2016-2017-~~ **2017-2018**
 25 base appropriations, 30%.

26 (b) Based on a weighted student contact hour formula as
 27 provided for in the 2016 recommendations of the performance



1 indicators task force, 30%.

2 (c) Based on the performance improvement as provided for in
3 the 2016 recommendations of the performance indicators task force,
4 10%.

5 (d) Based on the performance completion number as provided for
6 in the 2016 recommendations of the performance indicators task
7 force, 10%.

8 (e) Based on the performance completion rate as provided for
9 in the 2016 recommendations of the performance indicators task
10 force, 10%.

11 (f) Based on administrative costs, 5%.

12 (g) Based on the local strategic value component, as developed
13 in cooperation with the Michigan Community College Association and
14 described in subsection (2), 5%.

15 (2) Money included in the appropriations for community college
16 operations under section 201(2) for local strategic value shall be
17 allocated to each community college that certifies to the state
18 budget director, through a board of trustees resolution on or
19 before October 15, ~~2017~~, **2018**, that the college has met 4 out of 5
20 best practices listed in each category described in subsection (3).
21 The resolution shall provide specifics as to how the community
22 college meets each best practice measure within each category. One-
23 third of funding available under the strategic value component
24 shall be allocated to each category described in subsection (3).
25 Amounts distributed under local strategic value shall be on a
26 proportionate basis to each college's fiscal year ~~2016-2017~~ **2017-**
27 **2018** operations funding. Payments to community colleges that



1 qualify for local strategic value funding shall be distributed with
2 the November installment payment described in section 206.

3 (3) For purposes of subsection (2), the following categories
4 of best practices reflect functional activities of community
5 colleges that have strategic value to the local communities and
6 regional economies:

7 (a) For Category A, economic development and business or
8 industry partnerships, the following:

9 (i) The community college has active partnerships with local
10 employers including hospitals and health care providers.

11 (ii) The community college provides customized on-site
12 training for area companies, employees, or both.

13 (iii) The community college supports entrepreneurship through
14 a small business assistance center or other training or consulting
15 activities targeted toward small businesses.

16 (iv) The community college supports technological advancement
17 through industry partnerships, incubation activities, or operation
18 of a Michigan technical education center or other advanced
19 technology center.

20 (v) The community college has active partnerships with local
21 or regional workforce and economic development agencies.

22 (b) For Category B, educational partnerships, the following:

23 (i) The community college has active partnerships with
24 regional high schools, intermediate school districts, and career-
25 tech centers to provide instruction through dual enrollment,
26 concurrent enrollment, direct credit, middle college, or academy
27 programs.



1 (ii) The community college hosts, sponsors, or participates in
2 enrichment programs for area K-12 students, such as college days,
3 summer or after-school programming, or Science Olympiad.

4 (iii) The community college provides, supports, or
5 participates in programming to promote successful transitions to
6 college for traditional age students, including grant programs such
7 as talent search, upward bound, or other activities to promote
8 college readiness in area high schools and community centers.

9 (iv) The community college provides, supports, or participates
10 in programming to promote successful transitions to college for new
11 or reentering adult students, such as adult basic education, a high
12 school equivalency test preparation program and testing, or
13 recruiting, advising, or orientation activities specific to adults.
14 As used in this subparagraph, "high school equivalency test
15 preparation program" means that term as defined in section 4.

16 (v) The community college has active partnerships with
17 regional 4-year colleges and universities to promote successful
18 transfer, such as articulation, 2+2, or reverse transfer agreements
19 or operation of a university center.

20 (c) For Category C, community services, the following:

21 (i) The community college provides continuing education
22 programming for leisure, wellness, personal enrichment, or
23 professional development.

24 (ii) The community college operates or sponsors opportunities
25 for community members to engage in activities that promote leisure,
26 wellness, cultural or personal enrichment such as community sports
27 teams, theater or musical ensembles, or artist guilds.



1 (iii) The community college operates public facilities to
2 promote cultural, educational, or personal enrichment for community
3 members, such as libraries, computer labs, performing arts centers,
4 museums, art galleries, or television or radio stations.

5 (iv) The community college operates public facilities to
6 promote leisure or wellness activities for community members,
7 including gymnasiums, athletic fields, tennis courts, fitness
8 centers, hiking or biking trails, or natural areas.

9 (v) The community college promotes, sponsors, or hosts
10 community service activities for students, staff, or community
11 members.

12 (4) Payments for performance funding under section 201(2)
13 shall be made to a community college only if that community college
14 actively participates in the Michigan Transfer Network sponsored by
15 the Michigan Association of Collegiate Registrars and Admissions
16 Officers and submits timely updates, including updated course
17 equivalencies at least every 6 months, to the Michigan transfer
18 network. The state budget director shall determine if a community
19 college has not satisfied this requirement. The state budget
20 director may withhold payments for performance funding until a
21 community college is in compliance with this section.

22 Sec. 236. (1) Subject to the conditions set forth in this
23 article, the amounts listed in this section are appropriated for
24 higher education for the fiscal year ending September 30, ~~2018~~
25 **2019**, from the funds indicated in this section. The following is a
26 summary of the appropriations in this section:

27 (a) The gross appropriation is ~~\$1,629,224,400.00~~.



1 **\$1,650,317,500.00.** After deducting total interdepartmental grants
 2 and intradepartmental transfers in the amount of \$0.00, the
 3 adjusted gross appropriation is
 4 ~~\$1,629,224,400.00.~~ **\$1,650,317,500.00.**

5 (b) The sources of the adjusted gross appropriation described
 6 in subdivision (a) are as follows:

7 (i) Total federal revenues, ~~\$111,526,400.00.~~ **\$119,026,400.00.**

8 (ii) Total local revenues, \$0.00.

9 (iii) Total private revenues, \$0.00.

10 (iv) Total other state restricted revenues,
 11 ~~\$238,443,500.00.~~ **\$385,688,300.00.**

12 (v) State general fund/general purpose money,
 13 ~~\$1,279,254,500.00.~~ **\$1,145,602,800.00.**

14 (2) Amounts appropriated for public universities are as
 15 follows:

16 (a) The appropriation for Central Michigan University is
 17 ~~\$85,654,400.00, \$83,925,500.00 for operations and \$1,728,900.00 for~~
 18 ~~performance funding.~~ **\$86,534,700.00, \$85,654,400.00 FOR OPERATIONS**
 19 **AND \$880,300.00 FOR PERFORMANCE FUNDING.**

20 (b) The appropriation for Eastern Michigan University is
 21 ~~\$75,169,900.00, \$73,593,800.00 for operations and \$1,576,100.00 for~~
 22 ~~performance funding.~~ **\$76,074,600.00, \$75,169,900.00 FOR OPERATIONS**
 23 **AND \$904,700.00 FOR PERFORMANCE FUNDING.**

24 (c) The appropriation for Ferris State University is
 25 ~~\$53,595,500.00, \$52,259,900.00 for operations and \$1,335,600.00 for~~
 26 ~~performance funding.~~ **\$54,273,100.00, \$53,595,500.00 FOR OPERATIONS**
 27 **AND \$677,600.00 FOR PERFORMANCE FUNDING.**



1 (d) The appropriation for Grand Valley State University is
2 ~~\$70,100,100.00, \$68,227,900.00 for operations and \$1,872,200.00 for~~
3 ~~performance funding.~~**\$71,078,400.00, \$70,100,100.00 FOR OPERATIONS**
4 **AND \$978,300.00 FOR PERFORMANCE FUNDING.**

5 (e) The appropriation for Lake Superior State University is
6 ~~\$13,775,000.00, \$13,567,400.00 for operations and \$207,600.00 for~~
7 ~~performance funding.~~**\$13,881,000.00, \$13,775,000.00 FOR OPERATIONS**
8 **AND \$106,000.00 FOR PERFORMANCE FUNDING.**

9 (f) The appropriation for Michigan State University is
10 ~~\$344,404,800.00, \$275,862,100.00 for operations, \$5,377,000.00 for~~
11 ~~performance funding, \$33,913,100.00 for MSU AgBioResearch, and~~
12 ~~\$29,252,600.00 for MSU Extension.~~**\$347,554,000.00, \$281,239,100.00**
13 **FOR OPERATIONS, \$2,517,600.00 FOR PERFORMANCE FUNDING,**
14 **\$34,252,200.00 FOR MSU AGBIORESEARCH, AND \$29,545,100.00 FOR MSU**
15 **EXTENSION.**

16 (g) The appropriation for Michigan Technological University is
17 ~~\$49,052,200.00, \$48,097,500.00 for operations and \$954,700.00 for~~
18 ~~performance funding.~~**\$49,500,900.00, \$49,052,200.00 FOR OPERATIONS**
19 **AND \$448,700.00 FOR PERFORMANCE FUNDING.**

20 (h) The appropriation for Northern Michigan University is
21 ~~\$47,137,400.00, \$46,279,200.00 for operations and \$858,200.00 for~~
22 ~~performance funding.~~**\$47,567,900.00, \$47,137,400.00 FOR OPERATIONS**
23 **AND \$430,500.00 FOR PERFORMANCE FUNDING.**

