

**SUBSTITUTE FOR
SENATE BILL NO. 146**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 4, 6, 8b, 11, 11a, 11j, 11k, 11m, 11s, 15, 18,
20, 20d, 20f, 21h, 22a, 22b, 22d, 22m, 22p, 24, 24a, 25e, 25f, 25g,
26a, 26b, 26c, 31a, 31b, 31d, 31f, 31j, 31n, 32d, 32p, 35a, 39,
39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 54d, 55, 56, 61a, 61b, 61c,
61d, 61f, 62, 65, 67, 74, 74a, 81, 94, 94a, 95a, 98, 99h, 99s, 99t,
99u, 99v, 99x, 101, 102d, 104, 104d, 107, 147, 147a, 147c, 147e,
152a, and 152b (MCL 388.1604, 388.1606, 388.1608b, 388.1611,
388.1611a, 388.1611j, 388.1611k, 388.1611m, 388.1611s, 388.1615,
388.1618, 388.1620, 388.1620d, 388.1620f, 388.1621h, 388.1622a,
388.1622b, 388.1622d, 388.1622m, 388.1622p, 388.1624, 388.1624a,
388.1625e, 388.1625f, 388.1625g, 388.1626a, 388.1626b, 388.1626c,



388.1631a, 388.1631b, 388.1631d, 388.1631f, 388.1631j, 388.1631n, 388.1632d, 388.1632p, 388.1635a, 388.1639, 388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1654d, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1661d, 388.1661f, 388.1662, 388.1665, 388.1667, 388.1674, 388.1674a, 388.1681, 388.1694, 388.1694a, 388.1695a, 388.1698, 388.1699h, 388.1699s, 388.1699t, 388.1699u, 388.1699v, 388.1699x, 388.1701, 388.1702d, 388.1704, 388.1704d, 388.1707, 388.1747, 388.1747a, 388.1747c, 388.1747e, 388.1752a, and 388.1752b), sections 4 and 8b as amended by 2017 PA 108, sections 6, 11, 18, 31a, 31j, 32d, 35a, 39a, 99h, 99u, and 101 as amended and sections 31n, 61f, 74a, and 99x as added by 2018 PA 586, sections 11a, 11j, 11k, 11m, 11s, 15, 20, 20d, 20f, 21h, 22a, 22b, 22d, 22m, 24, 24a, 25e, 25f, 25g, 26a, 26b, 26c, 31b, 31d, 31f, 32p, 39, 41, 51a, 51c, 51d, 53a, 54, 54b, 55, 56, 61a, 61b, 61c, 62, 65, 67, 74, 81, 94, 94a, 98, 99s, 99t, 102d, 104, 104d, 107, 147, 147a, 147c, 147e, 152a, and 152b as amended and sections 22p, 54d, 61d, and 99v as added by 2018 PA 265, and section 95a as amended by 2015 PA 85, and by adding sections 67a, 97, and 99z; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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



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

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

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

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

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

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

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



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

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

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

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



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



1 or an intermediate district:

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

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

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

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

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

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



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

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

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

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

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



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

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

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

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

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



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

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

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

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

14 (B) Had dropped out of school.

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

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

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



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

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

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

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



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

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

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

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

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



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

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

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

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



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

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

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

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

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

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



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

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

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

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



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

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

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

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

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



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

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

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

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

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



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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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

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

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

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

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



1 accordance with section 166b.

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

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

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

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

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

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



1 school premises.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

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

9 (i) Fourth Wednesday in July.

10 (ii) First Wednesday in October.

11 (iii) Second Wednesday in February.

12 (iv) Fourth Wednesday in April.

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



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

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

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

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

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

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



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

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

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

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

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

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



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

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

10 (2) If the department **or the center** does not assign a district
 11 code to a public school academy within the 30-day period described
 12 in subsection (1), the district code **to be used by** the department
 13 ~~shall use~~ to make payments under this article to the newly
 14 authorized public school academy ~~shall be~~ **is** a number that is
 15 equivalent to the sum of the last district code assigned to a
 16 public school academy located in the same county as the newly
 17 authorized public school academy plus 1. However, if there is not
 18 an existing public school academy located in the same county as the
 19 newly authorized public school academy, then the district code **to**
 20 **be used by** the department ~~shall use~~ to make payments under this
 21 article to the newly authorized public school academy ~~shall be~~ **is** a
 22 5-digit number that has the county code in which the public school
 23 academy is located as its first 2 digits, 9 as its third digit, 0
 24 as its fourth digit, and 1 as its fifth digit. If the number of
 25 public school academies in a county grows to exceed 100, **then** the
 26 third digit in this 5-digit number ~~shall then be~~ **is** 7 for the
 27 public school academies in excess of 100. **If the number of public**
 28 **school academies in a county grows to exceed 200, then the third**
 29 **digit in this 5-digit number is 5 for the public school academies**



1 **in excess of 200.**

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

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

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

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



1 ~~to exceed \$100.00 from the water emergency reserve fund.~~ For the
 2 fiscal year ending September 30, 2019, there is appropriated for
 3 the public schools of this state and certain other state purposes
 4 relating to education the sum of ~~\$12,876,825,200.00~~
 5 **\$12,828,425,200.00** from the state school aid fund, the sum of
 6 \$87,920,000.00 from the general fund, an amount not to exceed
 7 \$72,000,000.00 from the community district education trust fund
 8 created under section 12 of the Michigan trust fund act, 2000 PA
 9 489, MCL 12.262, an amount not to exceed ~~\$31,900,000.00~~
 10 **\$30,000,000.00** from the MPSERS retirement obligation reform reserve
 11 fund, an amount not to exceed \$30,000,000.00 from the school mental
 12 health and support services fund created under section 31m, and an
 13 amount not to exceed \$100.00 from the water emergency reserve fund.
 14 **For the fiscal year ending September 30, 2020, there is**
 15 **appropriated for the public schools of this state and certain other**
 16 **state purposes relating to education the sum of \$13,148,679,300.00**
 17 **from the state school aid fund, the sum of \$268,000,000.00 from the**
 18 **general fund, an amount not to exceed \$72,000,000.00 from the**
 19 **community district education trust fund created under section 12 of**
 20 **the Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not**
 21 **to exceed \$1,900,000.00 from the MPSERS retirement obligation**
 22 **reform reserve fund, and an amount not to exceed \$100.00 from the**
 23 **water emergency reserve fund.** In addition, all available federal
 24 funds are appropriated each fiscal year for the fiscal years ending
 25 September 30, ~~2018-2019~~ and September 30, ~~2019-2020~~.

26 (2) The appropriations under this section ~~shall be~~ **are**
 27 allocated as provided in this article. Money appropriated under
 28 this section from the general fund ~~shall~~ **must** be expended to fund
 29 the purposes of this article before the expenditure of money



1 appropriated under this section from the state school aid fund.

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

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

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

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

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

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

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

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

27 (5) Money in the school aid stabilization fund at the close of
28 a fiscal year ~~shall remain~~**remains** in the school aid stabilization
29 fund and ~~shall~~**does** not lapse to the unreserved school aid fund



1 balance or the general fund.

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

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

20 Sec. 11j. From the appropriation in section 11, there is
 21 allocated an amount not to exceed \$125,500,000.00 for ~~2018-2019~~
 22 **2019-2020** for payments to the school loan bond redemption fund in
 23 the department of treasury on behalf of districts and intermediate
 24 districts. Notwithstanding section 296 or any other provision of
 25 this act, funds allocated under this section are not subject to
 26 proration and ~~shall~~**must** be paid in full.

27 Sec. 11k. For ~~2018-2019,~~ **2019-2020**, there is appropriated from
 28 the general fund to the school loan revolving fund an amount equal
 29 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 ~~2017-2018-2018-2019~~ an amount not to exceed
 7 ~~\$18,000,000.00-\$43,000,000.00~~ and there is allocated for ~~2018-2019~~
 8 **2019-2020** an amount not to exceed ~~\$24,000,000.00-\$56,000,000.00~~ for
 9 fiscal year cash-flow borrowing costs solely related to the state
 10 school aid fund established by section 11 of article IX of the
 11 state constitution of 1963.

12 Sec. 11s. (1) From the general fund appropriation in section
 13 11, there is allocated ~~\$3,230,000.00 for 2018-2019~~ **\$8,075,100.00**
 14 **for 2019-2020** for the purpose of providing services and programs to
 15 children who reside within the boundaries of a district with the
 16 majority of its territory located within the boundaries of a city
 17 for which an executive proclamation of emergency is issued in the
 18 current or immediately preceding 3 fiscal years under the emergency
 19 management act, 1976 PA 390, MCL 30.401 to 30.421. From the funding
 20 appropriated in section 11, there is allocated for ~~fiscal year~~
 21 ~~2018-2019-2019-2020~~ \$100.00 from the water emergency reserve fund
 22 for the purposes of this section.

23 (2) From the allocation in subsection (1), there is allocated
 24 to a district with the majority of its territory located within the
 25 boundaries of a city in which an executive proclamation of
 26 emergency is issued in the current or immediately preceding ~~3-4~~
 27 fiscal years and that has at least 4,500 pupils in membership for
 28 the 2016-2017 fiscal year or has at least 4,000 pupils in
 29 membership for a fiscal year after 2016-2017, an amount not to



1 exceed ~~\$2,625,000.00 for 2018-2019~~ **\$2,425,000.00 for 2019-2020** for
 2 the purpose of employing school nurses, classroom aides, and school
 3 social workers. The district shall provide a report to the
 4 department in a form, manner, and frequency prescribed by the
 5 department. The department shall provide a copy of that report to
 6 the governor, the house and senate school aid subcommittees, the
 7 house and senate fiscal agencies, and the state budget director
 8 within 5 days after receipt. The report ~~shall~~**must** provide at least
 9 the following information:

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

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

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

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

19 (3) For ~~2018-2019~~**2019-2020** only, from the allocation in
 20 subsection (1), there is allocated an amount not to exceed ~~\$0.00~~
 21 **\$4,000,000.00** to an intermediate district that has a constituent
 22 district described in subsection (2) to provide state early
 23 intervention services for children described in subsection (1) who
 24 are ~~less than 4 years of age as of September 1, 2016.~~ **between age 3**
 25 **and age 5**. The intermediate district shall use these funds to
 26 provide state early intervention services that are similar to the
 27 services described in the early on Michigan state plan, including
 28 ensuring that all children described in subsection (1) who are less
 29 than 4 years of age as of September 1, 2016 are assessed and



1 evaluated at least twice annually.

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

10 (5) ~~(4)~~ For ~~2018-2019~~, **2019-2020**, from the allocation in
 11 subsection (1), there is allocated an amount not to exceed
 12 ~~\$605,000.00~~ **\$650,000.00** for nutritional services to children
 13 described in subsection (1).

14 (6) ~~(5)~~ In addition to other funding allocated and
 15 appropriated in this section, there is appropriated an amount not
 16 to exceed \$15,000,000.00 for ~~fiscal year 2018-2019~~ **2019-2020** for
 17 state restricted contingency funds. These contingency funds are not
 18 available for expenditure until they have been transferred to a
 19 section within this article under section 393(2) of the management
 20 and budget act, 1984 PA 431, MCL 18.1393.

21 (7) ~~(6)~~ Notwithstanding section 17b, **the department shall make**
 22 payments under this section ~~shall be paid on~~ a schedule determined
 23 by the department.

24 Sec. 15. (1) If a district or intermediate district fails to
 25 receive its proper apportionment, the department, upon satisfactory
 26 proof that the district or intermediate district was entitled
 27 justly, shall apportion the deficiency in the next apportionment.
 28 Subject to subsections (2) and (3), if a district or intermediate
 29 district has received more than its proper apportionment, the



1 department, upon satisfactory proof, shall deduct the excess in the
 2 next apportionment. Notwithstanding any other provision in this
 3 article, state aid overpayments to a district, other than
 4 overpayments in payments for special education or special education
 5 transportation, may be recovered from any payment made under this
 6 article other than a special education or special education
 7 transportation payment, from the proceeds of a loan to the district
 8 under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to
 9 141.942, or from the proceeds of millage levied or pledged under
 10 section 1211 of the revised school code, MCL 380.1211. State aid
 11 overpayments made in special education or special education
 12 transportation payments may be recovered from subsequent special
 13 education or special education transportation payments, from the
 14 proceeds of a loan to the district under the emergency municipal
 15 loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds
 16 of millage levied or pledged under section 1211 of the revised
 17 school code, MCL 380.1211.

18 (2) If the result of an audit conducted by or for the
 19 department affects the current fiscal year membership, **the**
 20 **department shall adjust** affected payments ~~shall be adjusted~~ in the
 21 current fiscal year. A deduction due to an adjustment made as a
 22 result of an audit conducted by or for the department, or as a
 23 result of information obtained by the department from the district,
 24 an intermediate district, the department of treasury, or the office
 25 of auditor general, ~~shall~~ **must** be deducted from the district's
 26 apportionments when the adjustment is finalized. At the request of
 27 the district and upon the district presenting evidence satisfactory
 28 to the department of the hardship, the department may grant up to
 29 an additional ~~9-4~~ years for the adjustment and may advance payments



1 to the district otherwise authorized under this article if the
 2 district would otherwise experience a significant hardship in
 3 satisfying its financial obligations. **However, a district that has**
 4 **presented satisfactory evidence of hardship and is undergoing an**
 5 **extended adjustment during 2018-2019 may continue to use the period**
 6 **of extended adjustment as originally granted by the department.**

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

25 (4) **If the department makes an adjustment under this section**
 26 **based in whole or in part on a membership audit finding that a**
 27 **district or intermediate district employed an educator in violation**
 28 **of certification requirements under the revised school code and**
 29 **rules promulgated by the department, the department shall prorate**



1 the adjustment according to the period of noncompliance with the
2 certification requirements.

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

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

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

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



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

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

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

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

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

22 (A) Salaries and wages.

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

26 (C) Retirement benefit costs.

27 (D) All other personnel costs.

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



1 (A) Instruction.

2 (B) Support services.

3 (C) Business and administration.

4 (D) Operations and maintenance.

5 (c) Links to all of the following:

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

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

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

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

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

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

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

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



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

2 (f) The annual amount spent on lobbying or lobbying services.

3 As used in this subdivision, "lobbying" means that term as defined
4 in section 5 of 1978 PA 472, MCL 4.415.

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

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

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

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

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

27 (a) The department shall require that each district and
28 intermediate district have an audit of the district's or
29 intermediate district's financial and pupil accounting records



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

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

22 (c) A district's or intermediate district's annual financial
23 audit ~~shall~~**must** include an analysis of the financial and pupil
24 accounting data used as the basis for distribution of state school
25 aid.

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



1 (e) All of the following shall be done not later than November
2 1 each year for reporting the prior fiscal year data:

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

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

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

11 (f) The annual financial audit reports and pupil accounting
12 procedures reports ~~shall~~**must** be available to the public in
13 compliance with the freedom of information act, 1976 PA 442, MCL
14 15.231 to 15.246.

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

22 (5) By November 1 each fiscal year, each district and
23 intermediate district shall submit to the center, in a manner
24 prescribed by the center, annual comprehensive financial data
25 consistent with the district's or intermediate district's audited
26 financial statements and consistent with accounting manuals and
27 charts of accounts approved and published by the department. For an
28 intermediate district, the report ~~shall~~**must** also contain the
29 website address where the department can access the report required



1 under section 620 of the revised school code, MCL 380.620. The
 2 department shall ensure that the prescribed Michigan public school
 3 accounting manual chart of accounts includes standard conventions
 4 to distinguish expenditures by allowable fund function and object.
 5 The functions ~~shall~~**must** include at minimum categories for
 6 instruction, pupil support, instructional staff support, general
 7 administration, school administration, business administration,
 8 transportation, facilities operation and maintenance, facilities
 9 acquisition, and debt service; and ~~shall~~**must** include object
 10 classifications of salary, benefits, including categories for
 11 active employee health expenditures, purchased services, supplies,
 12 capital outlay, and other. ~~Districts~~**A district** shall report the
 13 required level of detail consistent with the manual as part of the
 14 comprehensive annual financial report.

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

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

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

28 (9) If a district that is a public school academy purchases
 29 property using money received under this article, the public school



1 academy shall retain ownership of the property unless the public
2 school academy sells the property at fair market value.

3 (10) If a district or intermediate district does not comply
4 with subsections (4), (5), (6), (7), and (12), or if the department
5 determines that the financial data required under subsection (5)
6 are not consistent with audited financial statements, the
7 department shall withhold all state school aid due to the district
8 or intermediate district under this article, beginning with the
9 next payment due to the district or intermediate district, until
10 the district or intermediate district complies with subsections
11 (4), (5), (6), (7), and (12). If the district or intermediate
12 district does not comply with subsections (4), (5), (6), (7), and
13 (12) by the end of the fiscal year, the district or intermediate
14 district forfeits the amount withheld.

15 (11) If a district or intermediate district does not comply
16 with subsection (2), the department may withhold up to 10% of the
17 total state school aid due to the district or intermediate district
18 under this article, beginning with the next payment due to the
19 district or intermediate district, until the district or
20 intermediate district complies with subsection (2). If the district
21 or intermediate district does not comply with subsection (2) by the
22 end of the fiscal year, the district or intermediate district
23 forfeits the amount withheld.

24 (12) By November 1 of each year, if a district or intermediate
25 district offers virtual learning under section 21f, or for a school
26 of excellence that is a cyber school, as defined in section 551 of
27 the revised school code, MCL 380.551, the district or intermediate
28 district shall submit to the department a report that details the
29 per-pupil costs of operating the virtual learning by vendor type



1 and virtual learning model. The report ~~shall~~**must** include
 2 information concerning the operation of virtual learning for the
 3 immediately preceding school fiscal year, including information
 4 concerning summer programming. Information must be collected in a
 5 form and manner determined by the department and must be collected
 6 in the most efficient manner possible to reduce the administrative
 7 burden on reporting entities.

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

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

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

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

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

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

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

29 ~~(16) Beginning October 1, 2018, and annually thereafter, the~~



1 ~~department shall submit to the senate and house subcommittees on~~
 2 ~~school aid and to the senate and house standing committees on~~
 3 ~~education an itemized list of allocations under this article to any~~
 4 ~~association or consortium consisting of associations in the~~
 5 ~~immediately preceding fiscal year. The report shall detail the~~
 6 ~~recipient or recipients, the amount allocated, and the purpose for~~
 7 ~~which the funds were distributed.~~

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

10 (a) The ~~basic-target~~ foundation allowance, **formerly known as**
 11 **the basic foundation allowance**, is ~~\$8,409.00~~. **\$8,544.00**.

12 (b) The minimum foundation allowance is ~~\$7,871.00~~. **\$8,141.00**.

13 (2) The **department shall calculate the** amount of each
 14 district's foundation allowance ~~shall be calculated as provided in~~
 15 this section, using a ~~basic-target~~ foundation allowance in the
 16 amount specified in subsection (1). **For the purpose of these**
 17 **calculations, a reference to the target foundation allowance for a**
 18 **preceding fiscal year is equivalent to a reference to the "basic"**
 19 **foundation allowance for that fiscal year.**

20 (3) Except as otherwise provided in this section, the
 21 **department shall calculate the** amount of a district's foundation
 22 allowance ~~shall be calculated as follows~~, using in all calculations
 23 the total amount of the district's foundation allowance as
 24 calculated before any proration:

25 (a) Except as otherwise provided in this subdivision, for a
 26 district that had a foundation allowance for the immediately
 27 preceding ~~state~~-fiscal year that was at least equal to the minimum
 28 foundation allowance for the immediately preceding ~~state~~-fiscal
 29 year, but less than the ~~basic-target~~ foundation allowance for the



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

21 (b) Except as otherwise provided in this subsection, for a
 22 district that in the immediately preceding ~~state~~-fiscal year had a
 23 foundation allowance in an amount equal to the amount of the ~~basie~~
 24 **target** foundation allowance for the immediately preceding ~~state~~
 25 fiscal year, the district ~~shall receive~~**receives** a foundation
 26 allowance for ~~2018-2019-2019-2020~~ in an amount equal to the ~~basie~~
 27 **target** foundation allowance for ~~2018-2019-2019-2020~~.

28 (c) For a district that had a foundation allowance for the
 29 immediately preceding ~~state~~-fiscal year that was greater than the



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

14 (d) For a district that has a foundation allowance that is not
 15 a whole dollar amount, **the department shall round** the district's
 16 foundation allowance ~~shall be rounded up~~ to the nearest whole
 17 dollar.

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



1 ~~conference conducted under section 367b of the management and~~
 2 ~~budget act, 1984 PA 431, MCL 18.1367b.~~

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



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

5 (5) The allocation calculated under this section for a pupil
 6 ~~shall be~~ **is** based on the foundation allowance of the pupil's
 7 district of residence. For a pupil enrolled pursuant to section 105
 8 or 105c in a district other than the pupil's district of residence,
 9 the allocation calculated under this section ~~shall be~~ **is** based on
 10 the 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~~ **is** 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,
 28 for pupils in membership, other than special education pupils, in a
 29 public school academy that is a cyber school and is authorized by a



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

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



1 geographic area as the community district.

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

17 (9) ~~Each~~ **The department shall round each** fraction used in
 18 making calculations under this section ~~shall be rounded~~ to the
 19 fourth decimal place and **shall round** the dollar amount of an
 20 increase in the ~~basic-target~~ foundation allowance ~~shall be rounded~~
 21 to the nearest whole dollar.

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

25 (11) To assist the legislature in determining the ~~basic-target~~
 26 foundation allowance for the subsequent ~~state~~ fiscal year, each
 27 revenue estimating conference conducted under section 367b of the
 28 management and budget act, 1984 PA 431, MCL 18.1367b, ~~shall~~ **must**
 29 calculate a pupil membership factor, a revenue adjustment factor,



1 and an index as follows:

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

13 (b) The revenue adjustment factor ~~shall be~~**is** computed by
14 dividing the sum of the estimated total state school aid fund
15 revenue for the subsequent ~~state~~-fiscal year plus the estimated
16 total state school aid fund revenue for the current ~~state~~-fiscal
17 year, adjusted for any change in the rate or base of a tax the
18 proceeds of which are deposited in that fund and excluding money
19 transferred into that fund from the countercyclical budget and
20 economic stabilization fund under the management and budget act,
21 1984 PA 431, MCL 18.1101 to 18.1594, by the sum of the estimated
22 total school aid fund revenue for the current state fiscal year
23 plus the estimated total state school aid fund revenue for the
24 immediately preceding ~~state~~-fiscal year, adjusted for any change in
25 the rate or base of a tax the proceeds of which are deposited in
26 that fund. If a consensus revenue factor is not determined at the
27 revenue estimating conference, the principals of the revenue
28 estimating conference shall report their estimates to the house and
29 senate subcommittees responsible for school aid appropriations not



1 later than 7 days after the conclusion of the revenue conference.

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

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

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

18 **(14) For the purposes of section 1211 of the revised school**
19 **code, MCL 380.1211, the basic foundation allowance under this**
20 **section is considered to be the target foundation allowance under**
21 **this section.**

22 (15) ~~(14)~~As used in this section:

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

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



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

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

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

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

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

23 (h) "Local school operating revenue" means school operating
24 taxes levied under section 1211 of the revised school code, MCL
25 380.1211. For a receiving district, if school operating taxes are
26 to be levied on behalf of a dissolved district that has been
27 attached in whole or in part to the receiving district to satisfy
28 debt obligations of the dissolved district under section 12 of the
29 revised school code, MCL 380.12, local school operating revenue



1 does not include school operating taxes levied within the
2 geographic area of the dissolved district.

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

6 (j) "Maximum public school academy allocation", except as
7 otherwise provided in this subdivision, means the maximum per-pupil
8 allocation as calculated by adding the highest per-pupil allocation
9 among all public school academies for the immediately preceding
10 ~~state~~-fiscal year plus the difference between twice the amount of
11 the difference between the ~~basic~~-**target** foundation allowance for
12 the current ~~state~~-fiscal year and the ~~basic~~-**target** foundation
13 allowance for the immediately preceding ~~state~~-fiscal year and [(the
14 amount of the difference between the ~~basic~~-**target** foundation
15 allowance for the current ~~state~~-fiscal year and the ~~basic~~-**target**
16 foundation allowance for the immediately preceding ~~state~~-fiscal
17 year minus \$40.00) times (the difference between the highest per-
18 pupil allocation among all public school academies for the
19 immediately preceding ~~state~~-fiscal year and the minimum foundation
20 allowance for the immediately preceding ~~state~~-fiscal year) divided
21 by the difference between the ~~basic~~-**target** foundation allowance for
22 the current ~~state~~-fiscal year and the minimum foundation allowance
23 for the immediately preceding ~~state~~-fiscal year.] For the purposes
24 of this subdivision, for ~~2018-2019, 2019-2020~~, the maximum public
25 school academy allocation is ~~\$7,871.00~~. **\$8,141.00**.

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

29 (l) "Nonexempt property" means property that is not a principal



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

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

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

13 (o) "School operating purposes" means the purposes included in
 14 the operation costs of the district as prescribed in sections 7 and
 15 18 and purposes authorized under section 1211 of the revised school
 16 code, MCL 380.1211.

17 (p) "School operating taxes" means local ad valorem property
 18 taxes levied under section 1211 of the revised school code, MCL
 19 380.1211, and retained for school operating purposes.

20 (q) **"Target foundation allowance for the immediately preceding**
 21 **fiscal year" means, for 2019-2020 only, the basic foundation**
 22 **allowance in effect for the 2018-2019 fiscal year.**

23 (r) ~~(q)~~ "Tax increment financing acts" means 1975 PA 197, MCL
 24 125.1651 to 125.1681, the tax increment finance authority act, 1980
 25 PA 450, MCL 125.1801 to 125.1830, the local development financing
 26 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
 27 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670,
 28 or the corridor improvement authority act, 2005 PA 280, MCL
 29 125.2871 to 125.2899.



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

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

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

28 (b) If a district had an adjustment made to its 1993-94 total
29 state school aid that excluded payments made under former section



1 146 and under section 147 on behalf of the district's employees who
 2 provided direct services for intermediate district center programs
 3 operated by the district under sections 51 to 56, if nonresident
 4 pupils attending the center programs were included in the
 5 district's membership for purposes of calculating the combined
 6 state and local revenue per membership pupil for 1993-94, and if
 7 there is a signed agreement by all constituent districts of the
 8 intermediate district ~~that agreeing to~~ an adjustment under this
 9 subdivision, ~~shall be made,~~ **the department shall calculate** the
 10 foundation allowances for 1995-96 and 1996-97 of all districts that
 11 had pupils attending the intermediate district center program
 12 operated by the district that had the adjustment ~~shall be~~
 13 ~~calculated~~ as if their combined state and local revenue per
 14 membership pupil for 1993-94 included resident pupils attending the
 15 center program and excluded nonresident pupils attending the center
 16 program.

17 Sec. 20f. (1) From the funds appropriated in section 11, there
 18 is allocated an amount not to exceed \$18,000,000.00 for ~~2018-2019~~
 19 **2019-2020** for payments to eligible districts under this section.

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

25 (a) The increase in the district's foundation allowance or
 26 per-pupil payment as calculated under section 20 from 2012-2013 to
 27 2013-2014.

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



1 (c) The quotient of the district's allocation under section
2 147a for 2012-2013 divided by the district's membership pupils for
3 2012-2013 minus the quotient of the district's allocation under
4 section 147a for 2013-2014 divided by the district's membership
5 pupils for 2013-2014.

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

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

13 (a) The increase in the district's foundation allowance or
14 per-pupil payment as calculated under section 20 from 2014-2015 to
15 2015-2016.

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

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

20 (d) The quotient of the district's allocation under section
21 31a for 2015-2016 divided by the district's membership pupils for
22 2015-2016 minus the quotient of the district's allocation under
23 section 31a for 2014-2015 divided by the district's membership
24 pupils for 2014-2015.

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

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



1 2015-2016.

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

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

6 (d) The quotient of the district's allocation under section
7 31a for 2015-2016 divided by the district's membership pupils for
8 2015-2016 minus the quotient of the district's allocation under
9 section 31a for 2014-2015 divided by the district's membership
10 pupils for 2014-2015.

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

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

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



1 following:

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

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

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

14 (iii) A review of classroom, instructional, and operational
 15 practices and curriculum to ensure alignment with research-based
 16 instructional practices and state curriculum standards.

17 (b) Develops an intervention plan that has been approved by
 18 the superintendent and that addresses the needs identified in the
 19 comprehensive needs evaluation completed under subdivision (a). The
 20 intervention plan ~~shall~~**must** include at least all of the following:

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

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

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

29 (3) Upon approval of the intervention plan developed under



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

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

22 (5) The department shall annually report in person to the
 23 legislature on the activities funded under this section and how
 24 those activities impacted student achievement in eligible districts
 25 that received funds under this section. To the extent possible,
 26 participating districts receiving funding under this section shall
 27 participate in the report.

28 Sec. 22a. (1) From the appropriation in section 11, there is
 29 allocated an amount not to exceed ~~\$5,176,000,000.00 for 2017-2018~~



1 **\$5,049,000,000.00 for 2018-2019** and there is allocated an amount
 2 not to exceed ~~\$5,107,000,000.00 for 2018-2019~~ **\$4,953,000,000.00 for**
 3 **2019-2020** for payments to districts and qualifying public school
 4 academies to guarantee each district and qualifying public school
 5 academy an amount equal to its 1994-95 total state and local per
 6 pupil revenue for school operating purposes under section 11 of
 7 article IX of the state constitution of 1963. Pursuant to section
 8 11 of article IX of the state constitution of 1963, this guarantee
 9 does not apply to a district in a year in which the district levies
 10 a millage rate for school district operating purposes less than it
 11 levied in 1994. However, subsection (2) applies to calculating the
 12 payments under this section. ~~Funds allocated under this section~~
 13 ~~that are not expended in the state fiscal year for which they were~~
 14 ~~allocated, as determined by the department, may be used to~~
 15 ~~supplement the allocations under sections 22b and 51c in order to~~
 16 ~~fully fund those calculated allocations for the same fiscal year.~~

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

22 (a) Except as otherwise provided in this subsection, the state
 23 portion of a district's 1994-95 foundation allowance is an amount
 24 equal to the district's 1994-95 foundation allowance or \$6,500.00,
 25 whichever is less, minus the difference between the sum of the
 26 product of the taxable value per membership pupil of all property
 27 in the district that is nonexempt property times the district's
 28 certified mills and, for a district with certified mills exceeding
 29 12, the product of the taxable value per membership pupil of



1 property in the district that is commercial personal property times
 2 the certified mills minus 12 mills and the quotient of the ad
 3 valorem property tax revenue of the district captured under tax
 4 increment financing acts divided by the district's membership. For
 5 a district that has a millage reduction required under section 31
 6 of article IX of the state constitution of 1963, **the department**
 7 **shall calculate** the state portion of the district's foundation
 8 allowance ~~shall be calculated~~ as if that reduction did not occur.
 9 For a receiving district, if school operating taxes are to be
 10 levied on behalf of a dissolved district that has been attached in
 11 whole or in part to the receiving district to satisfy debt
 12 obligations of the dissolved district under section 12 of the
 13 revised school code, MCL 380.12, taxable value per membership pupil
 14 of all property in the receiving district that is nonexempt
 15 property and taxable value per membership pupil of property in the
 16 receiving district that is commercial personal property do not
 17 include property within the geographic area of the dissolved
 18 district; ad valorem property tax revenue of the receiving district
 19 captured under tax increment financing acts does not include ad
 20 valorem property tax revenue captured within the geographic
 21 boundaries of the dissolved district under tax increment financing
 22 acts; and certified mills do not include the certified mills of the
 23 dissolved district. For a community district, **the department shall**
 24 **reduce** the allocation as otherwise calculated under this section
 25 ~~shall be reduced~~ by an amount equal to the amount of local school
 26 operating tax revenue that would otherwise be due to the community
 27 district if not for the operation of section 386 of the revised
 28 school code, MCL 380.386, and the amount of this reduction ~~shall be~~
 29 **is** offset by the increase in funding under section 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~~**is** 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~~**must** be equal to the
 6 difference between the district's 1994-95 foundation allowance
 7 minus \$6,500.00 and the current year hold harmless school operating
 8 taxes per pupil. If the result of the calculation under subdivision
 9 (a) is negative, the negative amount ~~shall be~~**is** an offset against
 10 any state payment calculated under this subdivision. If the result
 11 of a calculation under this subdivision is negative, there ~~shall~~
 12 ~~not be~~**is not** a state payment or a deduction under this
 13 subdivision. The taxable values per membership pupil used in the
 14 calculations under this subdivision are as adjusted by ad valorem
 15 property tax revenue captured under tax increment financing acts
 16 divided by the district's membership. For a receiving district, if
 17 school operating taxes are to be levied on behalf of a dissolved
 18 district that has been attached in whole or in part to the
 19 receiving district to satisfy debt obligations of the dissolved
 20 district under section 12 of the revised school code, MCL 380.12,
 21 ad valorem property tax revenue captured under tax increment
 22 financing acts do not include ad valorem property tax revenue
 23 captured within the geographic boundaries of the dissolved district
 24 under tax increment 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
 28 qualifying public school academy for forwarding to the qualifying
 29 public school academy an amount equal to the 1994-95 per pupil



1 payment to the qualifying public school academy under section 20.