24 (i) The appropriation for Oakland University is
25 ~~\$51,235,900.00, \$49,920,700.00 for operations and \$1,315,200.00 for~~
26 ~~performance funding.~~**\$52,027,500.00, \$51,235,900.00 FOR OPERATIONS**
27 **AND \$791,600.00 FOR PERFORMANCE FUNDING.**



1 (j) The appropriation for Saginaw Valley State University is
 2 ~~\$29,766,100.00, \$29,114,000.00 for operations and \$652,100.00 for~~
 3 ~~performance funding.~~**\$30,147,000.00, \$29,766,100.00 FOR OPERATIONS**
 4 **AND \$380,900.00 FOR PERFORMANCE FUNDING.**

5 (k) The appropriation for University of Michigan - Ann Arbor
 6 is ~~\$314,589,100.00, \$308,639,000.00 for operations and~~
 7 ~~\$5,950,100.00 for performance funding.~~**\$317,685,800.00,**
 8 **\$314,589,100.00 FOR OPERATIONS AND \$3,096,700.00 FOR PERFORMANCE**
 9 **FUNDING.**

10 (l) The appropriation for University of Michigan - Dearborn is
 11 ~~\$25,421,900.00, \$24,803,300.00 for operations and \$618,600.00 for~~
 12 ~~performance funding.~~**\$25,746,900.00, \$25,421,900.00 FOR OPERATIONS**
 13 **AND \$325,000.00 FOR PERFORMANCE FUNDING.**

14 (m) The appropriation for University of Michigan - Flint is
 15 ~~\$23,061,800.00, \$22,549,300.00 for operations and \$512,500.00 for~~
 16 ~~performance funding.~~**\$23,323,600.00, \$23,061,800.00 FOR OPERATIONS**
 17 **AND \$261,800.00 FOR PERFORMANCE FUNDING.**

18 (n) The appropriation for Wayne State University is
 19 ~~\$199,169,800.00, \$196,064,500.00 for operations and \$3,105,300.00~~
 20 ~~for performance funding.~~**\$200,766,500.00, \$199,169,800.00 FOR**
 21 **OPERATIONS AND \$1,596,700.00 FOR PERFORMANCE FUNDING.**

22 (o) The appropriation for Western Michigan University is
 23 ~~\$109,376,800.00, \$107,440,900.00 for operations and \$1,935,900.00~~
 24 ~~for performance funding.~~**\$110,263,900.00, \$109,376,800.00 FOR**
 25 **OPERATIONS AND \$887,100.00 FOR PERFORMANCE FUNDING.**

26 (3) The amount appropriated in subsection (2) for public
 27 universities is appropriated from the following:



1 (a) State school aid fund, ~~\$231,219,500.00.~~ **\$379,786,300.00.**

2 (b) State general fund/general purpose money,

3 ~~\$1,260,291,200.00.~~ **\$1,062,842,200.00.**

4 (4) The amount appropriated for Michigan public school
5 employees' retirement system reimbursement is ~~\$6,705,000.00,~~
6 **\$5,133,000.00**, appropriated from the state school aid fund.

7 (5) The amount appropriated for state and regional programs is
8 \$315,000.00, appropriated from general fund/general purpose money
9 and allocated as follows:

10 (a) Higher education database modernization and conversion,
11 \$200,000.00.

12 (b) Midwestern Higher Education Compact, \$115,000.00.

13 (6) The amount appropriated for the Martin Luther King, Jr. -
14 Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated
15 from general fund/general purpose money and allocated as follows:

16 (a) Select student support services, \$1,956,100.00.

17 (b) Michigan college/university partnership program,
18 \$586,800.00.

19 (c) Morris Hood, Jr. educator development program,
20 \$148,600.00.

21 (7) Subject to subsection (8), the amount appropriated for
22 grants and financial aid is ~~\$127,583,200.00,~~ **\$135,083,200.00**,
23 allocated as follows:

24 (a) State competitive scholarships,
25 ~~\$26,361,700.00.~~ **\$32,361,700.00.**

26 (b) Tuition grants, \$38,021,500.00.

27 (c) Tuition incentive program, ~~\$58,300,000.00.~~ **\$59,800,000.00.**



1 (d) Children of veterans and officer's survivor tuition grant
2 programs, \$1,400,000.00.

3 (e) Project GEAR-UP, \$3,200,000.00.

4 (f) North American Indian tuition waiver, \$300,000.00.

5 (8) The money appropriated in subsection (7) for grants and
6 financial aid is appropriated from the following:

7 (a) Federal revenues under the United States Department of
8 Education, Office of Elementary and Secondary Education, GEAR-UP
9 program, \$3,200,000.00.

10 (b) Federal revenues under the social security act, temporary
11 assistance for needy families, ~~\$108,326,400.00.~~ **\$115,826,400.00.**

12 (c) Contributions to children of veterans tuition grant
13 program, \$100,000.00.

14 (d) State general fund/general purpose money, \$15,956,800.00.

15 (9) For fiscal year ~~2017-2018~~ **2018-2019** only, in addition to
16 the allocation under subsection (4), from the appropriations
17 described in subsection (1), there is allocated an amount not to
18 exceed ~~\$419,000.00~~ **\$669,000.00** for payments to participating public
19 universities, appropriated from the state school aid fund. A
20 university that receives money under this subsection shall use that
21 money solely for the purpose of offsetting the normal cost
22 contribution rate. As used in this subsection, "participating
23 public universities" means public universities that are a reporting
24 unit of the Michigan public school employees' retirement system
25 under the public school employees retirement act of 1979, 1980 PA
26 300, MCL 38.1301 to 38.1437, and that pay contributions to the
27 Michigan public school employees' retirement system for the state



1 fiscal year.

2 Sec. 236a. It is the intent of the legislature to provide
3 appropriations for the fiscal year ending on September 30, ~~2019~~
4 **2020** for the items listed in section 236. The fiscal year ~~2018-2019~~
5 **2019-2020** appropriations are anticipated to be the same as those
6 for fiscal year ~~2017-2018, 2018-2019~~, except that the amounts will
7 be adjusted for changes in caseload and related costs, federal fund
8 match rates, economic factors, and available revenue. These
9 adjustments will be determined after the January ~~2018-2019~~
10 consensus revenue estimating conference.

11 Sec. 236b. In addition to the funds appropriated in section
12 236, there is appropriated for grants and financial aid in fiscal
13 year ~~2017-2018-2018-2019~~ an amount not to exceed \$6,000,000.00 for
14 federal contingency funds. These funds are not available for
15 expenditure until they have been transferred under section 393(2)
16 of the management and budget act, 1984 PA 431, MCL 18.1393, for
17 another purpose under this article.

18 Sec. 236c. In addition to the funds appropriated for fiscal
19 year ~~2017-2018-2018-2019~~ in section 236, appropriations to the
20 department of technology, management, and budget in the act
21 providing general appropriations for fiscal year ~~2017-2018-2018-~~
22 **2019** for state building authority rent, totaling an estimated
23 ~~\$144,995,300.00, \$155,478,500.00~~, provide funding for the state
24 share of costs for previously constructed capital projects for
25 state universities. These appropriations for state building
26 authority rent represent additional state general fund support
27 provided to public universities, and the following is an estimate



1 of the amount of that support to each university:

2 (a) Central Michigan University,

3 ~~\$12,570,900.00.~~ **\$12,936,500.00.**

4 (b) Eastern Michigan University, ~~\$5,177,500.00.~~ **\$7,083,900.00.**

5 (c) Ferris State University, ~~\$6,658,300.00.~~ **\$8,275,000.00.**

6 (d) Grand Valley State University,

7 ~~\$7,057,800.00.~~ **\$8,800,000.00.**

8 (e) Lake Superior State University,

9 ~~\$1,832,400.00.~~ **\$2,285,800.00.**

10 (f) Michigan State University, ~~\$15,500,500.00.~~ **\$16,790,400.00.**

11 (g) Michigan Technological University,

12 ~~\$7,225,100.00.~~ **\$6,782,000.00.**

13 (h) Northern Michigan University, ~~\$7,786,500.00.~~ **\$7,309,000.00.**

14 (i) Oakland University, ~~\$13,492,400.00.~~ **\$12,665,000.00.**

15 (j) Saginaw Valley State University,

16 ~~\$10,918,500.00.~~ **\$10,984,000.00.**

17 (k) University of Michigan - Ann Arbor,

18 ~~\$10,586,200.00.~~ **\$11,861,000.00.**

19 (l) University of Michigan - Dearborn,

20 ~~\$9,581,500.00.~~ **\$10,918,000.00.**

21 (m) University of Michigan - Flint,

22 ~~\$4,315,600.00.~~ **\$6,244,800.00.**

23 (n) Wayne State University, ~~\$16,378,300.00.~~ **\$16,480,200.00.**

24 (o) Western Michigan University,

25 ~~\$15,913,800.00.~~ **\$16,062,900.00.**

26 Sec. 241. (1) Subject to sections 244 and 265a, the funds
27 appropriated in section 236 to public universities shall be paid



1 out of the state treasury and distributed by the state treasurer to
2 the respective institutions in 11 equal monthly installments on the
3 sixteenth of each month, or the next succeeding business day,
4 beginning with October 16, ~~2017.~~**2018**. Except for Wayne State
5 University, each institution shall accrue its July and August ~~2018~~
6 **2019** payments to its institutional fiscal year ending June 30,
7 ~~2018.~~**2019**.