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

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

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

25 (7) As used in this section:

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



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

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

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

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

21 (f) "Hold harmless millage" means, for a district with a 1994-
 22 95 foundation allowance greater than \$6,500.00, the number of mills
 23 by which the exemption from the levy of school operating taxes on a
 24 ~~homestead~~, **principal residence**, qualified agricultural property,
 25 qualified forest property, supportive housing property, industrial
 26 personal property, commercial personal property, and property
 27 occupied by a public school academy could be reduced as provided in
 28 section 1211 of the revised school code, MCL 380.1211, and the
 29 number of mills of school operating taxes that could be levied on



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

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

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

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

23 (i) "Principal residence", "qualified agricultural property",
 24 "qualified forest property", "supportive housing property",
 25 "industrial personal property", and "commercial personal property"
 26 mean those terms as defined in section 1211 of the revised school
 27 code, MCL 380.1211.

28 (j) "Qualifying public school academy" means a public school
 29 academy that was in operation in the 1994-95 school year and is in



1 operation in the current ~~state~~-fiscal year.

2 (k) "Receiving district" means a district to which all or part
3 of the territory of a dissolved district is attached under section
4 12 of the revised school code, MCL 380.12.

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

9 (m) "Tax increment financing acts" means 1975 PA 197, MCL
10 125.1651 to 125.1681, the tax increment finance authority act, 1980
11 PA 450, MCL 125.1801 to 125.1830, the local development financing
12 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
13 redevelopment financing act, 1996 PA 381, MCL 125.2651 to ~~125.2672,~~
14 **125.2670**, or the corridor improvement authority act, 2005 PA 280,
15 MCL 125.2871 to 125.2899.

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

18 (i) For the number of mills by which the exemption from the
19 levy of school operating taxes on a ~~homestead,~~ **principal residence**,
20 qualified agricultural property, qualified forest property,
21 supportive housing property, industrial personal property,
22 commercial personal property, and property occupied by a public
23 school academy may be reduced as provided in section 1211 of the
24 revised school code, MCL 380.1211, the taxable value of ~~homestead,~~
25 **principal residence**, qualified agricultural property, qualified
26 forest property, supportive housing property, industrial personal
27 property, commercial personal property, and property occupied by a
28 public school academy for the calendar year ending in the current
29 ~~state~~-fiscal year. For a receiving district, if school operating



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

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

17 Sec. 22b. (1) For discretionary nonmandated payments to
 18 districts under this section, there is allocated for ~~2017-2018~~
 19 **2018-2019** an amount not to exceed ~~\$3,957,000,000.00~~
 20 **\$4,223,000,000.00** from the state school aid fund and general fund
 21 appropriations in section 11 and an amount not to exceed
 22 \$72,000,000.00 from the community district education trust fund
 23 appropriation in section 11, and there is allocated for ~~2018-2019~~
 24 **2019-2020** an amount not to exceed ~~\$4,252,000,000.00~~
 25 **\$4,530,000,000.00** from the state school aid fund and general fund
 26 appropriations in section 11 and an amount not to exceed
 27 \$72,000,000.00 from the community district education trust fund
 28 appropriation in section 11. ~~Except for money allocated from the~~
 29 ~~community district trust fund, money allocated under this section~~



1 ~~that is not expended in the state fiscal year for which it was~~
 2 ~~allocated, as determined by the department, may be used to~~
 3 ~~supplement the allocations under sections 22a and 51c in order to~~
 4 ~~fully fund those calculated allocations for the same fiscal year.~~

5 (2) Subject to subsection (3) and section 296, the allocation
 6 to a district under this section ~~shall be~~ **is** an amount equal to the
 7 sum of the amounts calculated under sections 20, ~~20m,~~ 51a(2),
 8 51a(3), and 51a(11), minus the sum of the allocations to the
 9 district under sections 22a and 51c. For a community district, the
 10 allocation as otherwise calculated under this section ~~shall be~~ **is**
 11 increased by an amount equal to the amount of local school
 12 operating tax revenue that would otherwise be due to the community
 13 district if not for the operation of section 386 of the revised
 14 school code, MCL 380.386, and this increase ~~shall~~ **must** be paid from
 15 the community district education trust fund allocation in
 16 subsection (1) in order to offset the absence of local school
 17 operating revenue in a community district in the funding of the
 18 state portion of the foundation allowance under section 20(4).

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

21 (a) Comply with section 1280b of the revised school code, MCL
 22 380.1280b.

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

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

28 (d) Comply with section 1230g of the revised school code, MCL
 29 380.1230g.



1 (e) Comply with section 21f.

2 (f) For a district or public school academy that ~~has entered~~
 3 ~~into a partnership agreement with the department, offers~~
 4 **kindergarten**, comply with section ~~22p.104(4)~~.

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

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

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

23 (7) It is the intent of the legislature that all
 24 constitutional obligations of this state have been fully funded
 25 under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by
 26 an entity receiving funds under this article that challenges the
 27 legislative determination of the adequacy of this funding or
 28 alleges that there exists an unfunded constitutional requirement,
 29 the state budget director may escrow or allocate from the



1 discretionary funds for nonmandated payments under this section the
2 amount as may be necessary to satisfy the claim before making any
3 payments to districts under subsection (2). If funds are escrowed,
4 the escrowed funds are a work project appropriation and the funds
5 are carried forward into the following fiscal year. The purpose of
6 the work project is to provide for any payments that may be awarded
7 to districts as a result of litigation. The work project ~~shall be~~
8 **is** completed upon resolution of the litigation.

9 (8) If the local claims review board or a court of competent
10 jurisdiction makes a final determination that this state is in
11 violation of section 29 of article IX of the state constitution of
12 1963 regarding state payments to districts, the state budget
13 director shall use work project funds under subsection (7) or
14 allocate from the discretionary funds for nonmandated payments
15 under this section the amount as may be necessary to satisfy the
16 amount owed to districts before making any payments to districts
17 under subsection (2).

18 (9) If a claim is made in court that challenges the
19 legislative determination of the adequacy of funding for this
20 state's constitutional obligations or alleges that there exists an
21 unfunded constitutional requirement, any interested party may seek
22 an expedited review of the claim by the local claims review board.
23 If the claim exceeds \$10,000,000.00, this state may remove the
24 action to the court of appeals, and the court of appeals ~~shall have~~
25 **has** and shall exercise jurisdiction over the claim.

26 (10) If payments resulting from a final determination by the
27 local claims review board or a court of competent jurisdiction that
28 there has been a violation of section 29 of article IX of the state
29 constitution of 1963 exceed the amount allocated for discretionary



1 nonmandated payments under this section, the legislature shall
 2 provide for adequate funding for this state's constitutional
 3 obligations at its next legislative session.

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

22 Sec. 22d. (1) From the appropriation in section 11, an amount
 23 not to exceed ~~\$6,000,000.00~~ **\$7,000,000.00** is allocated for ~~2018-~~
 24 ~~2019-~~ **2019-2020** for supplemental payments to rural districts under
 25 this section.

26 (2) From the allocation under subsection (1), there is
 27 allocated for ~~2018-2019-~~ **2019-2020** an amount not to exceed
 28 \$957,300.00 for payments under this subsection to districts that
 29 meet all of the following:



1 (a) Operates grades K to 12.

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

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

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

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

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

26 (4) Subject to subsection (6), from the allocation in
27 subsection (1), there is allocated for ~~2018-2019~~ **2019-2020** an
28 amount not to exceed ~~\$5,042,700.00~~ **\$6,042,700.00** for payments under
29 this subsection to districts that have ~~7.7~~ **9.7** or fewer pupils per



1 square mile as determined by the department.

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

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

6 Sec. 22m. (1) From the appropriations in section 11, there is
7 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
8 \$2,200,000.00 for supporting the integration of local data systems
9 into the Michigan data hub network based on common standards and
10 applications that are in compliance with section 19(6).

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

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

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

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



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

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

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

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

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

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

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

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

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



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

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

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

17 Sec. 22p. In order to receive funding under section 22b, a
18 district or public school academy that has a signed partnership
19 agreement with the department must meet both of the following:

20 (a) Amends the partnership agreement to include measurable
21 academic outcomes that will be achieved after 18 months and after
22 36 months from the date the agreement was originally signed.
23 Measurable academic outcomes under this subdivision must include
24 outcomes that put pupils on track to meet or exceed grade level
25 proficiency.

26 (b) Amends the partnership agreement to include accountability
27 measures to be imposed if the district or public school academy
28 does not achieve the measurable academic outcomes under subdivision
29 (a) for a school subject to a partnership agreement. Accountability



1 measures under this subdivision may include either the closure of
 2 the school at the end of the current school year or the
 3 reconstitution of the school in a final attempt to improve student
 4 educational performance or to avoid interruption of the educational
 5 process. For a public school academy that amends a partnership
 6 agreement under this subdivision, the amended agreement must
 7 include a requirement that if reconstitution is imposed on a school
 8 that is operated by the public school academy and that is subject
 9 to the partnership agreement, the school ~~shall~~**must** be
 10 reconstituted as described in section 507 of the revised school
 11 code, MCL 380.507. For a district that amends a partnership
 12 agreement under this subdivision, the amended agreement must
 13 include a requirement that if reconstitution is imposed on a school
 14 that is operated by the district and that is subject to the
 15 partnership agreement, all of the following apply:

16 (i) The district shall make significant changes to the
 17 instructional and noninstructional programming of the school based
 18 on the needs identified through a comprehensive review of data.

19 ~~(ii) The district shall replace at least 25% of the faculty and~~
 20 ~~staff of the school.~~

21 **(ii)** ~~(iii)~~The district shall replace the principal of the
 22 school, unless the current principal has been in place for less
 23 than 3 years and the board of the district determines that it is in
 24 the best interests of the district to retain current school
 25 leadership.

26 **(iii)** ~~(iv)~~The reconstitution plan for the school shall require
 27 the adoption of goals similar to the goals included in a
 28 partnership agreement, with a limit of 5 years to achieve the
 29 goals. If the goals are not achieved within 5 years, the



1 superintendent of public instruction shall either impose a second
2 reconstitution plan on the school or close the school.

3 Sec. 24. (1) From the appropriation in section 11, there is
4 allocated ~~each fiscal year for 2017-2018 and for 2018-2019~~ **for**
5 **2019-2020** an amount not to exceed \$7,150,000.00 for payments to the
6 educating district or intermediate district for educating pupils
7 assigned by a court or the department of health and human services
8 to reside in or to attend a juvenile detention facility or child
9 caring institution licensed by the department of health and human
10 services and approved by the department to provide an on-grounds
11 education program. The amount of the payment under this section to
12 a district or intermediate district ~~shall be~~ **is** calculated as
13 prescribed under subsection (2).

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

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



1 in the on-grounds education program or in a program approved by the
 2 department that is located on property adjacent to a juvenile
 3 detention facility or child caring institution. Costs reimbursed by
 4 federal funds are not included.

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

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

20 (4) Special education pupils funded under section 53a ~~shall~~
 21 ~~not be~~**are not** funded under this section.

22 Sec. 24a. From the appropriation in section 11, there is
 23 allocated an amount not to exceed \$1,355,700.00 for ~~2018-2019-2019-~~
 24 **2020** for payments to intermediate districts for pupils who are
 25 placed in juvenile justice service facilities operated by the
 26 department of health and human services. ~~Each~~**The amount of the**
 27 **payment to each** intermediate district ~~shall receive~~**is** an amount
 28 equal to the state share of those costs that are clearly and
 29 directly attributable to the educational programs for pupils placed



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

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

17 (2) If a pupil counted in membership for the pupil membership
18 count day transfers from a district or intermediate district to
19 enroll in another district or intermediate district after the pupil
20 membership count day and before the supplemental count day and, due
21 to the pupil's enrollment and attendance status as of the pupil
22 membership count day, the pupil was not counted in membership in
23 the educating district or intermediate district, the educating
24 district or intermediate district may report the enrollment and
25 attendance information to the center through the pupil transfer
26 process within 30 days after the transfer or within 30 days after
27 the pupil membership count certification date, whichever is later.
28 Pupil transfers may be submitted no earlier than the first day
29 after the certification deadline for the pupil membership count day



1 and before the supplemental count day. Upon receipt of the transfer
 2 information under this subsection indicating that a pupil has
 3 enrolled and is in attendance in an educating district or
 4 intermediate district as described in this subsection, the ~~pupil~~
 5 ~~transfer process~~ **center** shall do the following:

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

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

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

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

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



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

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

25 (4) The changes in calculation of state school aid required
 26 under subsection (3) ~~shall~~take effect as of the date that the
 27 pupil becomes enrolled and in attendance in the educating district
 28 or intermediate district, and the department shall base all
 29 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~~ **is not**
15 counted or transferred under the pupil transfer process under this
16 section.

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



1 of pupils transferring out of the public school system in this
 2 state between the pupil membership count day and supplemental count
 3 day as described in this subsection.

4 (8) As used in this section:

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

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

14 Sec. 25f. (1) From the state school aid fund money
 15 appropriated in section 11, there is allocated an amount not to
 16 exceed \$1,600,000.00 ~~each fiscal year for 2017-2018 and for 2018-~~
 17 ~~2019~~ **for 2019-2020** for payments to strict discipline academies
 18 established under sections 1311b to 1311m of the revised school
 19 code, MCL 380.1311b to 380.1311m, as provided under this section.

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

24 (3) The total amount allocated to a strict discipline academy
 25 under this section shall first be distributed as the lesser of the
 26 strict discipline academy's added cost or the department's approved
 27 per-pupil allocation for the strict discipline academy. Any funds
 28 remaining after the first distribution shall be distributed by
 29 prorating on an equal per-pupil membership basis, not to exceed a



1 strict discipline academy's added cost. However, the sum of the
2 amounts received by a strict discipline academy under this section
3 and under section 24 shall not exceed the product of the strict
4 discipline academy's per-pupil allocation calculated under section
5 20 multiplied by the strict discipline academy's full-time equated
6 membership. The department shall allocate funds to strict
7 discipline academies under this section on a monthly basis. For the
8 purposes of this subsection:

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

21 (b) "Department's approved per-pupil allocation" for a strict
22 discipline academy shall be determined by dividing the total amount
23 allocated under this subsection for a fiscal year by the full-time
24 equated membership total for all pupils approved by the department
25 to be funded under this subsection for that fiscal year for the
26 strict discipline academy.

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

29 (5) If the funds allocated under this section are insufficient



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

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

6 Sec. 25g. (1) From the state school aid fund money
7 appropriated in section 11, there is allocated an amount not to
8 exceed \$750,000.00 for ~~2018-2019~~ **2019-2020** for the purposes of this
9 section. ~~If~~ **Except as otherwise provided in this section, if** the
10 operation of the special membership counting provisions under
11 section 6(4) (dd) and the other membership counting provisions under
12 section 6(4) result in a pupil being counted as more than 1.0 FTE
13 in a fiscal year, then the payment made for the pupil under
14 sections 22a and 22b ~~shall~~ **must** not be based on more than 1.0 FTE
15 for that pupil, and that portion of the FTE that exceeds 1.0 ~~shall~~
16 ~~be~~ **is** paid under this section in an amount equal to that portion
17 multiplied by the educating district's foundation allowance or per-
18 pupil payment calculated under section 20.

19 (2) Special education pupils funded under section 53a ~~shall~~
20 ~~not be~~ **are not** funded under this section.

21 (3) If the funds allocated under this section are insufficient
22 to fully fund the adjustments under subsection (1), **the department**
23 **shall prorate** payments under this section ~~shall be prorated~~ on an
24 equal per-pupil basis.

25 (4) ~~Payments~~ **The department shall make payments** to districts
26 under this section ~~shall be made~~ according to the payment schedule
27 under section 17b.

28 Sec. 26a. From the funds appropriated in section 11, there is
29 allocated an amount not to exceed ~~\$15,000,000.00 for 2017-2018~~



1 **\$13,800,000.00 for 2018-2019** and there is allocated an amount not
 2 to exceed ~~\$15,000,000.00 for 2018-2019~~ **\$15,300,000.00 for 2019-2020**
 3 to reimburse districts and intermediate districts pursuant to
 4 section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL
 5 125.2692, for taxes levied in ~~2017 and 2018~~ **and 2019**, as
 6 applicable. The **department shall pay the** allocations ~~shall be made~~
 7 not later than 60 days after the department of treasury certifies
 8 to the department and to the state budget director that the
 9 department of treasury has received all necessary information to
 10 properly determine the amounts due to each eligible recipient.

11 Sec. 26b. (1) From the appropriation in section 11, there is
 12 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
 13 \$4,405,100.00 for payments to districts, intermediate districts,
 14 and community college districts for the portion of the payment in
 15 lieu of taxes obligation that is attributable to districts,
 16 intermediate districts, and community college districts under
 17 section 2154 of the natural resources and environmental protection
 18 act, 1994 PA 451, MCL 324.2154.

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

23 Sec. 26c. (1) From the appropriation in section 11, there is
 24 allocated an amount not to exceed ~~\$1,600,000.00 for 2017-2018~~
 25 **\$3,400,000.00 for 2018-2019** and there is allocated an amount not to
 26 exceed ~~\$3,000,000.00 for 2018-2019~~ **\$8,400,000.00 for 2019-2020** to
 27 the promise zone fund created in subsection (3). The funds
 28 allocated under this section reflect the amount of revenue from the
 29 collection of the state education tax captured under section ~~17(2)~~



1 17 of the Michigan promise zone authority act, 2008 PA 549, MCL
2 390.1677.

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

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

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

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

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



1 act.

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

5 Sec. 31a. (1) From the state school aid fund money
 6 appropriated in section 11, there is allocated for ~~2018-2019-2019-~~
 7 **2020** an amount not to exceed ~~\$528,207,300.00~~ **\$531,207,300.00** for
 8 payments to eligible districts and eligible public school academies
 9 for the purposes of ensuring that pupils are proficient in English
 10 language arts by the end of grade 3, that pupils are proficient in
 11 mathematics by the end of grade 8, that pupils are attending school
 12 regularly, that high school graduates are career and college ready,
 13 and for the purposes under subsections (7) and (8).

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

21 (3) For a district or public school academy to be eligible to
 22 receive funding under this section, other than funding under
 23 subsection (7) or (8), the district or public school academy, for
 24 grades K to 12, shall comply with the requirements under section
 25 1280f of the revised school code, MCL 380.1280f, and shall use
 26 resources to address early literacy and numeracy, and for at least
 27 grades K to 12 or, if the district or public school academy does
 28 not operate all of grades K to 12, for all of the grades it
 29 operates, must implement a multi-tiered system of supports that is



1 an evidence-based framework that uses data-driven problem solving
 2 to integrate academic and behavioral instruction and that uses
 3 intervention delivered to all pupils in varying intensities based
 4 on pupil needs. The multi-tiered system of supports described in
 5 this subsection must provide at least all of the following
 6 essential components:

7 (a) Team-based leadership.

8 (b) A tiered delivery system.

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

11 (d) A comprehensive screening and assessment system.

12 (e) Continuous data-based decision making.

13 (4) **From the funds allocated under subsection (1), there is**
 14 **allocated for 2019-2020 an amount not to exceed \$508,000,000.00 to**
 15 **continue a weighted foundation per-pupil payment for districts and**
 16 **public school academies enrolling economically disadvantaged**
 17 **pupils.** Except as otherwise provided in this subsection, ~~an~~
 18 ~~eligible district or eligible public school academy shall receive~~
 19 ~~under this section~~ for each membership pupil in the district or
 20 public school academy who is determined to be economically
 21 disadvantaged, as reported to the center in the form and manner
 22 prescribed by the center not later than the fifth Wednesday after
 23 the pupil membership count day of the immediately preceding fiscal
 24 year, **the department shall pay under this section to each eligible**
 25 **district or eligible public school academy** an amount per pupil
 26 equal to 11.5% of the statewide weighted average foundation
 27 allowance. However, **for** a public school academy that began
 28 operations as a public school academy after the pupil membership
 29 count day of the immediately preceding school year, ~~shall receive~~



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

8 (5) Except as otherwise provided in this section, a district
 9 or public school academy receiving funding under this section shall
 10 use that money only to provide instructional programs and direct
 11 noninstructional services, including, but not limited to, medical,
 12 mental health, or counseling services, for at-risk pupils; for
 13 school health clinics; and for the purposes of subsection (6), (7),
 14 or (8). In addition, a district that is a school district of the
 15 first class or a district or public school academy in which at
 16 least 50% of the pupils in membership were determined to be
 17 economically disadvantaged in the immediately preceding state
 18 fiscal year, as determined and reported as described in subsection
 19 (4), may use not more than 20% of the funds it receives under this
 20 section for school security **that aligns to the needs assessment and**
 21 **the multi-tiered system of supports model**. A district or public
 22 school academy shall not use any of that money for administrative
 23 costs. The instruction or direct noninstructional services provided
 24 under this section may be conducted before or after regular school
 25 hours or by adding extra school days to the school year. Funds
 26 spent on school security under this subsection must be counted
 27 toward required spending under subsection (16)(c). **In addition, a**
 28 **district or public school academy shall use funds under this**
 29 **subsection to show progress toward meeting the following goals:**



1 (a) Providing at least 1 tutor per every 100 economically
2 disadvantaged pupils enrolled in the district or public school
3 academy.

4 (b) Providing at least 1 pupil support position, which may
5 include behavior specialists, reading support experts, and
6 counselors, per every 125 economically disadvantaged pupils
7 enrolled in the district or public school academy.

8 (c) Providing at least 1 summer school teaching position per
9 every 120 economically disadvantaged pupils enrolled in the
10 district or public school academy.

11 (d) Expanding professional development opportunities for
12 teachers.

13 (e) Providing additional supports for students on the
14 completion of the free application for federal student financial
15 aid (FAFSA).

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

24 (7) From the funds allocated under subsection (1), there is
25 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
26 \$6,057,300.00 to support primary health care services provided to
27 children and adolescents up to age 21. These funds ~~shall~~ **must** be
28 expended in a form and manner determined jointly by the department
29 and the department of health and human services. If any funds



1 allocated under this subsection are not used for the purposes of
 2 this subsection for the fiscal year in which they are allocated,
 3 those unused funds ~~shall~~**must** be used that fiscal year to avoid or
 4 minimize any proration that would otherwise be required under
 5 subsection (14) for that fiscal year.

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

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



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

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

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



1 learners and effectively meet the needs of most pupils.

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

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

13 (b) Implementing section 1280f of the revised school code, MCL
14 380.1280f, as required under subsection (3), with fidelity.

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

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

24 (15) If a district is dissolved pursuant to section 12 of the
25 revised school code, MCL 380.12, the intermediate district to which
26 the dissolved school district was constituent shall determine the
27 estimated number of pupils that are economically disadvantaged and
28 that are enrolled in each of the other districts within the
29 intermediate district and provide that estimate to the department



1 for the purposes of distributing funds under this section within 60
2 days after the school district is declared dissolved.

3 (16) Beginning in 2019-2020, if a district or public school
4 academy does not demonstrate to the satisfaction of the department
5 that at least 50% of at-risk pupils are proficient in English
6 language arts by the end of grade 3 as measured by the state
7 assessment for the immediately preceding school year, ~~or have~~
8 ~~achieved at least 1 year's growth in English language arts during~~
9 ~~grade 3 as measured by a local benchmark assessment for the~~
10 ~~immediately preceding school year,~~ demonstrate to the satisfaction
11 of the department that at least 50% of at-risk pupils are
12 proficient in mathematics by the end of grade 8 as measured by the
13 state assessment for the immediately preceding school year, ~~or have~~
14 ~~achieved at least 1 year's growth in mathematics during grade 8 as~~
15 ~~measured by a local benchmark assessment for the immediately~~
16 ~~preceding school year,~~ and demonstrate to the satisfaction of the
17 department improvement over each of the 3 immediately preceding
18 school years in the percentage of at-risk pupils that are career-
19 and college-ready as determined by proficiency on the English
20 language arts, mathematics, and science content area assessments on
21 the grade 11 summative assessment under section 1279g(2)(a) of the
22 revised school code, MCL 380.1279g, the district or public school
23 academy shall ensure all of the following:

24 (a) The district or public school academy shall determine the
25 proportion of at-risk pupils in grade 3 that represents the number
26 of at-risk pupils in grade 3 that are not proficient in English
27 language arts by the end of grade 3, ~~or that did not achieve at~~
28 ~~least 1 year's growth in English language arts during grade 3,~~ and
29 the district or public school academy shall expend that same



1 proportion multiplied by 1/3 of its total at-risk funds under this
 2 section on tutoring and other methods of improving grade 3 English
 3 language arts proficiency or growth.

4 (b) The district or public school academy shall determine the
 5 proportion of at-risk pupils in grade 8 that represents the number
 6 of at-risk pupils in grade 8 that are not proficient in mathematics
 7 by the end of grade 8, ~~or that did not achieve at least 1 year's~~
 8 ~~growth in mathematics during grade 8,~~ and the district or public
 9 school academy shall expend that same proportion multiplied by 1/3
 10 of its total at-risk funds under this section on tutoring and other
 11 methods of improving grade 8 mathematics proficiency or growth.

12 (c) The district or public school academy shall determine the
 13 proportion of at-risk pupils in grade 11 that represents the number
 14 of at-risk pupils in grade 11 that are not career- and college-
 15 ready as measured by the student's score on the English language
 16 arts, mathematics, and science content area assessments on the
 17 grade 11 summative assessment under section 1279g(2) (a) of the
 18 revised school code, MCL 380.1279g, and the district or public
 19 school academy shall expend that same proportion multiplied by 1/3
 20 of 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) From the funds allocated under subsection (1), there is
 24 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
 25 ~~\$18,000,000.00~~ **\$12,000,000.00** for payments to districts and public
 26 school academies that otherwise received an allocation under this
 27 ~~section in subsection for~~ 2018-2019 and ~~that whose~~ allocation was
 28 ~~less under this section for 2018-2019, excluding any payments under~~
 29 **subsection (7) or (8), would have been more** than the district's or



1 public school academy's allocation under this section ~~in 2017-2018.~~
2 **for 2019-2020 as calculated under subsection (4) only and as**
3 **adjusted under subsection (14).** The allocation for each district or
4 public school academy under this subsection is an amount equal to
5 its allocation under this section ~~in 2017-2018~~ **for 2018-2019** minus
6 its allocation as otherwise calculated under ~~this section for 2018-~~
7 ~~2019.~~ **subsection (4) for 2019-2020, as adjusted by subsection (14),**
8 **using in those calculations the 2017-2018 number of pupils**
9 **determined to be economically disadvantaged. However, if the**
10 **allocation as otherwise calculated under this subsection would have**
11 **been less than \$0.00, the allocation under this subsection is**
12 **\$0.00.** If necessary, and before any proration required under
13 section 296, the department shall prorate payments under this
14 subsection by reducing the amount of the allocation as otherwise
15 calculated under this subsection by an equal percentage per
16 district or public school academy.

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

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

26 (20) **In addition to the funds allocated under subsection (1),**
27 **from the state school aid fund appropriation under section 11 there**
28 **is allocated for 2019-2020 only an amount not to exceed**
29 **\$35,000,000.00 for 1-time payments to districts and public school**



1 academies for capital improvements in support of programming and
 2 instruction for at-risk pupils. The department shall make payments
 3 under this subsection to districts and public school academies in
 4 the same proportion as the sum of the district's or public school
 5 academy's payments under subsections (4) and (17) represents
 6 compared to the total payments made under subsections (4) and (17).
 7 Capital improvements under this subsection may include any type of
 8 non-ongoing purchase or investment that can be used in support of
 9 programming and instruction for at-risk pupils.

10 (21) ~~(20)~~—As used in this section:

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

14 (i) The pupil is economically disadvantaged.

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

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

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

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

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

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

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

27 (ix) For pupils for whom the results of the state summative
 28 assessment have been received, is a pupil who did not achieve



1 proficiency on the English language arts, mathematics, science, or
2 social studies content area assessment.

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

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

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

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

29 Sec. 31b. (1) From the appropriations in section 11, there is



1 allocated an amount not to exceed \$750,000.00 for ~~2018-2019-2019-~~
2 **2020** for grants to at-risk districts for implementing a balanced
3 calendar instructional program for at least 1 of its schools.

4 (2) The department shall select districts for grants under
5 this section from among applicant districts that meet both of the
6 following:

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

8 (i) Is eligible in ~~2018-2019-2019-2020~~ for the community
9 eligibility option for free and reduced price lunch under 42 USC
10 1759a.

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

16 (b) The board of the district has adopted a resolution stating
17 that the district will implement for the first time a balanced
18 calendar instructional program that will begin in ~~2019-2020-2020-~~
19 **2021** for at least 1 school operated by the district and committing
20 to providing the balanced calendar instructional program in each of
21 those schools for at least 3 school years.

22 (3) A district seeking a grant under this section shall apply
23 to the department in the form and manner prescribed by the
24 department not later than December 1, ~~2018-2019~~. The department
25 shall select districts for grants and make notification not later
26 than February 1, ~~2019-2020~~.

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



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

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

7 (c) Ensuring that grant funding includes both rural and urban
8 districts.

9 (5) The amount of a grant under this section to any 1 district
10 ~~shall~~ **must** not exceed \$750,000.00.

11 (6) A **district shall use a** grant payment under this section to
12 ~~a district shall be used for~~ necessary modifications to
13 instructional facilities and other nonrecurring costs of preparing
14 for the operation of a balanced calendar instructional program as
15 approved by the department.