8 (2) All public universities shall submit higher education
9 institutional data inventory (HEIDI) data and associated financial
10 and program information requested by and in a manner prescribed by
11 the state budget director. For public universities with fiscal
12 years ending June 30, ~~2017,~~**2018**, these data shall be submitted to
13 the state budget director by October 15, ~~2017.~~**2018**. Public
14 universities with a fiscal year ending September 30, ~~2017~~**2018**
15 shall submit preliminary HEIDI data by November 15, ~~2017~~**2018** and
16 final data by December 15, ~~2017.~~**2018**. If a public university fails
17 to submit HEIDI data and associated financial aid program
18 information in accordance with this reporting schedule, the state
19 treasurer may withhold the monthly installments under subsection
20 (1) to the public university until those data are submitted.

21 Sec. 251. (1) Payments of the amounts included in section 236
22 for the state competitive scholarship program shall be distributed
23 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

24 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the
25 department of treasury shall determine an actual maximum state
26 competitive scholarship award per student, which shall be not less
27 than \$1,000.00, that ensures that the aggregate payments for the



1 state competitive scholarship program do not exceed the
2 appropriation contained in section 236 for the state competitive
3 scholarship program. If the department determines that insufficient
4 funds are available to establish a maximum award amount equal to at
5 least \$1,000.00, the department shall immediately report to the
6 house and senate appropriations subcommittees on higher education,
7 the house and senate fiscal agencies, and the state budget director
8 regarding the estimated amount of additional funds necessary to
9 establish a \$1,000.00 maximum award amount.

10 (3) The department of treasury shall implement a proportional
11 competitive scholarship maximum award level for recipients enrolled
12 less than full-time in a given semester or term.

13 (4) If a student who receives an award under this section has
14 his or her tuition and fees paid under the Michigan educational
15 trust program, pursuant to the Michigan education trust act, 1986
16 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the
17 funds awarded under this section may be used for educational
18 expenses other than tuition and fees.

19 (5) If the department of treasury increases the maximum award
20 per eligible student from that provided in the previous fiscal
21 year, it shall not have the effect of reducing the number of
22 eligible students receiving awards in relation to the total number
23 of eligible applicants. Any increase in the maximum grant shall be
24 proportional for all eligible students receiving awards.

25 (6) Veterans Administration benefits shall not be considered
26 in determining eligibility for the award of scholarships under 1964
27 PA 208, MCL 390.971 to 390.981.



1 (7) Any unexpended and unencumbered funds remaining on
2 September 30, ~~2018-2019~~ from the amounts appropriated in section
3 236 for the state competitive scholarship program for fiscal year
4 ~~2017-2018-2018-2019~~ do not lapse on September 30, ~~2018, 2019~~, but
5 continue to be available for the expenditure for state competitive
6 scholarships provided in the ~~2018-2019-2019-2020~~ fiscal year under
7 a work project account. The use of these unexpended fiscal year
8 ~~2017-2018-2018-2019~~ funds terminates at the end of the ~~2018-2019~~
9 **2019-2020** fiscal year.

10 Sec. 252. (1) The amounts appropriated in section 236 for the
11 state tuition grant program shall be distributed pursuant to 1966
12 PA 313, MCL 390.991 to 390.997a.

13 (2) Tuition grant awards shall be made to all eligible
14 Michigan residents enrolled in undergraduate degree programs who
15 are qualified and who apply before ~~July 1, 2017 for the 2017-2018~~
16 ~~academic year. Beginning with the 2018-2019 academic year, tuition~~
17 ~~grant awards shall be made to all eligible Michigan residents~~
18 ~~enrolled in undergraduate degree programs who are qualified and who~~
19 ~~apply before March 1 of each year for the next academic year.~~

20 ~~—— (3) Beginning with the 2018-2019 academic year, a tuition~~
21 ~~grant may be renewed for not more than 10 semesters or its~~
22 ~~equivalent in trimesters or quarters of undergraduate education, or~~
23 ~~if an eligible applicant has not completed using the grant within~~
24 ~~10 years after his or her eligibility is determined, whichever~~
25 ~~occurs first. The department shall determine an equivalent to 10~~
26 ~~semesters or its equivalent in trimesters or quarters of~~
27 ~~undergraduate education for less than full-time but more than half-~~



1 ~~time students.~~

2 **(3)** ~~(4)~~ Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
3 subject to subsections ~~(8)~~ **(7)** and ~~(9)~~ **(8)**, the department of
4 treasury shall determine an actual maximum tuition grant award per
5 student, which shall be no less than ~~\$2,000.00~~ **\$2,300.00**, that
6 ensures that the aggregate payments for the tuition grant program
7 do not exceed the appropriation contained in section 236 for the
8 state tuition grant program. If the department determines that
9 insufficient funds are available to establish a maximum award
10 amount equal to at least ~~\$2,000.00~~ **\$2,300.00**, the department shall
11 immediately report to the house and senate appropriations
12 subcommittees on higher education, the house and senate fiscal
13 agencies, and the state budget director regarding the estimated
14 amount of additional funds necessary to establish a ~~\$2,000.00~~
15 **\$2,300.00** maximum award amount. If the department determines that
16 sufficient funds are available to establish a maximum award amount
17 equal to at least ~~\$2,000.00~~ **\$2,300.00**, the department shall
18 immediately report to the house and senate appropriations
19 subcommittees on higher education, the house and senate fiscal
20 agencies, and the state budget director regarding the maximum award
21 amount established and the projected amount of any projected year-
22 end appropriation balance based on that maximum award amount. By
23 February 18 of each fiscal year, the department shall analyze the
24 status of award commitments, shall make any necessary adjustments,
25 and shall confirm that those award commitments will not exceed the
26 appropriation contained in section 236 for the tuition grant
27 program. The determination and actions shall be reported to the



1 state budget director and the house and senate fiscal agencies no
 2 later than the final day of February of each year. If award
 3 adjustments are necessary, the students shall be notified of the
 4 adjustment by March 4 of each year.

5 **(4)** ~~(5)~~—Any unexpended and unencumbered funds remaining on
 6 September 30, ~~2018~~**2019** from the amounts appropriated in section
 7 236 for the tuition grant program for fiscal year ~~2017-2018~~**2018-**
 8 **2019** do not lapse on September 30, ~~2018,~~**2019**, but continue to be
 9 available for expenditure for tuition grants provided in the ~~2018-~~
 10 ~~2019-2019-2020~~ fiscal year under a work project account. The use of
 11 these unexpended fiscal year ~~2017-2018~~**2018-2019** funds terminates
 12 at the end of the ~~2018-2019~~**2019-2020** fiscal year.

13 **(5)** ~~(6)~~—The department of treasury shall continue a
 14 proportional tuition grant maximum award level for recipients
 15 enrolled less than full-time in a given semester or term.

16 **(6)** ~~(7)~~—If the department of treasury increases the maximum
 17 award per eligible student from that provided in the previous
 18 fiscal year, it shall not have the effect of reducing the number of
 19 eligible students receiving awards in relation to the total number
 20 of eligible applicants. Any increase in the maximum grant shall be
 21 proportional for all eligible students receiving awards for that
 22 fiscal year.

23 **(7)** ~~(8)~~—Except as provided in subsection ~~(5),~~ **(4)**, the
 24 department of treasury shall not award more than ~~\$3,500,000.00~~
 25 **\$4,200,000.00** in tuition grants to eligible students enrolled in
 26 the same independent nonprofit college or university in this state.
 27 Any decrease in the maximum grant shall be proportional for all



1 eligible students enrolled in that college or university, as
2 determined by the department.

3 **(8)** ~~(9)~~—The department of treasury shall not award tuition
4 grants to otherwise eligible students enrolled in an independent
5 college or university that does not report, in a form and manner
6 directed by and satisfactory to the department of treasury, by
7 October 31 of each year, all of the following:

8 (a) The number of students in the most recently completed
9 academic year who in any academic year received a state tuition
10 grant at the reporting institution and successfully completed a
11 program or graduated.

12 (b) The number of students in the most recently completed
13 academic year who in any academic year received a state tuition
14 grant at the reporting institution and took a remedial education
15 class.

16 (c) The number of students in the most recently completed
17 academic year who in any academic year received a Pell grant at the
18 reporting institution and successfully completed a program or
19 graduated.