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

24 (8) For a district receiving a grant under this section,
25 excessive heat is considered to be a condition not within the
26 control of school authorities for the purpose of days or hours
27 being counted as days or hours of pupil instruction under section
28 101(4).

29 (9) Notwithstanding section 17b, **the department shall make**



1 grant payments to districts under this section ~~shall be paid~~ on a
2 schedule determined by the department.

3 Sec. 31d. (1) From the appropriations in section 11, there is
4 allocated ~~an amount not to exceed \$22,802,000.00 for 2017-2018 and~~
5 ~~there is allocated~~ an amount not to exceed \$23,144,000.00 for ~~2018-~~
6 ~~2019-2019-2020~~ for the purpose of making payments to districts and
7 other eligible entities under this section.

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

17 (3) The payments made under this section include all state
18 payments made to districts so that each district receives at least
19 6.0127% of the necessary costs of operating the state mandated
20 portion of the school lunch program in a fiscal year.

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

27 (5) From the federal funds appropriated in section 11, there
28 is allocated for ~~2018-2019-2019-2020~~ all available federal funding,
29 estimated at ~~\$520,000,000.00~~ **\$533,000,000.00** for the national



1 school lunch program and all available federal funding, estimated
 2 at ~~\$3,200,000.00~~ **\$4,200,000.00** for the emergency food assistance
 3 program.

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

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

12 Sec. 31f. (1) From the appropriations in section 11, there is
 13 allocated an amount not to exceed \$4,500,000.00 for ~~2018-2019-2019-~~
 14 **2020** for the purpose of making payments to districts to reimburse
 15 for the cost of providing breakfast.

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

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

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

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



1 ~~the department~~ using costs as reported in a manner approved by the
2 department for the preceding school year.

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

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

10 Sec. 31j. (1) From the general fund money appropriated in
11 section 11, there is allocated an amount not to exceed ~~\$575,000.00~~
12 **\$2,000,000.00** for ~~2018-2019-2019-2020~~ for a ~~pilot project~~ **program**
13 to support districts **and sponsors of child care centers** in the
14 purchase of locally grown fruits and vegetables as described in
15 this section.

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



1 department administers the ~~project~~**program** for a ~~prosperity region,~~
 2 **district or the sponsor of a child care center**, the department may
 3 retain up to 10% of that ~~prosperity region's district's or~~
 4 **sponsor's** funding for administration **or may distribute some or all**
 5 **of that 10% to project partners as appropriate.**

6 (3) The department shall develop and implement a competitive
 7 grant program for districts ~~within the identified prosperity~~
 8 ~~regions~~**and sponsors of child care centers** to assist in paying for
 9 the costs incurred by the district **or the sponsor of the child care**
 10 **center** to purchase or increase purchases of whole or minimally
 11 processed fruits, vegetables, and legumes grown in this state. The
 12 maximum amount that may be drawn down on a grant to a district
 13 ~~shall be~~**or the sponsor of a child care center is** based on the
 14 number of meals served by the ~~school~~-district during the previous
 15 school year under the Richard B. Russell national school lunch act,
 16 42 USC 1751 to 1769j **or meals served by the sponsor of the child**
 17 **care center in the previous school year.** The department shall
 18 collaborate with the Michigan department of agriculture and rural
 19 development to provide training to newly participating schools **and**
 20 **child care centers** and electronic information on Michigan
 21 agriculture.

22 (4) The goals of the ~~pilot project~~**program under this section**
 23 include improving daily nutrition and eating habits for children
 24 through the school **and child care** settings while investing in
 25 Michigan's agricultural and related food business economy.

26 (5) A district **or the sponsor of a child care center** that
 27 receives a grant under this section shall use those funds for the
 28 costs incurred by the ~~school~~-district **or the sponsor** to purchase
 29 whole or minimally processed fruits, vegetables, and legumes that



1 meet all of the following:

2 (a) Are purchased on or after the date the district **or the**
3 **sponsor** received notification from the department of the amount to
4 be distributed to the district **or the sponsor** under this
5 subsection, including purchases made to launch meals in September
6 ~~2018-2019~~ **2019-2020** fiscal year.

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

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

11 (6) For Michigan-grown fruits, vegetables, and legumes that
12 satisfy the requirements of subsection (5), **the department shall**
13 **make** matching reimbursements ~~shall be made~~ in an amount not to
14 exceed 10 cents for every school **or child care** meal that is served
15 as part of the United States Department of Agriculture's child
16 nutrition programs and that uses Michigan-grown fruits, vegetables,
17 and legumes.

18 (7) A district **or the sponsor of a child care center** that
19 receives a grant for reimbursement under this section shall use the
20 grant to purchase whole or minimally processed fruits, vegetables,
21 and legumes that are grown in this state and, if minimally
22 processed, are also processed in this state.

23 (8) In awarding grants under this section, the department
24 shall work in conjunction with ~~prosperity region offices, districts~~
25 **and sponsors of child care centers**, in consultation with Michigan-
26 based farm to school resource organizations, to develop scoring
27 criteria that assess an applicant's ability to procure Michigan-
28 grown products, prepare and menu Michigan-grown products, promote
29 and market Michigan-grown products, and submit letters of intent



1 from districts **or the sponsors of child care centers** on plans for
2 educational activities that promote the goals of the program.

3 (9) The department shall give preference to districts **or**
4 **sponsors of child care centers** that propose educational activities
5 that meet 1 or more of the following: promote healthy food
6 activities; have clear educational objectives; involve parents or
7 the community; connect to a school's **or child care center's** farm-
8 to-school **or farm-to-early-child-care** procurement activities; and
9 market and promote the program, leading to increased pupil
10 knowledge and consumption of Michigan-grown products. ~~Applications~~
11 **The department shall give stronger weighting and consideration to**
12 **applications** with robust marketing and promotional activities.
13 ~~shall receive stronger weighting and consideration.~~

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

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

19 (b) **The** variety of school **or child care center** sizes and
20 geographic locations. ~~within the identified prosperity regions; and~~
21 ~~existing~~

22 (c) **Existing** or future collaboration opportunities between
23 more than 1 district ~~in a prosperity region.~~ **or child care center.**

24 (11) As a condition of receiving a grant under this section, a
25 district **or the sponsor of a child care center** shall provide or
26 direct its vendors to provide to ~~prosperity region offices~~ **the**
27 **department** copies of monthly receipts that show the quantity of
28 different Michigan-grown fruits, vegetables, and legumes purchased,
29 the amount of money spent on each of these products, the name and



1 Michigan location of the farm that grew the products, and the
 2 methods or plans to market and promote the program. The district
 3 ~~shall or the sponsor of a child care center~~ also **shall** provide to
 4 the ~~prosperity region department~~ monthly lunch numbers and lunch
 5 participation rates, and calendars or monthly menus noting when and
 6 how Michigan-grown products were used in meals. The district **or the**
 7 **sponsor of the child care center** and school **or child care center**
 8 food service director or directors also shall agree to respond to
 9 brief online surveys and to provide a report that shows the
 10 percentage relationship of Michigan spending compared to total food
 11 spending. Not later than March 1, ~~2019, 2020~~, each ~~prosperity~~
 12 ~~region office, either on its own or in conjunction with another~~
 13 ~~prosperity region, district or each sponsor of a child care center,~~
 14 shall submit a report to the department on expected outcomes and
 15 related measurements for economic development and children's
 16 nutrition and readiness to learn based on progress so far. The
 17 report ~~shall~~ **must** include at least all of the following:

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

23 (i) The data used to determine the amount of this increase
 24 ~~shall be~~ **are** the total dollar amount of Michigan or local fruits,
 25 vegetables, and legumes purchased by schools **and sponsors of child**
 26 **care centers**, along with the number of different types of products
 27 purchased; school **and child care center** food purchasing trends
 28 identified along with products that are of new and growing interest
 29 among food service directors; the number of businesses impacted;



1 and the percentage of total food budget spent on Michigan-grown
2 fruits, vegetables, and legumes.

3 (ii) The ~~prosperity region office~~ **district or the sponsor of a**
4 **child care center** shall use purchasing data collected for the
5 ~~project~~ **program** and surveys of school **and child care** food service
6 directors on the impact and success of the ~~project~~ **program** as the
7 source for the data described in subparagraph (i).

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

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

18 (ii) The ~~prosperity region office~~ **district or the sponsor of a**
19 **child care center** shall use purchasing data collected for the
20 project, meal count and enrollment numbers, school menu calendars,
21 and surveys of school **and child care** food service directors as the
22 source for the data described in subparagraph (i).

23 (12) The department shall compile the reports provided by
24 ~~prosperity region offices~~ **districts and sponsors of child care**
25 **centers** under subsection (11) into 1 legislative report. The
26 department shall provide this report not later than April 1, 2019
27 **2020** to the house and senate subcommittees responsible for school
28 aid, the house and senate fiscal agencies, and the state budget
29 director.



1 **(13) Notwithstanding section 17b, the department shall make**
 2 **payments under this section on a schedule determined by the**
 3 **department.**

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

16 (2) ~~Not later than February 15, 2019, the~~ **The** department and
 17 the department of health and human services shall ~~create~~ **maintain**
 18 an advisory council ~~and~~ **for programs funded under this section. The**
 19 **advisory council shall** define goals for implementation of programs
 20 funded under this section, and shall provide feedback on that
 21 implementation. At a minimum, the advisory council shall ~~include~~
 22 **consist of** representatives of state associations representing
 23 school health, school mental health, school counseling, education,
 24 health care, and other organizations, representatives from the
 25 department and the department of health and human services, and a
 26 representative from the school safety task force created under
 27 Executive Order No. 2018-5. The department and department of health
 28 and human services, working with the advisory council, shall
 29 determine an approach to increase capacity for mental health and



1 support services in schools for general education pupils, and shall
 2 determine where that increase in capacity qualifies for federal
 3 Medicaid match funding.

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

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

26 (5) From the funds allocated under subsection (1), there is
 27 allocated **for 2019-2020** an amount not to exceed \$5,000,000.00 to be
 28 distributed to the existing network of child and adolescent health
 29 centers to place a licensed master's level behavioral health



1 provider in schools that do not currently have services available
 2 to general education students. Existing child and adolescent health
 3 centers receiving funding under this subsection shall provide a
 4 commitment to maintain services and implement all available federal
 5 Medicaid match methodologies. The department of health and human
 6 services shall use all existing or additional federal Medicaid
 7 match opportunities to maximize funding allocated under this
 8 subsection. ~~Funds~~ **The department shall provide funds** under this
 9 subsection ~~shall be provided~~ to existing child and adolescent
 10 health centers in the same proportion that funding under section
 11 31a(7) is provided to child and adolescent health centers located
 12 and operating in those districts.

13 (6) From the funds allocated under subsection (1), there is
 14 allocated **for 2019-2020** an amount not to exceed ~~\$16,500,000.00~~
 15 **\$24,500,000.00** to be distributed to intermediate districts for the
 16 provision of mental health and support services to general
 17 education students. From the funds allocated under this subsection,
 18 the department shall distribute ~~\$294,500.00~~ **\$437,500.00** to each
 19 intermediate district that submits a plan approved by the
 20 department and the department of health and human services. The
 21 department and department of health and human services shall work
 22 cooperatively in providing oversight and assistance to intermediate
 23 districts during the plan submission process and shall monitor the
 24 program upon implementation. An intermediate district shall use
 25 funds awarded under this subsection to provide funding to its
 26 constituent districts, including public school academies that are
 27 considered to be constituent districts under section 705(7) of the
 28 revised school code, MCL 380.705, for the provision of mental
 29 health and support services to general education students. In



1 addition to the criteria identified under subsection (7), an
2 intermediate district shall consider geography, cost, or other
3 challenges when awarding funding to its constituent districts. If
4 funding awarded to an intermediate district remains after funds are
5 provided by the intermediate district to its constituent districts,
6 the intermediate district may hire or contract for experts to
7 provide mental health and support services to general education
8 students residing within the boundaries of the intermediate
9 district.

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

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

24 (b) The district's commitment to implement all federal
25 Medicaid match methodologies and provide a local match of at least
26 20%.

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



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

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

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

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

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

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

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

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

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

23 (9) Both of the following are allocated for ~~2018-2019-2019-~~
24 **2020** to the department of health and human services from the
25 general fund money allocated under subsection (1):

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



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

5 (10) From the funds allocated under subsection (1), there is
6 allocated for ~~2018-2019-2019-2020~~ an amount not to exceed
7 \$500,000.00 to intermediate districts on an equal per intermediate
8 district basis for the purpose of administering programs funded
9 under this section.

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

29 ~~(12) From the funds allocated in subsection (1), there is~~



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

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

21 ~~(a) A detailed plan on how the intermediate district will work~~
 22 ~~with constituent districts to identify a behavioral health~~
 23 ~~assessment team within each school to be trained under this pilot.~~
 24 ~~The plan shall demonstrate that a behavioral health assessment team~~
 25 ~~must consist of, but is not limited to, all of the following~~
 26 ~~individuals:~~

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

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



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

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

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

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

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

11 ~~(14) The funds allocated under this section for 2018-2019 are~~
 12 ~~a work project appropriation, and any unexpended funds for 2018-~~
 13 ~~2019 are carried forward into 2019-2020. The purpose of the work~~
 14 ~~project is to continue to provide funding for the expansion of~~
 15 ~~mental health and support services for general education students.~~
 16 ~~The estimated completion date of the work project is September 30,~~
 17 ~~2022.~~

18 Sec. 32d. (1) From the funds appropriated in section 11, there
 19 is allocated to eligible intermediate districts and consortia of
 20 intermediate districts for great start readiness programs an amount
 21 not to exceed ~~\$244,600,000.00~~ **\$249,600,000.00** for ~~2018-2019.~~ Funds
 22 **2019-2020. An intermediate district or consortium shall use funds**
 23 allocated under this section for great start readiness programs
 24 shall be used to provide part-day, school-day, or GSRP/Head Start
 25 blended comprehensive free compensatory classroom programs designed
 26 to improve the readiness and subsequent achievement of
 27 educationally disadvantaged children who meet the participant
 28 eligibility and prioritization guidelines as defined by the
 29 department. For a child to be eligible to participate in a program



1 under this section, the child ~~shall~~**must** be at least 4, but less
 2 than 5, years of age as of September 1 of the school year in which
 3 the program is offered and ~~shall~~**must** meet those eligibility and
 4 prioritization guidelines. A child who is not 4 years of age as of
 5 September 1, but who will be 4 years of age not later than December
 6 1, is eligible to participate if the child's parent or legal
 7 guardian seeks a waiver from the September 1 eligibility date by
 8 submitting a request for enrollment in a program to the responsible
 9 intermediate district, if the program has capacity on or after
 10 September 1 of the school year, and if the child meets eligibility
 11 and prioritization guidelines.

12 (2) From the funds allocated under subsection (1), an amount
 13 not to exceed ~~\$242,600,000.00~~**\$247,600,000.00** is allocated to
 14 intermediate districts or consortia of intermediate districts based
 15 on the formula in section 39. An intermediate district or
 16 consortium of intermediate districts receiving funding under this
 17 section shall act as the fiduciary for the great start readiness
 18 programs. In order to be eligible to receive funds allocated under
 19 this subsection from an intermediate district or consortium of
 20 intermediate districts, a district, a consortium of districts, or a
 21 public or private for-profit or nonprofit legal entity or agency
 22 shall comply with this section and section 39.

23 (3) In addition to the allocation under subsection (1), from
 24 the general fund money appropriated under section 11, there is
 25 allocated an amount not to exceed \$300,000.00 for ~~2018-2019~~**2019-**
 26 **2020** for a competitive grant to continue a longitudinal evaluation
 27 of children who have participated in great start readiness
 28 programs. **This evaluation must include a scientific analysis of the**
 29 **relationship between the early childhood programs and performance**



1 on the kindergarten readiness assessment funded under section 104.
2 The evaluation must include a control group and a determination of
3 the specific GSRP program in which the kindergarten students were
4 enrolled and attended in the previous school year and must analyze
5 Michigan kindergarten entry observation tool scores for students
6 taking the Michigan kindergarten entry observation tool in the
7 pilot year, year 1, and all years going forward.