20 **(9)** ~~(10)~~—By February 1, ~~2018,~~**2019**, each independent college
21 and university participating in the tuition grant program shall
22 report to the senate and house appropriations subcommittees on
23 higher education, the senate and house fiscal agencies, and the
24 state budget director on its efforts to develop and implement
25 sexual assault response training for the institution's title IX
26 coordinator, campus law enforcement personnel, campus public safety
27 personnel, and any other campus personnel charged with responding



1 to on-campus incidents, including information on sexual assault
2 response training materials and the status of implementing sexual
3 assault response training for institutional personnel.

4 Sec. 256. (1) The funds appropriated in section 236 for the
5 tuition incentive program shall be distributed as provided in this
6 section and pursuant to the administrative procedures for the
7 tuition incentive program of the department of treasury.

8 (2) As used in this section:

9 (a) "Phase I" means the first part of the tuition incentive
10 program defined as the academic period of 80 semester or 120 term
11 credits, or less, leading to an associate degree or certificate.
12 Students must be enrolled in a certificate or associate degree
13 program and taking classes within the program of study for a
14 certificate or associate degree. Tuition will not be covered for
15 courses outside of a certificate or associate degree program.

16 (b) "Phase II" means the second part of the tuition incentive
17 program which provides assistance in the third and fourth ~~year~~
18 **YEARS** of 4-year degree programs.

19 (c) "Department" means the department of treasury.

20 (d) "High school equivalency certificate" means that term as
21 defined in section 4.

22 (3) An individual shall meet the following basic criteria and
23 financial thresholds to be eligible for tuition incentive program
24 benefits:

25 (a) To be eligible for phase I, an individual shall meet all
26 of the following criteria:

27 (i) Apply for certification to the department any time after



1 he or she begins the sixth grade but before August 31 of the school
2 year in which he or she graduates from high school or before
3 achieving a high school equivalency certificate.

4 (ii) Be less than 20 years of age at the time he or she
5 graduates from high school with a diploma or certificate of
6 completion or achieves a high school equivalency certificate or,
7 for students attending a 5-year middle college approved by the
8 Michigan department of education, be less than 21 years of age when
9 he or she graduates from high school.

10 (iii) Be a United States citizen and a resident of this state
11 according to institutional criteria.

12 (iv) Be at least a half-time student, earning less than 80
13 semester or 120 term credits at a participating educational
14 institution within 4 years of high school graduation or achievement
15 of a high school equivalency certificate. All program eligibility
16 expires 6 years from high school graduation or achievement of a
17 high school equivalency certificate.

18 (v) Meet the satisfactory academic progress policy of the
19 educational institution he or she attends.

20 (b) To be eligible for phase II, an individual shall meet
21 either of the following criteria in addition to the criteria in
22 subdivision (a):

23 (i) Complete at least 56 transferable semester or 84
24 transferable term credits.

25 (ii) Obtain an associate degree or certificate at a
26 participating institution.

27 (c) To be eligible for phase I or phase II, an individual must



1 not be incarcerated and must be financially eligible as determined
2 by the department. An individual is financially eligible for the
3 tuition incentive program if he or she was eligible for Medicaid
4 from this state for 24 months within the 36 consecutive months
5 before application. The department shall accept certification of
6 Medicaid eligibility only from the department of health and human
7 services for the purposes of verifying if a person is Medicaid
8 eligible for 24 months within the 36 consecutive months before
9 application. Certification of eligibility may begin in the sixth
10 grade. As used in this subdivision, "incarcerated" does not include
11 detention of a juvenile in a state-operated or privately operated
12 juvenile detention facility.

13 (4) ~~Beginning in fiscal year 2017-2018, the~~ **THE** department
14 shall not award more than ~~\$8,500,000.00~~ **\$10,000,000.00** annually in
15 tuition incentive program funds to eligible students enrolled in
16 the same college or university in this state. **STUDENTS WHO HAVE**
17 **RECEIVED TUITION INCENTIVE PROGRAM FUNDS IN THE CURRENT ACADEMIC**
18 **YEAR SHALL BE GIVEN PRIORITY IN RECEIVING PROGRAM FUNDS FOR THE**
19 **UPCOMING ACADEMIC YEAR.**

20 (5) For phase I, the department shall provide payment on
21 behalf of a person eligible under subsection (3). The department
22 shall only accept standard per-credit hour tuition billings and
23 shall reject billings that are excessive or outside the guidelines
24 for the type of educational institution.

25 (6) For phase I, all of the following apply:

26 (a) Payments for associate degree or certificate programs
27 shall not be made for more than 80 semester or 120 term credits for



1 any individual student at any participating institution.

2 (b) For persons enrolled at a Michigan community college, the
3 department shall pay the current in-district tuition and mandatory
4 fees. For persons residing in an area that is not included in any
5 community college district, the out-of-district tuition rate may be
6 authorized.

7 (c) For fiscal year ~~2017-2018, for persons enrolled at a~~
8 ~~Michigan public university, the department shall pay lower division~~
9 ~~resident tuition and mandatory fees for the current year. Beginning~~
10 ~~in fiscal year 2018-2019, for persons enrolled at a Michigan public~~
11 ~~university, the department shall pay mandatory fees for the current~~
12 ~~year and a per-credit payment that does not exceed 3 times the~~
13 ~~average community college in-district per-credit tuition rate as~~
14 ~~reported on August 1 for the immediately preceding academic year.~~

15 (d) For persons enrolled at a Michigan independent, nonprofit
16 degree-granting college or university, or a Michigan federal
17 tribally controlled community college, or Focus: HOPE, the
18 department shall pay mandatory fees for the current year and a per-
19 credit payment that does not exceed the average community college
20 in-district per-credit tuition rate as reported on August 1, for
21 the immediately preceding academic year.

22 (7) A person participating in phase II may be eligible for
23 additional funds not to exceed \$500.00 per semester or \$400.00 per
24 term up to a maximum of \$2,000.00 subject to the following
25 conditions:

26 (a) Credits are earned in a 4-year program at a Michigan
27 degree-granting 4-year college or university.



1 (b) The tuition reimbursement is for coursework completed
2 within 30 months of completion of the phase I requirements.

3 (8) The department shall work closely with participating
4 institutions to develop an application and eligibility
5 determination process that will provide the highest level of
6 participation and ensure that all requirements of the program are
7 met.

8 (9) Applications for the tuition incentive program may be
9 approved at any time after the student begins the sixth grade. If a
10 determination of financial eligibility is made, that determination
11 is valid as long as the student meets all other program
12 requirements and conditions.

13 (10) Each institution shall ensure that all known available
14 restricted grants for tuition and fees are used prior to billing
15 the tuition incentive program for any portion of a student's
16 tuition and fees.

17 (11) The department shall ensure that the tuition incentive
18 program is well publicized and that eligible Medicaid clients are
19 provided information on the program. The department shall provide
20 the necessary funding and staff to fully operate the program.

21 (12) Any unexpended and unencumbered funds remaining on
22 September 30, ~~2018-2019~~ from the amounts appropriated in section
23 236 for the tuition incentive program for fiscal year ~~2017-2018~~
24 **2018-2019** do not lapse on September 30, ~~2018,~~**2019**, but continue to
25 be available for expenditure for tuition incentive program funds
26 provided in the ~~2018-2019-2019-2020~~ fiscal year under a work
27 project account. The use of these unexpended fiscal year ~~2017-2018~~



1 **2018-2019** funds terminates at the end of the ~~2018-2019-2019-2020~~
2 fiscal year.

3 (13) The department of treasury shall collaborate with the
4 center to use the P-20 longitudinal data system to report the
5 following information for each qualified postsecondary institution:

6 (a) The number of phase I students in the most recently
7 completed academic year who in any academic year received a tuition
8 incentive program award and who successfully completed a degree or
9 certificate program. Cohort graduation rates for phase I students
10 shall be calculated using the established success rate methodology
11 developed by the center in collaboration with the postsecondary
12 institutions.

13 (b) The number of students in the most recently completed
14 academic year who in any academic year received a Pell grant at the
15 reporting institution and who successfully completed a degree or
16 certificate program. Cohort graduation rates for students who
17 received Pell grants shall be calculated using the established
18 success rate methodology developed by the center in collaboration
19 with the postsecondary institutions.

20 ~~—— (14) If a qualified postsecondary institution does not report~~
21 ~~the data necessary to comply with subsection (13) to the P-20~~
22 ~~longitudinal data system, the institution shall report, in a form~~
23 ~~and manner satisfactory to the department of treasury and the~~
24 ~~center, all of the information needed to comply with subsection~~
25 ~~(13) by December 1, 2017.~~

26 **(14)** ~~(15)~~ Beginning in fiscal year 2018-2019, if a qualified
27 postsecondary institution does not report the data necessary to



1 complete the reporting in subsection (13) to the P-20 longitudinal
2 data system by October 15 for the prior academic year, the
3 department of treasury shall not award phase I tuition incentive
4 program funding to otherwise eligible students enrolled in that
5 institution until the data are submitted.

6 Sec. 263. (1) Included in the appropriation in section 236 for
7 fiscal year ~~2017-2018~~**2018-2019** for MSU AgBioResearch is
8 \$2,982,900.00 and included in the appropriation in section 236 for
9 MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN
10 is intended to address critical regulatory, food safety, economic,
11 and environmental problems faced by this state's plant-based
12 agriculture, forestry, and processing industries. "GREEN" is an
13 acronym for Generating Research and Extension to Meet Environmental
14 and Economic Needs.

15 (2) The department of agriculture and rural development and
16 Michigan State University, in consultation with agricultural
17 commodity groups and other interested parties, shall develop
18 Project GREEN and its program priorities.

19 Sec. 264. Included in the appropriation in section 236 for
20 fiscal year ~~2017-2018~~**2018-2019** for Michigan State University is
21 \$80,000.00 for the Michigan Future Farmers of America Association.
22 This \$80,000.00 allocation shall not supplant any existing support
23 that Michigan State University provides to the Michigan Future
24 Farmers of America Association.

25 Sec. 265. (1) Payments under section 265a for performance
26 funding shall only be made to a public university that certifies to
27 the state budget director by August 31, ~~2017~~**2018** that its board



1 did not adopt an increase in tuition and fee rates for resident
2 undergraduate students after September 1, ~~2016-2017~~ for the ~~2016-~~
3 ~~2017-2017-2018~~ academic year and that its board will not adopt an
4 increase in tuition and fee rates for resident undergraduate
5 students for the ~~2017-2018-2018-2019~~ academic year that is greater
6 than 3.8% or ~~\$475.00, \$490.00~~, whichever is greater. As used in
7 this subsection:

8 (a) "Fee" means any board-authorized fee that will be paid by
9 more than 1/2 of all resident undergraduate students at least once
10 during their enrollment at a public university, as described in the
11 higher education institutional data inventory (HEIDI) user manual.
12 A university increasing a fee that applies to a specific subset of
13 students or courses shall provide sufficient information to prove
14 that the increase applied to that subset will not cause the
15 increase in the average amount of board-authorized total tuition
16 and fees paid by resident undergraduate students in the ~~2017-2018~~
17 ~~2018-2019~~ academic year to exceed the limit established in this
18 subsection.

19 (b) "Tuition and fee rate" means the average of full-time
20 rates paid by a majority of students in each undergraduate class,
21 based on an unweighted average of the rates authorized by the
22 university board and actually charged to students, deducting any
23 uniformly rebated or refunded amounts, for the 2 semesters with the
24 highest levels of full-time equated resident undergraduate
25 enrollment during the academic year, as described in the higher
26 education institutional data inventory (HEIDI) user manual.

27 (c) For purposes of subdivision (a), for a public university



1 that compels resident undergraduate students to be covered by
2 health insurance as a condition to enroll at the university, "fee"
3 includes the annual amount a student is charged for coverage by the
4 university-affiliated group health insurance policy if he or she
5 does not provide proof that he or she is otherwise covered by
6 health insurance. This subdivision does not apply to limited
7 subsets of resident undergraduate students to be covered by health
8 insurance for specific reasons other than general enrollment at the
9 university.

10 (2) The state budget director shall implement uniform
11 reporting requirements to ensure that a public university receiving
12 a payment under section 265a for performance funding has satisfied
13 the tuition restraint requirements of this section. The state
14 budget director shall have the sole authority to determine if a
15 public university has met the requirements of this section.
16 Information reported by a public university to the state budget
17 director under this subsection shall also be reported to the house
18 and senate appropriations subcommittees on higher education and the
19 house and senate fiscal agencies.

20 (3) Universities that exceed the tuition and fee rate cap
21 described in subsection (1) shall not receive a planning or
22 construction authorization for a state-funded capital outlay
23 project in fiscal year ~~2018-2019-2019-2020~~ or fiscal year ~~2019-~~
24 ~~2020-2020-2021~~.

25 (4) Notwithstanding any other provision of this act, the
26 legislature may at any time adjust appropriations for a university
27 that adopts an increase in tuition and fee rates for resident



1 undergraduate students that exceeds the rate cap established in
2 subsection (1).

3 Sec. 265a. (1) Appropriations to public universities in
4 section 236 for fiscal year ~~2017-2018~~**2018-2019** for performance
5 funding shall be paid only to a public university that complies
6 with section 265 and certifies to the state budget director, the
7 house and senate appropriations subcommittees on higher education,
8 and the house and senate fiscal agencies by August 31, ~~2017-2018~~
9 that it complies with all of the following requirements:

10 (a) The university participates in reverse transfer agreements
11 described in section 286 with at least 3 Michigan community
12 colleges.

13 (b) The university does not and will not consider whether dual
14 enrollment credits earned by an incoming student were utilized
15 towards his or her high school graduation requirements when making
16 a determination as to whether those credits may be used by the
17 student toward completion of a university degree or certificate
18 program.

19 (c) The university actively participates in and submits timely
20 updates to the Michigan Transfer Network created as part of the
21 Michigan Association of Collegiate Registrars and Admissions
22 Officers transfer agreement.

23 (2) Any performance funding amounts under section 236 that are
24 not paid to a public university because it did not comply with 1 or
25 more requirements under subsection (1) are unappropriated and
26 reappropriated for performance funding to those public universities
27 that meet the requirements under subsection (1), distributed in



1 proportion to their performance funding appropriation amounts under
2 section 236.

3 (3) The state budget director shall report to the house and
4 senate appropriations subcommittees on higher education and the
5 house and senate fiscal agencies by September 30, ~~2017~~, **2018**,
6 regarding any performance funding amounts that are not paid to a
7 public university because it did not comply with 1 or more
8 requirements under subsection (1) and any reappropriation of funds
9 under subsection (2).

10 (4) Performance funding amounts described in section 236 are
11 distributed based on the following formula:

12 (a) Proportional to each university's share of total
13 operations funding appropriated in fiscal year 2010-2011, 50%.

14 (b) Based on weighted undergraduate completions in critical
15 skills areas, 11.1%.

16 (c) Based on research and development expenditures, for
17 universities classified in Carnegie classifications as doctoral
18 universities: moderate research activity, doctoral universities:
19 higher research activity, or doctoral universities: highest
20 research activity only, 5.6%.

21 (d) Based on 6-year graduation rate, total degree completions,
22 and institutional support as a percentage of core expenditures, and
23 the percentage of students receiving Pell grants, scored against
24 national Carnegie classification peers and weighted by total
25 undergraduate fiscal year equated students, 33.3%.

26 (5) For purposes of determining the score of a university
27 under subsection (4) (d), each university is assigned 1 of the



1 following scores:

2 (a) A university classified as in the top 20%, a score of 3.

3 (b) A university classified as above national median, a score
4 of 2.

5 (c) A university classified as improving, a score of 2. It is
6 the intent of the legislature that, beginning in the ~~2018-2019~~
7 **2019-2020** state fiscal year, a university classified as improving
8 is assigned a score of 1.

9 (d) A university that is not included in subdivision (a), (b),
10 or (c), a score of 0.

11 (6) As used in this section, "Carnegie classification" means
12 the basic classification of the university according to the most
13 recent version of the Carnegie classification of institutions of
14 higher education, published by the Carnegie Foundation for the
15 Advancement of Teaching.

16 (7) It is the intent of the legislature to allocate more
17 funding based on performance metrics in future years.

18 **SEC. 265B. (1) APPROPRIATIONS TO PUBLIC UNIVERSITIES IN**
19 **SECTION 236 FOR FISCAL YEAR 2018-2019 FOR OPERATIONS FUNDING SHALL**
20 **BE REDUCED BY 10% FOR A PUBLIC UNIVERSITY THAT FAILS TO COMPLY WITH**
21 **SECTIONS 274C AND 274D OR FAILS TO CERTIFY TO THE STATE BUDGET**
22 **DIRECTOR, THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON**
23 **HIGHER EDUCATION, AND THE HOUSE AND SENATE FISCAL AGENCIES BY**
24 **AUGUST 31, 2018 THAT IT COMPLIES WITH ALL OF THE FOLLOWING**
25 **REQUIREMENTS:**

26 **(A) THE UNIVERSITY PROHIBITS THE USE OF MEDICAL EXPERTS FOR**
27 **SEXUAL ASSAULT OR TITLE IX INVESTIGATIONS THAT ARE EMPLOYED BY THE**



1 UNIVERSITY.

2 (B) THE UNIVERSITY PROHIBITS THE ISSUANCE OF DIVERGENT REPORTS
3 TO VICTIMS IN SEXUAL ASSAULT OR TITLE IX INVESTIGATIONS. THE
4 UNIVERSITY SHALL REQUIRE IDENTICAL REPORTS TO BE ISSUED TO THE
5 COMPLAINANT, PERPETRATOR, AND ADMINISTRATION.