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

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

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

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

23 (d) Physical and dental health and developmental screening
24 services for all program participants.

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

28 (f) Active and continuous involvement of the parents or
29 guardians of the program participants.



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

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

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

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

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

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

23 (b) Except as otherwise provided in this subdivision, ensure
 24 that at least 90% of the children participating in an eligible
 25 great start readiness program for whom the intermediate district is
 26 receiving funds under this section are children who live with
 27 families with a household income that is equal to or less than 250%
 28 of the federal poverty ~~level.~~**guidelines.** If the intermediate
 29 district determines that all eligible children are being served and



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

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

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



1 date of employment. Progress toward completion of the compliance
 2 plan ~~shall consist~~ **consists** of at least 2 courses per calendar
 3 year.

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

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



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

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

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

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

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

27 (11) Each grant recipient shall enroll children identified
28 under subsection (5)(b) according to how far the child's household
29 income is below 250% of the federal poverty ~~level~~**guidelines** by



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

24 (12) An intermediate district or consortium of intermediate
 25 districts receiving a grant under this section shall allow parents
 26 of eligible children who are residents of the intermediate district
 27 or within the consortium to choose a program operated by or
 28 contracted with another intermediate district or consortium of
 29 intermediate districts and shall enter into a written agreement



1 regarding payment, in a manner prescribed by the department.

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



1 intermediate district or consortium shall submit evidence
2 satisfactory to the department, and the department must be able to
3 verify this evidence, demonstrating that the intermediate district
4 or consortium took measures to contract for at least 30% of its
5 total allocation as required under this subsection, including, but
6 not limited to, at least all of the following measures:

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

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

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

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



1 and 30% of its total allocation.

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

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

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

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

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



1 or university, Head Start grantee or delegate, and district or
2 intermediate district.

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

13 (17) As used in this section:

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

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

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

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



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

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



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

9 (a) The names of families provided with transportation support
10 along with a documented reason for the need for transportation
11 support and the type of transportation provided.

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

15 (c) Any other documentation or information determined
16 necessary by the department.

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

24 (22) An intermediate district that is a GSRP grantee may
25 approve the use of a supplemental curriculum that aligns with and
26 enhances the age-appropriate educational curriculum in the
27 classroom. If the department objects to the use of a supplemental
28 curriculum approved by an intermediate district, the superintendent
29 ~~of public instruction~~ shall establish a review committee



1 independent of the department. The review committee shall meet
 2 within 60 days of the department registering its objection in
 3 writing and provide a final determination on the validity of the
 4 objection within 60 days of the review committee's first meeting.

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

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

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

18 Sec. 32p. (1) From the appropriation in section 11, there is
 19 allocated an amount not to exceed \$13,400,000.00 to intermediate
 20 districts for ~~2018-2019~~ **2019-2020** for the purpose of providing
 21 early childhood funding to intermediate school districts to support
 22 the activities under subsection (2) and subsection (4), and to
 23 provide early childhood programs for children from birth through
 24 age 8. The funding provided to each intermediate district under
 25 this section ~~shall be~~ **is** determined by the distribution formula
 26 established by the department's office of great start to provide
 27 equitable funding statewide. In order to receive funding under this
 28 section, each intermediate district shall provide an application to
 29 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~~ **is** 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.

28 (4) From the funds allocated in subsection (1), at least
29 \$2,500,000.00 ~~shall~~ **must** be used for the purpose of providing home



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

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



1 ~~at grade level, and any change in the number of pupils receiving~~
 2 ~~special education services. **Positive parenting practices were**~~
 3 ~~**improved, there was improved family economic self-sufficiency, and**~~
 4 ~~**community resources and referrals were utilized.**~~ The department
 5 shall compile and summarize these reports and submit its summary to
 6 the house and senate appropriations subcommittees on school aid and
 7 to the house and senate fiscal agencies not later than February 15
 8 of each year.

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

17 Sec. 35a. (1) From the appropriations in section 11, there is
 18 allocated for ~~2018-2019-2019-2020~~ for the purposes of this section
 19 an amount not to exceed ~~\$27,900,000.00~~ **\$41,900,000.00** from the
 20 state school aid fund and an amount not to exceed \$3,500,000.00
 21 from the general fund. The superintendent shall designate staff or
 22 contracted employees funded under this section as critical
 23 shortage. Programs funded under this section are intended to ensure
 24 that this state will be ~~in the top 10 most improved states in grade~~
 25 ~~4 reading proficiency by the 2019 National Assessment of~~
 26 ~~Educational Progress (NAEP) and will be in the a top 10 states~~
 27 ~~overall-state~~ in grade 4 reading proficiency by 2025 **according to**
 28 **the National Assessment of Educational Progress (NAEP).**

29 (2) A district that receives funds under subsection (5) may



1 spend up to 5% of those funds for professional development for
 2 educators in a department-approved research-based training program
 3 related to current state literacy standards for pupils in grades K
 4 to 3. The professional development ~~shall~~**must** also include training
 5 in the use of screening and diagnostic tools, progress monitoring,
 6 and intervention methods used to address barriers to learning and
 7 delays in learning that are diagnosed through the use of these
 8 tools.

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

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

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

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

27 (d) Comprehension - making meaning of text.

28 (4) From the allocations under subsection (1), there is
 29 allocated an amount not to exceed ~~\$7,000,000.00~~**\$21,000,000.00** for



1 ~~2018-2019-2019-2020~~ for the purpose of providing early literacy
 2 coaches at intermediate districts to assist teachers in developing
 3 and implementing instructional strategies for pupils in grades K to
 4 3 so that pupils are reading at grade level by the end of grade 3.

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

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

10 (i) Current state literacy standards for pupils in grades K to
 11 3.

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

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

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

27 (i) ~~Each~~**The department shall award each** intermediate district
 28 ~~shall be awarded~~ grant funding to support the cost of 1 early
 29 literacy coach in an equal amount per early literacy coach, not to



1 exceed \$75,000.00.

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

15 (5) From the allocations under subsection (1), there is
16 allocated an amount not to exceed \$19,900,000.00 for ~~2018-2019~~
17 **2019-2020** to districts that provide additional instructional time
18 to those pupils in grades K to 3 who have been identified by using
19 department-approved screening and diagnostic tools as needing
20 additional supports and interventions in order to be reading at
21 grade level by the end of grade 3. Additional instructional time
22 may be provided before, during, and after regular school hours or
23 as part of a year-round balanced school calendar. All of the
24 following apply to funding under this subsection:

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

28 (i) Implemented a multi-tiered system of support instructional
29 delivery model that is an evidence-based model that uses data-



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

6 (A) Team-based leadership.

7 (B) A tiered delivery system.

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

10 (D) A comprehensive screening and assessment system.

11 (E) Continuous data-based decision making.

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

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

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

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

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

27 (c) If the funds allocated under this subsection are
 28 insufficient to fully fund the payments under this subsection,
 29 payments under this subsection ~~shall be~~ **are** prorated on an equal



1 per-pupil basis based on grade 1 pupils.

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

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

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

13 (i) School.

14 (ii) Grade level.

15 (iii) Gender.

16 (iv) Race.

17 (v) Ethnicity.

18 (vi) Economically disadvantaged status.

19 (vii) Disability.

20 (viii) Pupils identified as having reading deficiencies.

21 (7) From the general fund money allocated in subsection (1),
22 the department shall allocate the amount of \$3,000,000.00 for ~~2018-~~
23 ~~2019-~~**2019-2020** to the Michigan Education Corps for the PreK Reading
24 Corps, the K3 Reading Corps, and the Math Corps. All of the
25 following apply to funding under this subsection:

26 (a) By September 1 of the current fiscal year, the Michigan
27 Education Corps shall provide a report concerning its use of the
28 funding to the senate and house appropriations subcommittees on
29 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 PreK Reading Corps, K3 Reading Corps,
5 and Math Corps programs is demonstrating sufficient efficacy and
6 impact. The report must include data pertaining to at least all of
7 the following:

8 (i) The current impact of the programs on this state in terms
9 of numbers of children and schools receiving support. This portion
10 of the report ~~shall~~**must** specify the number of children tutored,
11 including dosage and completion, and the demographics of those
12 children.

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

17 (iii) Whether the literacy or math improvement of children
18 participating in the programs is consistent with expectations. This
19 portion of the report ~~shall~~**must** detail at least all of the
20 following:

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

23 (B) Average linear growth rates.

24 (C) Exit rates.

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

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



1 (b) If the department determines that the Michigan Education
2 Corps has misused the funds allocated under this subsection, the
3 Michigan Education Corps shall reimburse this state for the amount
4 of state funding misused.

5 (c) The department may not reserve any portion of the
6 allocation provided under this subsection for an evaluation of the
7 Michigan Education Corps, the Michigan Education Corps' funding, or
8 the Michigan Education Corps' programming unless agreed to in
9 writing by the Michigan Education Corps. The department shall award
10 the entire \$3,000,000.00 allocated under this subsection to the
11 Michigan Education Corps and shall not condition the awarding of
12 this funding on the implementation of an independent evaluation.

13 (8) From the general fund money allocated under subsection
14 (1), there is allocated an amount not to exceed \$500,000.00 for
15 ~~2018-2019~~ **2019-2020 only** for a grant to an eligible program that
16 has a goal to slow or prevent the K to 4 summer reading slide among
17 all pupils enrolled in grades K to 4, particularly those from
18 economically disadvantaged households. Funds allocated under this
19 subsection are grant funds and must be distributed by the
20 department. A program is eligible if it meets at least all of the
21 following:

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

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

29 ~~(c) Incorporates at least weekly interactive parental and~~



1 ~~family engagement during the summer.~~

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

4 **(c) Incorporates at least weekly interactive multilingual**
 5 **parental and family engagement during the summer using the parent's**
 6 **or guardian's choice of mode and means of contact including at**
 7 **least text, voice, push app, and electronic mail, and provides**
 8 **parents and guardians with the ability to reach a bilingual support**
 9 **line or chat on any day during the summer.**

10 **(d) Builds on pedagogical and literacy principles to scaffold**
 11 **fluency to improve reading comprehension using pupil exercises and**
 12 **games specific to each title and designed to be done with a parent**
 13 **or guardian, provides a parent training program guide to all**
 14 **schools, and provides parents and guardians with access to the app**
 15 **to view exercises in 100+ languages at no charge.**

16 **(e) Provides at least 4, and up to 9, student-selected new**
 17 **books to read and keep at no cost to the student.**

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

20 ~~(g) Follows the department's top 10 in 10 goals and~~
 21 ~~strategies, with an emphasis on goals 4 and 5.~~ **Does not require**
 22 **school staff to perform additional keying or entering of student**
 23 **data.**

24 **(h) Focuses on in-home program delivery through weekly**
 25 **mailings.**

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

28 **(j) Offers the program to districts and public school**
 29 **academies.**



1 (k) Does not require students to have internet access to
2 participate in the program.

3 (l) Assures school building staff are offered training and
4 professional development on means and methods to engage children
5 and parents and guardians to mitigate the summer reading slide.

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

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

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

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

21 (iii) **Adult literacy essentials training, including the creation**
22 **of a research-based document that outlines processes and practices**
23 **designed to increase this state's capacity to improve adult**
24 **literacy and the creation of professional development to implement**
25 **these processes and practices.**

26 (iv) In collaboration with the department of talent and
27 economic development, improved processes that connect state
28 residents to adult literacy opportunities, including the creation
29 of a state-sponsored toll-free number to direct residents to adult



1 literacy education opportunities and the creation of an easy-to-
2 navigate adult education resource website, with language written at
3 a grade 3 reading level, connecting residents to the toll-free
4 number and to adult literacy education programs across this state.

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

14 (c) The intermediate district described in this subsection, in
15 partnership with an association that represents intermediate
16 district administrators in this state, shall use not more than
17 \$300,000.00 of the funding allocated in subsection (9) for the
18 purpose of providing literacy training, modeling, coaching, and
19 feedback for district and public school academy principals. The
20 training must use the pre-K and K-3 essential instructional
21 practices in literacy created by the General Education Leadership
22 Network as the framework for all training. Training must be
23 provided in 5 regions in the state to provide easy access for all
24 principals. In addition, training must be competency-based and must
25 lead to both credit toward required continuing education hours and
26 a micro-credential in literacy instruction.

27 (10) If a district or intermediate district expends any
28 funding received under subsection (4) or (5) for professional
29 development in research-based effective reading instruction, the



1 district or intermediate district shall select a professional
 2 development program from the list described under subdivision (a).
 3 All of the following apply to the requirement under this
 4 subsection:

5 (a) The department shall issue a request for proposals for
 6 professional development programs in research-based effective
 7 reading instruction to develop an initial approved list of
 8 professional development programs in research-based effective
 9 reading instruction. The department shall complete and make the
 10 initial approved list public not later than December 1, 2019. After
 11 December 1, 2019, the department shall determine if it will, on a
 12 rolling basis, approve any new proposals submitted for addition to
 13 its initial approved list.

14 (b) To be included as an approved professional development
 15 program in research-based effective reading instruction under
 16 subdivision (a), an applicant must demonstrate to the department in
 17 writing the program's competency in all of the following topics:

18 (i) Understanding of phonemic awareness, phonics, fluency,
 19 vocabulary, and comprehension.

20 (ii) Appropriate use of assessments and differentiated
 21 instruction.

22 (iii) Selection of appropriate instructional materials.

23 (iv) Application of research-based instructional practices.

24 (c) As used in this subsection, "effective reading
 25 instruction" means reading instruction scientifically proven to
 26 result in improvement in pupil reading skills.

27 (11) ~~(10)~~ Notwithstanding section 17b, the department shall
 28 make payments made under subsection ~~(9)~~ shall be made not later
 29 than ~~March 1, 2019~~. subsections (7), (8), and (9) on a schedule



1 **determined by the department.**

2 Sec. 39. (1) An eligible applicant receiving funds under
3 section 32d shall submit an application, in a form and manner
4 prescribed by the department, by a date specified by the department
5 in the immediately preceding state fiscal year. ~~The application~~
6 ~~shall not require an~~ **An eligible applicant is not required** to amend
7 the applicant's current accounting cycle or adopt this state's
8 fiscal year accounting cycle in accounting for financial
9 transactions under this section. The application ~~shall~~ **must** include
10 all of the following:

11 (a) For ~~2018-2019 calculations, the~~ **The** estimated total number
12 of children in the community who meet the criteria of section 32d,
13 as provided to the applicant by the department utilizing the most
14 recent population data available from the American Community Survey
15 conducted by the United States Census Bureau. ~~Beginning in 2018-~~
16 ~~2019, the~~ **The** department shall ensure that it provides updated
17 American Community Survey population data at least once every 3
18 years.

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

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

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



1 established by the department pursuant to section 32d.

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

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

9 (b) The sum of the number of children the applicant has the
10 capacity to serve in ~~2018-2019~~ **the current school year** in a school-
11 day program multiplied by \$7,250.00 and the number of children
12 served in a GSRP/Head Start blended program or a part-day program
13 the applicant has the capacity to serve in ~~2018-2019~~ **the current**
14 **school year** multiplied by \$3,625.00.

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



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

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

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

29 (8) As used in this section, "school-day program", "GSRP/Head



1 Start blended program", and "part-day program" mean those terms as
2 defined in section 32d.

3 Sec. 39a. (1) From the federal funds appropriated in section
4 11, there is allocated for ~~2018-2019-2019-2020~~ to districts,
5 intermediate districts, and other eligible entities all available
6 federal funding, estimated at ~~\$730,600,000.00~~ **\$725,600,000.00** for
7 the federal programs under the no child left behind act of 2001,
8 Public Law 107-110, or the every student succeeds act, Public Law
9 114-95. These funds are allocated as follows:

10 (a) An amount estimated at \$1,200,000.00 for ~~2018-2019-2019-~~
11 **2020** to provide students with drug- and violence-prevention
12 programs and to implement strategies to improve school safety,
13 funded from DED-OESE, drug-free schools and communities funds.