6 (C) THE UNIVERSITY ALLOWS THE COMPLAINANT TO DECIDE WHETHER
7 THE UNIVERSITY WILL NOTIFY THE APPROPRIATE LAW ENFORCEMENT AGENCY
8 WHEN CONDUCTING A SEXUAL ASSAULT OR TITLE IX INVESTIGATION AGAINST
9 AN EMPLOYEE OF THE UNIVERSITY. THE UNIVERSITY SHALL ENSURE THAT THE
10 COMPLAINANT'S DECISION IS MADE BY SIGNATURE ON A FORM DESIGNATED BY
11 THE UNIVERSITY THAT APPROVES OR REJECTS THE AUTHORIZATION FOR THE
12 UNIVERSITY TO NOTIFY THE APPROPRIATE LAW ENFORCEMENT AGENCY ON THE
13 SEXUAL ASSAULT OR TITLE IX INVESTIGATION AGAINST AN EMPLOYEE OF THE
14 UNIVERSITY.

15 (D) THE UNIVERSITY INSTITUTES AN IN-PERSON SEXUAL ASSAULT
16 PREVENTION PRESENTATION OR COURSE FOR ALL FRESHMEN AND SOPHOMORE
17 STUDENTS ENROLLED, WHICH SHALL INCLUDE CONTACT INFORMATION FOR THE
18 TITLE IX OFFICE OF THE UNIVERSITY. ALL STUDENTS NOT CONSIDERED
19 FRESHMEN OR SOPHOMORES SHALL BE PROVIDED AN ONLINE OR ELECTRONIC
20 SEXUAL ASSAULT PREVENTION PRESENTATION OR COURSE.

21 (E) THE UNIVERSITY PROHIBITS SEEKING COMPENSATION FOR MEDICAL
22 PROCEDURES, VISITS, OR OTHER CHARGES FROM PATIENTS OR CLIENTS
23 INVOLVED WITH A MEDICAL PROFESSIONAL WHO HAS BEEN CONVICTED OF A
24 FELONY.

25 (F) THE UNIVERSITY HAS A THIRD-PARTY INVESTIGATOR EXAMINE THE
26 TITLE IX COMPLIANCE OFFICE AND RELATED POLICIES AND PROCEDURES
27 BEFORE THE 2018-2019 ACADEMIC YEAR.



1 (G) THE UNIVERSITY REQUIRES THAT ALL TITLE IX REPORTS OF
2 INVESTIGATIONS AGAINST EMPLOYEES OF THE UNIVERSITY BE PROVIDED TO
3 THE GOVERNING BODY OF THE UNIVERSITY.

4 (H) THE UNIVERSITY REQUIRES THAT A THIRD-PARTY TITLE IX
5 INVESTIGATION TAKE PLACE IF AN EMPLOYEE IS INVOLVED IN MORE THAN 1
6 TITLE IX COMPLAINT THAT RESULTED IN A FINDING THAT NO MISCONDUCT
7 OCCURRED.

8 (2) EACH PUBLIC UNIVERSITY THAT RECEIVES AN APPROPRIATION IN
9 SECTION 236 SHALL ALSO CERTIFY THAT ITS PRESIDENT OR CHANCELLOR AND
10 1 GOVERNING BODY BOARD MEMBER HAS REVIEWED ALL TITLE IX REPORTS OR
11 OTHER WRITTEN INFORMATION CONCERNING ANY INVESTIGATION OR INCIDENT
12 INVOLVING AN EMPLOYEE OF THE UNIVERSITY, AND SHALL SEND THE
13 CERTIFICATION TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES
14 ON HIGHER EDUCATION, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE
15 STATE BUDGET DIRECTOR BY AUGUST 31, 2018.

16 SEC. 265C. BY FEBRUARY 1, 2019 AND BIENNIALLY BY FEBRUARY 1
17 THEREAFTER, THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION, THE
18 MICHIGAN ASSOCIATION OF STATE UNIVERSITIES, AND THE MICHIGAN
19 INDEPENDENT COLLEGES AND UNIVERSITIES, ON BEHALF OF THEIR MEMBER
20 COLLEGES AND UNIVERSITIES, SHALL SUBMIT TO THE SENATE AND HOUSE
21 APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE SENATE AND
22 HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE
23 SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR A
24 COMPREHENSIVE REPORT DETAILING THE NUMBER OF ACADEMIC PROGRAM
25 PARTNERSHIPS BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC
26 UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES, INCLUDING, BUT
27 NOT LIMITED TO, THE FOLLOWING INFORMATION:



1 (A) THE NAMES OF THE BACCALAUREATE DEGREE PROGRAMS OF STUDY
2 OFFERED BY PUBLIC AND PRIVATE UNIVERSITIES ON COMMUNITY COLLEGE
3 CAMPUSES.

4 (B) THE NAMES OF THE ARTICULATION AGREEMENTS FOR BACCALAUREATE
5 DEGREE PROGRAMS OF STUDY BETWEEN PUBLIC COMMUNITY COLLEGES, PUBLIC
6 UNIVERSITIES, AND PRIVATE COLLEGES AND UNIVERSITIES.

7 (C) THE NUMBER OF STUDENTS ENROLLED AND NUMBER OF DEGREES
8 AWARDED THROUGH ARTICULATION AGREEMENTS, AND THE NUMBER OF COURSES
9 OFFERED, NUMBER OF STUDENTS ENROLLED, AND NUMBER OF DEGREES AWARDED
10 THROUGH ON-CAMPUS PROGRAMS NAMED IN SUBDIVISION (A) FROM JULY 1,
11 2017 THROUGH JUNE 30, 2018.

12 Sec. 267. All public universities shall submit the amount of
13 tuition and fees actually charged to a full-time resident
14 undergraduate student for academic year ~~2017-2018~~ **2018-2019** as part
15 of their higher education institutional data inventory (HEIDI) data
16 by August 31 of each year. A public university shall report any
17 revisions for any semester of the reported academic year ~~2017-2018~~
18 **2018-2019** tuition and fee charges to HEIDI within 15 days of being
19 adopted.

20 Sec. 268. (1) For the fiscal year ending September 30, ~~2018,~~
21 **2019**, it is the intent of the legislature that funds be allocated
22 for unfunded North American Indian tuition waiver costs incurred by
23 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,
24 from the general fund.

25 (2) Appropriations in section 236(7)(f) for North American
26 Indian tuition waivers shall be paid to universities under section
27 2a of 1976 PA 174, MCL 390.1252a. Allocations shall be adjusted for



1 amounts included in university operations appropriations. If funds
2 are insufficient to support the entire cost of waivers, amounts
3 shall be prorated proportionate to each institution's shortfall as
4 a percentage of its fiscal year ~~2017-2018~~**2018-2019** state
5 appropriation for operations.

6 (3) By February 15 of each year, the department of civil
7 rights shall annually submit to the state budget director, the
8 house and senate appropriations subcommittees on higher education,
9 and the house and senate fiscal agencies a report on North American
10 Indian tuition waivers for the preceding academic year that
11 includes, but is not limited to, all of the following information:

12 (a) The number of waiver applications received and the number
13 of waiver applications approved.

14 (b) For each university submitting information under
15 subsection (4), all of the following:

16 (i) The number of graduate and undergraduate North American
17 Indian students enrolled each term for the previous academic year.

18 (ii) The number of North American Indian waivers granted each
19 term, including to continuing education students, and the monetary
20 value of the waivers for the previous academic year.

21 (iii) The number of graduate and undergraduate students
22 attending under a North American Indian tuition waiver who withdrew
23 from the university each term during the previous academic year.
24 For purposes of this subparagraph, a withdrawal occurs when a
25 student who has been awarded the waiver withdraws from the
26 institution at any point during the term, regardless of enrollment
27 in subsequent terms.



1 (iv) The number of graduate and undergraduate students
2 attending under a North American Indian tuition waiver who
3 successfully complete a degree or certificate program, separated by
4 degree or certificate level, and the graduation rate for graduate
5 and undergraduate students attending under a North American Indian
6 tuition waiver who complete a degree or certificate within 150% of
7 the normal time to complete, separated by the level of the degree
8 or certificate.

9 (4) A public university that receives funds under section 236
10 shall provide to the department of civil rights any information
11 necessary for preparing the report detailed in subsection (3),
12 using guidelines and procedures developed by the department of
13 civil rights.

14 (5) The department of civil rights may consolidate the report
15 required under this section with the report required under section
16 223, but a consolidated report must separately identify data for
17 universities and data for community colleges.

18 Sec. 269. For fiscal year ~~2017-2018~~, **2018-2019**, from the
19 amount appropriated in section 236 to Central Michigan University
20 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal
21 College for the costs of waiving tuition for North American Indians
22 under 1976 PA 174, MCL 390.1251 to 390.1253.

23 Sec. 270. For fiscal year ~~2017-2018~~, **2018-2019**, from the
24 amount appropriated in section 236 to Lake Superior State
25 University for operations, \$100,000.00 shall be paid to Bay Mills
26 Community College for the costs of waiving tuition for North
27 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.



1 Sec. 274. It is the intent of the legislature that public and
2 private organizations that conduct human embryonic stem cell
3 derivation subject to section 27 of article I of the state
4 constitution of 1963 will provide information to the director of
5 the department of health and human services by December 1, ~~2017~~
6 **2018** that includes all of the following:

7 (a) Documentation that the organization conducting human
8 embryonic stem cell derivation is conducting its activities in
9 compliance with the requirements of section 27 of article I of the
10 state constitution of 1963 and all relevant National Institutes of
11 Health guidelines pertaining to embryonic stem cell derivation.

12 (b) A list of all human embryonic stem cell lines submitted by
13 the organization to the National Institutes of Health for inclusion
14 in the Human Embryonic Stem Cell Registry before and during fiscal
15 year ~~2016-2017,~~ **2017-2018**, and the status of each submission as
16 approved, pending approval, or review completed but not yet
17 accepted.

18 (c) Number of human embryonic stem cell lines derived and not
19 submitted for inclusion in the Human Embryonic Stem Cell Registry,
20 before and during fiscal year ~~2016-2017.~~ **2017-2018**.

21 Sec. 274c. By February 1, ~~2018,~~ **2019**, each university
22 receiving funds under section 236 shall report to the senate and
23 house appropriations subcommittees on higher education, the senate
24 and house fiscal agencies, and the state budget director on its
25 efforts to develop and implement sexual assault response training
26 for the university's title IX coordinator, campus law enforcement
27 personnel, campus public safety personnel, and any other campus



1 personnel charged with responding to on-campus incidents, including
 2 information on sexual assault response training materials and the
 3 status of implementing sexual assault response training for campus
 4 personnel.

5 Sec. 274d. **(1)** By October 31, each university receiving funds
 6 under section 236 shall report to the senate and house
 7 appropriations subcommittees on higher education, the senate and
 8 house fiscal agencies, ~~and~~ the state budget director, **THE ATTORNEY**
 9 **GENERAL, THE DEPARTMENT OF CIVIL RIGHTS, AND THE RELEVANT COUNTY**
 10 **SHERIFF** its annual title IX report, also known as the student
 11 sexual misconduct report, issued by the title IX coordinator, as
 12 required under the federal campus save act of 2013, Public Law 113-
 13 4, section 304, 127 Stat 54, 89-92 (2013).

14 **(2) FOR PURPOSES OF THE REPORT REQUIRED UNDER SUBSECTION (1),**
 15 **EACH UNIVERSITY SHALL INCLUDE A TITLE IX SUMMARY REPORT THAT**
 16 **INCLUDES ALL OF THE FOLLOWING INFORMATION:**

17 **(A) ALL FEES INCURRED IN CIVIL AND CRIMINAL LITIGATION.**

18 **(B) THE NUMBER OF TITLE IX COMPLAINTS.**

19 **(C) THE LENGTH OF TIME FOR INVESTIGATION AND RESOLUTION OF**
 20 **EACH COMPLAINT.**

21 **(D) THE NUMBER OF APPEALS AND THE RESOLUTIONS OF THOSE**
 22 **APPEALS.**

23 **(E) THE NUMBER OF COMPLAINTS FILED WITH LAW ENFORCEMENT**
 24 **AGENCIES.**

25 **SEC. 274E. THE AUDITOR GENERAL SHALL CONDUCT AN AUDIT OF THE**
 26 **TITLE IX OPERATIONS OF EACH PUBLIC UNIVERSITY THAT RECEIVES**
 27 **OPERATIONS FUNDING UNDER SECTION 236 AT LEAST ONCE EVERY 3 YEARS.**



1 SEC. 274F. (1) FUNDING IS PROVIDED WITHIN THE DEPARTMENT OF
2 STATE POLICE BUDGET FOR THE SEXUAL ASSAULT PREVENTION AND EDUCATION
3 INITIATIVE. THIS FUNDING SHALL BE USED TO PROVIDE AND ADMINISTER
4 GRANTS TO PUBLIC OR NONPUBLIC COMMUNITY COLLEGES, COLLEGES, AND
5 UNIVERSITIES WITH A PHYSICAL PRESENCE IN THIS STATE TO ADDRESS THE
6 CAMPUS SEXUAL ASSAULT ISSUE AND TO IMPROVE THE SAFETY AND SECURITY
7 OF STUDENTS, FACULTY, AND STAFF IN CAMPUS ENVIRONMENTS IN THIS
8 STATE.

9 (2) AN AWARD OF GRANT FUNDS DESCRIBED IN SUBSECTION (1) SHALL
10 BE USED TO SUPPORT SEXUAL ASSAULT PROGRAMS, INCLUDING EDUCATION,
11 AWARENESS, PREVENTION, REPORTING, AND BYSTANDER-INTERVENTION
12 PROGRAMS; PEER ADVOCACY GROUPS THAT ARE STUDENT-RUN ORGANIZATIONS
13 DEDICATED TO SAFETY ON CAMPUSES AND ELIMINATING THE SILENCE ON
14 CAMPUSES RELATED TO SEXUAL ASSAULT; AND OTHER ACTIONS COVERED BY
15 TITLE IX PROTECTIONS.

16 Sec. 276. (1) Included in the appropriation for fiscal year
17 ~~2017-2018-2018-2019~~ for each public university in section 236 is
18 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
19 future faculty program that is intended to increase the pool of
20 academically or economically disadvantaged candidates pursuing
21 faculty teaching careers in postsecondary education. Preference may
22 not be given to applicants on the basis of race, color, ethnicity,
23 gender, or national origin. Institutions should encourage
24 applications from applicants who would otherwise not adequately be
25 represented in the graduate student and faculty populations. Each
26 public university shall apply the percentage change applicable to
27 every public university in the calculation of appropriations in



1 section 236 to the amount of funds allocated to the future faculty
2 program.

3 (2) The program shall be administered by each public
4 university in a manner prescribed by the workforce development
5 agency. The workforce development agency shall use a good faith
6 effort standard to evaluate whether a fellowship is in default.

7 Sec. 277. (1) Included in the appropriation for fiscal year
8 ~~2017-2018-2018-2019~~ for each public university in section 236 is
9 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
10 college day program that is intended to introduce academically or
11 economically disadvantaged schoolchildren to the potential of a
12 college education. Preference may not be given to participants on
13 the basis of race, color, ethnicity, gender, or national origin.
14 Public universities should encourage participation from those who
15 would otherwise not adequately be represented in the student
16 population.

17 (2) Individual program plans of each public university shall
18 include a budget of equal contributions from this program, the
19 participating public university, the participating school district,
20 and the participating independent degree-granting college. College
21 day funds shall not be expended to cover indirect costs. Not more
22 than 20% of the university match shall be attributable to indirect
23 costs. Each public university shall apply the percentage change
24 applicable to every public university in the calculation of
25 appropriations in section 236 to the amount of funds allocated to
26 the college day program.

27 (3) The program described in this section shall be



1 administered by each public university in a manner prescribed by
2 the workforce development agency.

3 Sec. 278. (1) Included in section 236 for fiscal year ~~2017-~~
4 ~~2018-2018-2019~~ is funding for the Martin Luther King, Jr. - Cesar
5 Chavez - Rosa Parks select student support services program for
6 developing academically or economically disadvantaged student
7 retention programs for 4-year public and independent educational
8 institutions in this state. Preference may not be given to
9 participants on the basis of race, color, ethnicity, gender, or
10 national origin. Institutions should encourage participation from
11 those who would otherwise not adequately be represented in the
12 student population.

13 (2) An award made under this program to any 1 institution
14 shall not be greater than \$150,000.00, and the amount awarded shall
15 be matched on a 70% state, 30% college or university basis.

16 (3) The program described in this section shall be
17 administered by the workforce development agency.

18 Sec. 279. (1) Included in section 236 for fiscal year ~~2017-~~
19 ~~2018-2018-2019~~ is funding for the Martin Luther King, Jr. - Cesar
20 Chavez - Rosa Parks college/university partnership program between
21 4-year public and independent colleges and universities and public
22 community colleges, which is intended to increase the number of
23 academically or economically disadvantaged students who transfer
24 from community colleges into baccalaureate programs. Preference may
25 not be given to participants on the basis of race, color,
26 ethnicity, gender, or national origin. Institutions should
27 encourage participation from those who would otherwise not



1 adequately be represented in the transfer student population.

2 (2) The grants shall be made under the program described in
3 this section to Michigan public and independent colleges and
4 universities. An award to any 1 institution shall not be greater
5 than \$150,000.00, and the amount awarded shall be matched on a 70%
6 state, 30% college or university basis.

7 (3) The program described in this section shall be
8 administered by the workforce development agency.

9 Sec. 280. (1) Included in the appropriation for fiscal year
10 ~~2017-2018-2018-2019~~ for each public university in section 236 is
11 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
12 visiting professors program which is intended to increase the
13 number of instructors in the classroom to provide role models for
14 academically or economically disadvantaged students. Preference may
15 not be given to participants on the basis of race, color,
16 ethnicity, gender, or national origin. Public universities should
17 encourage participation from those who would otherwise not
18 adequately be represented in the student population.