14 (b) An amount estimated at \$100,000,000.00 for ~~2018-2019-2019-~~
15 **2020** for the purpose of preparing, training, and recruiting high-
16 quality teachers and class size reduction, funded from DED-OESE,
17 improving teacher quality funds.

18 (c) An amount estimated at \$11,000,000.00 for ~~2018-2019-2019-~~
19 **2020** for programs to teach English to limited English proficient
20 (LEP) children, funded from DED-OESE, language acquisition state
21 grant funds.

22 (d) An amount estimated at \$2,800,000.00 for ~~2018-2019-2019-~~
23 **2020** for rural and low income schools, funded from DED-OESE, rural
24 and low income school funds.

25 (e) An amount estimated at \$535,000,000.00 for ~~2018-2019-2019-~~
26 **2020** to provide supplemental programs to enable educationally
27 disadvantaged children to meet challenging academic standards,
28 funded from DED-OESE, title I, disadvantaged children funds.

29 (f) An amount estimated at \$9,200,000.00 for ~~2018-2019-2019-~~



1 **2020** for the purpose of identifying and serving migrant children,
 2 funded from DED-OESE, title I, migrant education funds.

3 (g) An amount estimated at \$39,000,000.00 for ~~2018-2019-2019-~~
 4 **2020** for the purpose of providing high-quality extended learning
 5 opportunities, after school and during the summer, for children in
 6 low-performing schools, funded from DED-OESE, twenty-first century
 7 community learning center funds.

8 (h) An amount estimated at \$12,000,000.00 for ~~2018-2019-2019-~~
 9 **2020** to help support local school improvement efforts, funded from
 10 DED-OESE, title I, local school improvement grants.

11 (i) An amount estimated at \$15,400,000.00 for ~~2018-2019-2019-~~
 12 **2020** to improve the academic achievement of students, funded from
 13 DED-OESE, title IV, student support and academic enrichment grants.

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

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

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



1 (b) An amount estimated at \$1,900,000.00 for ~~2018-2019-2019-~~
 2 **2020** to provide services to homeless children and youth, funded
 3 from DED-OVAE, homeless children and youth funds.

4 (c) An amount estimated at \$4,000,000.00 for ~~2018-2019-2019-~~
 5 **2020** to provide mental health, substance abuse, or violence
 6 prevention services to students, funded from HHS-SAMHSA.

7 (d) An amount estimated at \$24,000,000.00 for ~~2018-2019-2019-~~
 8 **2020** for providing career and technical education services to
 9 pupils, funded from DED-OVAE, basic grants to states.

10 (e) An amount estimated at \$14,000,000.00 for ~~2018-2019-2019-~~
 11 **2020** for the Michigan charter school subgrant program, funded from
 12 DED-OII, public charter schools program funds.

13 (f) An amount estimated at ~~\$7,200,000.00 for 2018-2019~~
 14 **\$5,100,000.00 for 2019-2020** for the purpose of promoting and
 15 expanding high-quality preschool services, funded from HHS-OCC,
 16 preschool development funds.

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

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



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

9 (6) As used in this section:

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

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

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

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

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

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

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

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



1 for services for English language learners who have been
2 administered the WIDA ACCESS for English language learners.

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

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

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

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

22 (4) Each district or public school academy receiving funds
23 under this section shall submit to the department by July 15 of
24 each fiscal year a report, not to exceed 10 pages, on the usage by
25 the district or public school academy of funds under this section,
26 in a form and manner determined by the department, ~~which shall~~
27 ~~include~~ **including** a brief description of each program conducted or
28 services performed by the district or public school academy using
29 funds under this section and the amount of funds under this section



1 allocated to each of those programs or services. If a district or
 2 public school academy does not comply with this section, the
 3 department shall withhold an amount equal to the August payment due
 4 under this section until the district or public school academy
 5 complies with this subsection. If the district or public school
 6 academy does not comply with this section by the end of the state
 7 fiscal year, the withheld funds ~~shall be~~ **are** forfeited to the
 8 school aid fund.

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

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

20 Sec. 51a. (1) From the appropriation in section 11, there is
 21 allocated an amount not to exceed ~~\$960,446,100.00 for 2017-2018~~
 22 **\$1,009,296,100.00 for 2018-2019** and there is allocated an amount
 23 not to exceed ~~\$983,196,100.00 for 2018-2019~~ **\$1,045,996,100.00 for**
 24 **2019-2020** from state sources and all available federal funding
 25 under sections 611 to 619 of part B of the individuals with
 26 disabilities education act, 20 USC 1411 to 1419, estimated at
 27 \$370,000,000.00 each fiscal year for ~~2017-2018~~ **2018-2019** and for
 28 ~~2018-2019,~~ **2019-2020**, plus any carryover federal funds from
 29 previous year appropriations. In addition, from the general fund



1 appropriation in section 11, there is allocated to the department
 2 an amount not to exceed \$500,000.00 for each fiscal year for ~~2017-~~
 3 ~~2018-2018-2019~~ and for ~~2018-2019-2019-2020~~ for the purpose of
 4 subsection (16). The allocations under this subsection are for the
 5 purpose of reimbursing districts and intermediate districts for
 6 special education programs, services, and special education
 7 personnel as prescribed in article 3 of the revised school code,
 8 MCL 380.1701 to 380.1761; net tuition payments made by intermediate
 9 districts to the Michigan Schools for the Deaf and Blind; and
 10 special education programs and services for pupils who are eligible
 11 for special education programs and services according to statute or
 12 rule. For meeting the costs of special education programs and
 13 services not reimbursed under this article, a district or
 14 intermediate district may use money in general funds or special
 15 education funds, not otherwise restricted, or contributions from
 16 districts to intermediate districts, tuition payments, gifts and
 17 contributions from individuals or other entities, or federal funds
 18 that may be available for this purpose, as determined by the
 19 intermediate district plan prepared ~~pursuant to~~ **under** article 3 of
 20 the revised school code, MCL 380.1701 to 380.1761. Notwithstanding
 21 section 17b, **the department shall make** payments of federal funds to
 22 districts, intermediate districts, and other eligible entities
 23 under this section ~~shall be paid on~~ a schedule determined by the
 24 department.

25 (2) From the funds allocated under subsection (1), there is
 26 allocated the amount necessary, ~~and estimated at \$266,900,000.00~~
 27 ~~for 2017-2018~~ **\$286,800,000.00 for 2018-2019** and estimated at
 28 ~~\$273,100,000.00 for 2018-2019,~~ **\$297,800,000.00 for 2019-2020**, for
 29 payments toward reimbursing districts and intermediate districts



1 for 28.6138% of total approved costs of special education,
 2 excluding costs reimbursed under section 53a, and 70.4165% of total
 3 approved costs of special education transportation. Allocations
 4 under this subsection ~~shall be~~ **are** made as follows:

5 (a) The **department shall calculate the** initial amount
 6 allocated to a district under this subsection toward fulfilling the
 7 specified percentages ~~shall be calculated by~~ multiplying the
 8 district's special education pupil membership, excluding pupils
 9 described in subsection (11), times the foundation allowance under
 10 section 20 of the pupil's district of residence, ~~plus the amount of~~
 11 ~~the district's per-pupil allocation under section 20m,~~ not to
 12 exceed the basic foundation allowance under section 20 for the
 13 ~~current 2018-2019~~ fiscal year **and beginning with 2019-2020 not to**
 14 **exceed the target foundation allowance for the current fiscal year,**
 15 or, for a special education pupil in membership in a district that
 16 is a public school academy, times an amount equal to the amount per
 17 membership pupil calculated under section 20(6). For an
 18 intermediate district, the amount allocated under this subdivision
 19 toward fulfilling the specified percentages ~~shall be~~ **is** an amount
 20 per special education membership pupil, excluding pupils described
 21 in subsection (11), and ~~shall be~~ **is** calculated in the same manner
 22 as for a district, using the foundation allowance under section 20
 23 of the pupil's district of residence, not to exceed the basic
 24 foundation allowance under section 20 for the ~~current 2018-2019~~
 25 fiscal year, ~~and that district's per-pupil allocation under~~
 26 ~~section 20m,~~ **and beginning with 2019-2020 not to exceed the target**
 27 **foundation allowance for the current fiscal year.**

28 (b) After the allocations under subdivision (a), ~~districts and~~
 29 ~~intermediate districts~~ **the department shall pay a district or**



1 **intermediate district** for which the payments calculated under
 2 subdivision (a) do not fulfill the specified percentages ~~shall be~~
 3 ~~paid~~ the amount necessary to achieve the specified percentages for
 4 the district or intermediate district.

5 (3) From the funds allocated under subsection (1), there is
 6 allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
 7 ~~\$1,300,000.00-\$1,200,000.00~~ and there is allocated **for 2019-2020** an
 8 amount not to exceed ~~\$1,300,000.00 for 2018-2019-\$1,000,000.00~~ to
 9 make payments to districts and intermediate districts under this
 10 subsection. If the amount allocated to a district or intermediate
 11 district for a fiscal year under subsection (2)(b) is less than the
 12 sum of the amounts allocated to the district or intermediate
 13 district for 1996-97 under sections 52 and 58, there is allocated
 14 to the district or intermediate district for the fiscal year an
 15 amount equal to that difference, adjusted by applying the same
 16 proration factor that was used in the distribution of funds under
 17 section 52 in 1996-97 as adjusted to the district's or intermediate
 18 district's necessary costs of special education used in
 19 calculations for the fiscal year. This adjustment is to reflect
 20 reductions in special education program operations or services
 21 between 1996-97 and subsequent fiscal years. ~~Adjustments—The~~
 22 **department shall make adjustments** for reductions in special
 23 education program operations or services ~~shall be made~~
 24 in a manner determined by the department and shall include
 25 adjustments for program or service shifts.

26 (4) If the department determines that the sum of the amounts
 27 allocated for a fiscal year to a district or intermediate district
 28 under subsection (2)(a) and (b) is not sufficient to fulfill the
 29 specified percentages in subsection (2), then the **department shall**



1 **pay the** shortfall ~~shall be paid~~ to the district or intermediate
 2 district during the fiscal year beginning on the October 1
 3 following the determination and **shall adjust** payments under
 4 subsection (3) ~~shall be adjusted~~ as necessary. If the department
 5 determines that the sum of the amounts allocated for a fiscal year
 6 to a district or intermediate district under subsection (2) (a) and
 7 (b) exceeds the sum of the amount necessary to fulfill the
 8 specified percentages in subsection (2), then the department shall
 9 deduct the amount of the excess from the district's or intermediate
 10 district's payments under this article for the fiscal year
 11 beginning on the October 1 following the determination and **shall**
 12 **adjust** payments under subsection (3) ~~shall be adjusted~~ as
 13 necessary. However, if the amount allocated under subsection (2) (a)
 14 in itself exceeds the amount necessary to fulfill the specified
 15 percentages in subsection (2), there ~~shall be~~ **is** no deduction under
 16 this subsection.

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

26 (6) From the amount allocated in subsection (1), there is
 27 allocated an amount not to exceed \$2,200,000.00 each fiscal year
 28 for ~~2017-2018 and for 2018-2019~~ **and for 2019-2020** to reimburse 100%
 29 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~~**The department shall determine net** increase in necessary
 8 costs ~~shall be determined~~ in a 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~~**are**
 12 determined in a manner specified by the department and may include
 13 indirect costs, but ~~shall~~**must** not exceed 115% of approved direct
 14 costs for section 52 and section 53a programs. The total approved
 15 costs include salary and other compensation for all approved
 16 special education personnel for the program, including payments for
 17 ~~social security~~**Social Security** and Medicare and public school
 18 employee retirement system contributions. The total approved costs
 19 do not include salaries or other compensation paid to
 20 administrative personnel who are not special education personnel as
 21 defined in section 6 of the revised school code, MCL 380.6. Costs
 22 reimbursed by federal funds, other than those federal funds
 23 included in the allocation made under this article, are not
 24 included. Special education approved personnel not utilized full
 25 time in the evaluation of students or in the delivery of special
 26 education programs, ancillary, and other related services ~~shall be~~
 27 **are** reimbursed under this section only for that portion of time
 28 actually spent providing these programs and services, with the
 29 exception of special education programs and services provided to



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

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

18 (c) If the department determines before bookclosing for a
 19 fiscal year that the amounts allocated for that fiscal year under
 20 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
 21 will exceed expenditures for that fiscal year under subsections
 22 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a
 23 district or intermediate district whose reimbursement for that
 24 fiscal year would otherwise be affected by subdivision (b),
 25 subdivision (b) does not apply to the calculation of the
 26 reimbursement for that district or intermediate district and **the**
 27 **department shall calculate** reimbursement for that district or
 28 intermediate district ~~shall be calculated~~ in the same manner as it
 29 was for 2003-2004. If the amount of the excess allocations under



1 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56 is
2 not sufficient to fully fund the calculation of reimbursement to
3 those districts and intermediate districts under this subdivision,
4 then the **department shall prorate** calculations and resulting
5 reimbursement under this subdivision ~~shall be prorated~~ on an equal
6 percentage basis. Beginning in 2015-2016, the amount of
7 reimbursement under this subdivision for a fiscal year ~~shall must~~
8 not exceed \$2,000,000.00 for any district or intermediate district.

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

21 (e) Beginning with calculations for 2004-2005, if an
22 intermediate district purchases a special education pupil
23 transportation service from a constituent district that was
24 previously purchased from a private entity; if the purchase from
25 the constituent district is at a lower cost, adjusted for changes
26 in fuel costs; and if the cost shift from the intermediate district
27 to the constituent does not result in any net change in the revenue
28 the constituent district receives from payments under sections 22b
29 and 51c, then upon application by the intermediate district, the



1 department shall direct the intermediate district to continue to
 2 report the cost associated with the specific identified special
 3 education pupil transportation service and shall adjust the costs
 4 reported by the constituent district to remove the cost associated
 5 with that specific service.

6 (8) A pupil who is enrolled in a full-time special education
 7 program conducted or administered by an intermediate district or a
 8 pupil who is enrolled in the Michigan schools for the deaf and
 9 blind ~~shall not be~~ **is not** included in the membership count of a
 10 district, but ~~shall be~~ **is** counted in membership in the intermediate
 11 district of residence.

12 (9) Special education personnel transferred from 1 district to
 13 another to implement the revised school code ~~shall be~~ **are** entitled
 14 to the rights, benefits, and tenure to which the person would
 15 otherwise be entitled had that person been employed by the
 16 receiving district originally.

17 (10) If a district or intermediate district uses money
 18 received under this section for a purpose other than the purpose or
 19 purposes for which the money is allocated, the department may
 20 require the district or intermediate district to refund the amount
 21 of money received. ~~Money~~ **The department shall deposit money** that is
 22 refunded ~~shall be deposited~~ in the state treasury to the credit of
 23 the state school aid fund.