19 (2) The program described in this section shall be
20 administered by the workforce development agency.

21 Sec. 281. (1) Included in the appropriation for fiscal year
22 ~~2017-2018-2018-2019~~ in section 236 is funding under the Martin
23 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the
24 Morris Hood, Jr. educator development program which is intended to
25 increase the number of academically or economically disadvantaged
26 students who enroll in and complete K-12 teacher education programs
27 at the baccalaureate level. Preference may not be given to



1 participants on the basis of race, color, ethnicity, gender, or
2 national origin. Institutions should encourage participation from
3 those who would otherwise not adequately be represented in the
4 teacher education student population.

5 (2) The program described in this section shall be
6 administered by each state-approved teacher education institution
7 in a manner prescribed by the workforce development agency.

8 (3) Approved teacher education institutions may and are
9 encouraged to use student support services funding in coordination
10 with the Morris Hood, Jr. funding to achieve the goals of the
11 program described in this section.

12 Sec. 282. Each institution receiving funds for fiscal year
13 ~~2017-2018-2018-2019~~ under section 278, 279, or 281 shall provide to
14 the workforce development agency by April 15, ~~2018-2019~~ the
15 unobligated and unexpended funds as of March 31, ~~2018-2019~~ and a
16 plan to expend the remaining funds by the end of the fiscal year.
17 Notwithstanding the award limitations in sections 278 and 279, the
18 amount of funding reported as not being expended will be
19 reallocated to the institutions that intend to expend all funding
20 received under section 278, 279, or 281.

21 Sec. 289. (1) The auditor general shall ~~periodically~~ **NOT LESS**
22 **THAN EVERY 4 YEARS** audit higher education institutional data
23 inventory (HEIDI) data submitted by all public universities under
24 section 241 and may perform audits of selected public universities
25 if determined necessary. The audits shall be based upon the
26 definitions, requirements, and uniform reporting categories
27 established by the state budget director in consultation with the



1 HEIDI advisory committee. The auditor general shall submit a report
2 of findings to the house and senate appropriations committees and
3 the state budget director no later than July 1 of each year an
4 audit takes place.

5 (2) Student credit hours reports shall not include the
6 following:

7 (a) Student credit hours generated through instructional
8 activity by faculty or staff in classrooms located outside
9 Michigan, with the exception of instructional activity related to
10 study-abroad programs or field programs.

11 (b) Student credit hours generated through distance learning
12 instruction for students not eligible for the public university's
13 in-state main campus resident tuition rate. However, in instances
14 where a student is enrolled in distance education and non-distance
15 education credit hours in a given term and the student's non-
16 distance education enrollment is at a campus or site located within
17 Michigan, student credit hours per the student's eligibility for
18 in-state or out-of-state tuition rates may be reported.

19 (c) Student credit hours generated through credit by
20 examination.

21 (d) Student credit hours generated through inmate prison
22 programs regardless of teaching location.

23 (e) Student credit hours generated in new degree programs
24 created on or after January 1, 1975 and before January 1, 2013,
25 that were not specifically authorized for funding by the
26 legislature, except spin-off programs converted from existing core
27 programs, and student credit hours generated in any new degree



1 programs created after January 1, 2013, that are specifically
2 excluded from reporting by the legislature under this section.

3 (3) "Distance learning instruction" as used in subsection (2)
4 means instruction that occurs solely in other than a traditional
5 classroom setting where the student and instructor are in the same
6 physical location and for which a student receives course credits
7 and is charged tuition and fees. Examples of distance learning
8 instruction are instruction delivered solely through the internet,
9 cable television, teleconference, or mail.

10 **SEC. 292. (1) A TASK FORCE SHALL BE FORMED BY AUGUST 15, 2019**
11 **TO REVIEW, EVALUATE, DISCUSS, AND MAKE RECOMMENDATIONS REGARDING**
12 **THE PERFORMANCE FUNDING FORMULA PROVIDED FOR IN SECTION 265A. THE**
13 **TASK FORCE SHALL REVIEW WHETHER THE CURRENT METRICS USED ARE THE**
14 **MOST APPROPRIATE AND RELIABLE PERFORMANCE INDICATORS AVAILABLE AND**
15 **DETERMINE THE MOST EFFICIENT METHODOLOGY FOR CONNECTING STATE**
16 **FUNDING TO THOSE INDICATORS.**

17 (2) THE TASK FORCE DESCRIBED IN SUBSECTION (1) SHALL CONSIST
18 OF THE FOLLOWING MEMBERS:

19 (A) TWO MEMBERS OF THE HOUSE OF REPRESENTATIVES. ONE MEMBER
20 SHALL BE DESIGNATED BY THE CHAIRPERSON OF THE HOUSE APPROPRIATIONS
21 SUBCOMMITTEE ON HIGHER EDUCATION, AND 1 MEMBER SHALL BE DESIGNATED
22 BY THE MINORITY VICE CHAIRPERSON OF THE HOUSE APPROPRIATIONS
23 SUBCOMMITTEE ON HIGHER EDUCATION.

24 (B) TWO MEMBERS OF THE SENATE. ONE MEMBER SHALL BE DESIGNATED
25 BY THE CHAIRPERSON OF THE SENATE APPROPRIATIONS SUBCOMMITTEE ON
26 HIGHER EDUCATION, AND 1 MEMBER SHALL BE DESIGNATED BY THE MINORITY
27 VICE CHAIRPERSON OF THE SENATE APPROPRIATIONS SUBCOMMITTEE ON



1 HIGHER EDUCATION.

2 (C) ONE REPRESENTATIVE FROM THE DEPARTMENT OF TECHNOLOGY,
3 MANAGEMENT, AND BUDGET, DESIGNATED BY THE STATE BUDGET DIRECTOR.

4 (D) FOUR REPRESENTATIVES OF PUBLIC UNIVERSITIES IN THIS STATE,
5 DESIGNATED BY THE MICHIGAN ASSOCIATION OF STATE UNIVERSITIES.

6 (3) THE TASK FORCE DESCRIBED IN SUBSECTION (1) SHALL SUBMIT A
7 REPORT OF ITS FINDINGS AND RECOMMENDATIONS TO THE HOUSE AND SENATE
8 APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE HOUSE AND
9 SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY NOVEMBER
10 15, 2019.

11 Enacting section 1. (1) In accordance with section 30 of
12 article IX of the state constitution of 1963, total state spending
13 from state sources on state school aid under article I of the state
14 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as
15 amended by 2017 PA 143 and this amendatory act for fiscal year
16 2017-2018 is estimated at \$12,846,177,300.00 and state
17 appropriations for school aid to be paid to local units of
18 government for fiscal year 2017-2018 are estimated at
19 \$12,658,679,700.00. In accordance with section 30 of article IX of
20 the state constitution of 1963, total state spending on school aid
21 under article I of the state school aid act of 1979, 1979 PA 94,
22 MCL 388.1601 to 388.1772, as amended by this amendatory act from
23 state sources for fiscal year 2018-2019 is estimated at
24 \$13,098,045,500.00 and state appropriations for school aid to be
25 paid to local units of government for fiscal year 2018-2019 are
26 estimated at \$12,860,406,200.00.

27 (2) In accordance with section 30 of article IX of the state



1 constitution of 1963, total state spending from state sources for
2 community colleges for fiscal year 2018-2019 under article II of
3 the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to
4 388.1830, is estimated at \$408,215,500.00 and the amount of that
5 state spending from state sources to be paid to local units of
6 government for fiscal year 2018-2019 is estimated at
7 \$408,215,500.00.

8 (3) In accordance with section 30 of article IX of the state
9 constitution of 1963, total state spending from state sources for
10 higher education for fiscal year 2018-2019 under article III of the
11 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1891,
12 is estimated at \$1,531,291,100.00 and the amount of that state
13 spending from state sources to be paid to local units of government
14 for fiscal year 2018-2019 is estimated at \$0.00.

15 Enacting section 2. Sections 22g, 35, 55, and 160 of the state
16 school aid act of 1979, 1979 PA 94, MCL 388.1622g, 388.1635,
17 388.1655, and 388.1760, are repealed effective October 1, 2018.

18 Enacting section 3. (1) Except as otherwise provided in
19 subsection (2), this amendatory act takes effect October 1, 2018.

20 (2) Sections 11, 11m, 21f, 22a, 22b, 26a, 26c, 31d, 51a, 51c,
21 56, 62, 94, 104e, and 152b of the state school aid act of 1979,
22 1979 PA 94, MCL 388.1611, 388.1611m, 388.1621f, 388.1622a,
23 388.1622b, 388.1626a, 388.1626c, 388.1631d, 388.1651a, 388.1651c,
24 388.1656, 388.1662, 388.1694, 388.1704e, and 388.1752b, as amended
25 by this amendatory act, take effect upon enactment of this
26 amendatory act.