24 (11) From the funds allocated in subsection (1), there is
 25 allocated the amount necessary, estimated at ~~\$3,200,000.00 for~~
 26 ~~2017-2018,~~ **\$2,900,000.00 for 2018-2019** and estimated at
 27 ~~\$3,400,000.00 for 2018-2019,~~ **\$2,800,000.00 for 2019-2020**, to pay
 28 the foundation allowances for pupils described in this subsection.
 29 The **department shall calculate the** allocation to a district under



1 this subsection ~~shall be calculated~~ by multiplying the number of
 2 pupils described in this subsection who are counted in membership
 3 in the district times the sum of the foundation allowance under
 4 section 20 of the pupil's district of residence ~~plus the amount of~~
 5 ~~the district's per-pupil allocation under section 20m,~~ not to
 6 exceed the basic foundation allowance under section 20 for the
 7 ~~current 2018-2019~~ fiscal year **and beginning with 2019-2020 not to**
 8 **exceed the target foundation allowance for the current fiscal year,**
 9 or, for a pupil described in this subsection who is counted in
 10 membership in a district that is a public school academy, times an
 11 amount equal to the amount per membership pupil under section
 12 20(6). ~~or, for a pupil described in this subsection who is counted~~
 13 ~~in membership in the education achievement system, times an amount~~
 14 ~~equal to the amount per membership pupil under section 20(7).~~ The
 15 **department shall calculate the** allocation to an intermediate
 16 district under this subsection ~~shall be calculated~~ in the same
 17 manner as for a district, using the foundation allowance under
 18 section 20 of the pupil's district of residence, not to exceed the
 19 basic foundation allowance under section 20 for the ~~current 2018-~~
 20 **2019** fiscal year ~~, and that district's per-pupil allocation under~~
 21 ~~section 20m.~~ **and beginning with 2019-2020 not to exceed the target**
 22 **foundation allowance for the current fiscal year.** This subsection
 23 applies to all of the following pupils:

24 (a) Pupils described in section 53a.

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

29 (c) Pupils with an emotional impairment counted in membership



1 by an intermediate district and provided educational services by
2 the department of health and human services.

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

- 11 (a) 100% of the reimbursement required under section 53a.
- 12 (b) 100% of the reimbursement required under subsection (6).
- 13 (c) 100% of the payment required under section 54.
- 14 (d) 100% of the payment required under subsection (3).
- 15 (e) 100% of the payments under section 56.

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

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



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

20 (15) For the purpose of receiving its federal allocation under
21 part B of the individuals with disabilities education act, Public
22 Law 108-446, a public school academy that is a cyber school, as
23 defined in section 551 of the revised school code, MCL 380.551, and
24 is in compliance with section 553a of the revised school code, MCL
25 380.553a, ~~shall directly receive~~ **receives** the federal allocation
26 under part B of the individuals with disabilities education act,
27 Public Law 108-446, from the intermediate district in which the
28 cyber school is located, as the subrecipient. If the intermediate
29 district does not distribute the funds described in this subsection



1 to the cyber school by the part B application due date of July 1,
 2 the department may distribute the funds described in this
 3 subsection directly to the cyber school according to the formula
 4 prescribed in 34 CFR 300.705 and 34 CFR 300.816.

5 (16) For a public school academy that is a cyber school, as
 6 defined in section 551 of the revised school code, MCL 380.551, and
 7 is in compliance with section 553a of the revised school code, MCL
 8 380.553a, that enrolls a pupil under this section, the intermediate
 9 district in which the cyber school is located shall ensure that the
 10 cyber school complies with sections 1701a, 1703, 1704, 1751, 1752,
 11 1756, and 1757 of the revised school code, MCL 380.1701a, 380.1703,
 12 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757; applicable
 13 rules; and the individuals with disabilities education act, Public
 14 Law 108-446. From the general fund appropriation under subsection
 15 (1), the department shall provide appropriate administrative
 16 funding to the intermediate district in which that cyber school is
 17 located for the purpose of ensuring that compliance.

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

22 **(18) In addition to the funds allocated under subsection (1),**
 23 **from the state school aid fund appropriation under section 11 there**
 24 **is allocated for 2019-2020 only an amount not to exceed**
 25 **\$30,000,000.00 for 1-time payments to districts and intermediate**
 26 **districts for capital improvements in support of programming and**
 27 **instruction for special education pupils. The department shall make**
 28 **payments under this subsection to districts and intermediate**
 29 **districts in the same proportion as the district's or intermediate**



1 district's special education costs as reported on the 2018 SE-4096
 2 actual cost report represents compared to the total costs reported
 3 statewide on the 2018 SE-4096 actual cost report. Capital
 4 improvements under this subsection may include any type of non-
 5 ongoing purchase or investment that can be used in support of
 6 programming and instruction for special education pupils.

7 Sec. 51c. As required by the court in the consolidated cases
 8 known as *Durant* v State of Michigan, 456
 9 Mich 175 (1997), from the allocation under section 51a(1), there is
 10 allocated each fiscal year for ~~2017-2018-2018-2019~~ and for ~~2018-~~
 11 ~~2019-2019-2020~~ the amount necessary, estimated at ~~\$636,900,000.00~~
 12 ~~for 2017-2018 and \$651,000,000.00 for 2018-2019,~~ **\$663,500,000.00**
 13 **for 2018-2019 and \$689,500,000.00 for 2019-2020**, for payments to
 14 reimburse districts for 28.6138% of total approved costs of special
 15 education excluding costs reimbursed under section 53a, and
 16 70.4165% of total approved costs of special education
 17 transportation. ~~Funds allocated under this section that are not~~
 18 ~~expended in the state fiscal year for which they were allocated, as~~
 19 ~~determined by the department, may be used to supplement the~~
 20 ~~allocations under sections 22a and 22b in order to fully fund those~~
 21 ~~calculated allocations for the same fiscal year.~~

22 Sec. 51d. (1) From the federal funds appropriated in section
 23 11, there is allocated for ~~2018-2019-2019-2020~~ all available
 24 federal funding, estimated at \$61,000,000.00, for special education
 25 programs and services that are funded by federal grants. ~~All~~ **The**
 26 **department shall distribute all** federal funds allocated under this
 27 section ~~shall be distributed~~ in accordance with federal law.
 28 Notwithstanding section 17b, **the department shall make** payments of
 29 federal funds to districts, intermediate districts, and other



1 eligible entities under this section ~~shall be paid~~ on a schedule
2 determined by the department.

3 (2) From the federal funds allocated under subsection (1), the
4 following amounts are allocated for ~~2018-2019~~:**2019-2020**:

5 (a) An amount estimated at \$14,000,000.00 for handicapped
6 infants and toddlers, funded from DED-OSERS, handicapped infants
7 and toddlers funds.

8 (b) An amount estimated at \$12,000,000.00 for preschool grants
9 (Public Law 94-142), funded from DED-OSERS, handicapped preschool
10 incentive funds.

11 (c) An amount estimated at \$35,000,000.00 for special
12 education programs funded by DED-OSERS, handicapped program,
13 individuals with disabilities act funds.

14 (3) As used in this section, "DED-OSERS" means the United
15 States Department of Education Office of Special Education and
16 Rehabilitative Services.

17 Sec. 53a. (1) For districts, reimbursement for pupils
18 described in subsection (2) ~~shall be~~**is** 100% of the total approved
19 costs of operating special education programs and services approved
20 by the department and included in the intermediate district plan
21 adopted pursuant to article 3 of the revised school code, MCL
22 380.1701 to 380.1761, minus the district's foundation allowance
23 calculated under section 20. ~~and minus the district's per-pupil~~
24 ~~allocation under section 20m.~~ For intermediate districts, **the**
25 **department shall calculate** reimbursement for pupils described in
26 subsection (2) ~~shall be calculated~~ in the same manner as for a
27 district, using the foundation allowance under section 20 of the
28 pupil's district of residence, not to exceed the ~~basic~~**target**
29 foundation allowance under section 20 for the current fiscal year.



1 ~~, and that district's per 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~~ **are** funded under this
28 section and ~~shall not be~~ **are not** reimbursed under section 58.

29 (5) ~~Not~~ **The department shall not allocate** more than



1 \$10,500,000.00 of the allocation for ~~2018-2019~~ **2019-2020** in section
2 51a(1) ~~shall be allocated~~ under this section.

3 Sec. 54. Each intermediate district ~~shall receive~~ **receives** an
4 amount per-pupil for each pupil in attendance at the Michigan
5 schools for the deaf and blind. The amount ~~shall be~~ **is**
6 proportionate to the total instructional cost at each school. ~~Not~~
7 **The department shall not allocate** more than \$1,688,000.00 of the
8 allocation for ~~2018-2019~~ **2019-2020** in section 51a(1) ~~shall be~~
9 ~~allocated~~ under this section.

10 Sec. 54b. (1) From the general fund appropriation in section
11 11, there is allocated an amount not to exceed \$1,600,000.00 for
12 ~~2018-2019~~ **2019-2020** to continue the implementation of the
13 recommendations of the special education reform task force
14 published in January 2016.

15 (2) The department shall use funds allocated under this
16 section for the purpose of piloting statewide implementation of the
17 Michigan Integrated Behavior and Learning Support Initiative
18 (MiBLSI), a nationally recognized program that includes positive
19 behavioral intervention and supports and provides a statewide
20 structure to support local initiatives for an integrated behavior
21 and reading program. With the assistance of the intermediate
22 districts involved in MiBLSI, the department shall identify a
23 number of intermediate districts to participate in the pilot that
24 is sufficient to ensure that MiBLSI can be implemented statewide
25 with fidelity and sustainability. In addition, the department shall
26 identify an intermediate district to act as a fiscal agent for
27 these funds.

28 Sec. 54d. (1) From the appropriations in section 11, there is
29 allocated an amount not to exceed ~~\$5,000,000.00~~ **\$7,150,000.00** for



1 ~~2018-2019-2019-2020~~ to intermediate districts for the purpose of
 2 providing state early on services pilot programs for children from
 3 birth to 3 years of age with a developmental delay or a disability,
 4 or both, and their families, as described in the early on Michigan
 5 state plan, as approved by the department.

6 (2) To be eligible to receive grant funding under ~~this~~
 7 ~~section,~~ **subsection (4)**, each intermediate district shall apply in
 8 a form and manner determined by the department.

9 (3) The grant funding allocated under ~~this section shall~~
 10 **subsection (4) must** be used to increase early on services and
 11 resources available to children that demonstrate developmental
 12 delays to help prepare them for success as they enter school. State
 13 early on services include evaluating and providing early
 14 intervention services for eligible infants and toddlers and their
 15 families to address developmental delays, including those affecting
 16 physical, cognitive, communication, adaptive, social, or emotional
 17 development. Grant funds must not be used to supplant existing
 18 services that are currently being provided.

19 (4) The **department shall distribute the** funds allocated under
 20 subsection (1) ~~shall be distributed~~ to intermediate districts
 21 according to the department's early on funding formula utilized to
 22 distribute the federal award to Michigan under part C of the
 23 individuals with disabilities education act. Funds received under
 24 this ~~section~~ **subsection** must not supplant existing funds or
 25 resources allocated for early on early intervention services. An
 26 intermediate district receiving funds under this ~~section~~ **subsection**
 27 shall maximize the capture of Medicaid funds to support early on
 28 early intervention services to the extent possible.

29 (5) Each intermediate district that receives funds under ~~this~~



1 ~~section~~**subsection (4)** shall report data and other information to
2 the department in a form, manner, and frequency prescribed by the
3 department to allow for monitoring and evaluation of the pilot
4 projects and to ensure that the children described in subsection
5 (1) received appropriate levels and types of services delivered by
6 qualified personnel, based on the individual needs of the children
7 and their families.

8 **(6)** In addition to the funds allocated under subsection (1),
9 from the funds appropriated in section 11, there is allocated for
10 2019-2020 an amount not to exceed \$350,000.00 for a pilot program
11 to train at least 60 early on providers in the components of
12 evidence-based parent-implemented models of intervention for the
13 treatment of autism. To receive funding under this subsection, an
14 intermediate district must apply for the funding in the form and
15 manner prescribed by the department and must agree to use the funds
16 for training in these components for early on providers using an
17 evidence-based program to conduct the training. The department
18 shall ensure that intermediate districts in multiple counties are
19 provided with funding under this subsection and shall distribute
20 funds based on interest in the program and need for the training.
21 The department shall conduct an outcome study and report the data
22 findings to the legislature. The department may use existing
23 vendors to conduct this data collection. The department may use not
24 more than 10% of the allocation under this subsection for
25 administration and management of the pilot program. As used in this
26 subsection, "parent-implemented model of intervention" means a
27 model in which parents directly use individualized intervention
28 practices with their children to increase positive learning
29 opportunities and the acquisition of important skills, and in which



1 **parents learn to implement these practices in their home or**
2 **community, or both, through a structured parent training program.**

3 (7) ~~(6)~~ **Notwithstanding section 17b, the department shall make**
4 **payments under this section shall be paid on a schedule determined**
5 **by the department.**

6 Sec. 55. (1) From the general fund money appropriated in
7 section 11, there is allocated an amount not to exceed \$250,000.00
8 for ~~2018-2019~~ **2019-2020** to the Conductive Learning Center located
9 at Aquinas College. This funding must be used to support the
10 operational costs of the conductive education model taught at the
11 Conductive Learning Center to maximize the independence and
12 mobility of children and adults with neuromotor disabilities. The
13 conductive education model funded under this section must be based
14 on the concept of neuroplasticity and the ability of people to
15 learn and improve when they are motivated, regardless of the
16 severity of their disability.

17 (2) Notwithstanding section 17b, the department shall
18 distribute the funding allocated under this section to the
19 Conductive Learning Center not later than December 1, 2018.

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 380.1741, including a levy for debt service
28 obligations.

29 (c) "Taxable value" means the total taxable value of the



1 districts constituent to an intermediate district, except that if a
 2 district has elected not to come under part 30 of the revised
 3 school code, MCL 380.1711 to 380.1741, membership and taxable value
 4 of the district ~~shall not be~~ **are not** included in the membership and
 5 taxable value of the intermediate district.

6 (2) From the allocation under section 51a(1), there is
 7 allocated ~~an amount not to exceed \$37,758,100.00 for 2017-2018~~
 8 **\$40,008,100.00 for 2018-2019** and an amount not to exceed
 9 \$40,008,100.00 for ~~2018-2019~~ **2019-2020** to reimburse intermediate
 10 districts levying millages for special education pursuant to part
 11 30 of the revised school code, MCL 380.1711 to 380.1741. The
 12 purpose, use, and expenditure of the reimbursement ~~shall be~~ **are**
 13 limited as if the funds were generated by these millages and
 14 governed by the intermediate district plan adopted pursuant to
 15 article 3 of the revised school code, MCL 380.1701 to 380.1761. As
 16 a condition of receiving funds under this section, an intermediate
 17 district distributing any portion of special education millage
 18 funds to its constituent districts shall submit for departmental
 19 approval and implement a distribution plan.

20 ~~(3) Reimbursement for those millages levied in 2016-2017 shall~~
 21 ~~be made in 2017-2018 at an amount per 2016-2017 membership pupil~~
 22 ~~computed by subtracting from \$185,000.00 the 2016-2017 taxable~~
 23 ~~value behind each membership pupil and multiplying the resulting~~
 24 ~~difference by the 2016-2017 millage levied, and then subtracting~~
 25 ~~from that amount the 2016-2017 local community stabilization share~~
 26 ~~revenue for special education purposes behind each membership pupil~~
 27 ~~for reimbursement of personal property exemption loss under the~~
 28 ~~local community stabilization authority act, 2014 PA 86, MCL~~
 29 ~~123.1341 to 123.1362.~~



1 **(3)** ~~(4)~~ Except as otherwise provided in this subsection,
 2 reimbursement for those millages levied in 2017-2018 ~~shall be~~ **is**
 3 made in 2018-2019 at an amount per 2017-2018 membership pupil
 4 computed by subtracting from ~~\$193,700.00~~ **\$193,800.00** the 2017-2018
 5 taxable value behind each membership pupil and multiplying the
 6 resulting difference by the 2017-2018 millage levied, and then
 7 subtracting from that amount the 2017-2018 local community
 8 stabilization share revenue for special education purposes behind
 9 each membership pupil for reimbursement of personal property
 10 exemption loss under the local community stabilization authority
 11 act, 2014 PA 86, MCL 123.1341 to 123.1362. Reimbursement in 2018-
 12 2019 for an intermediate district whose 2017-2018 allocation was
 13 affected by the operation of subsection (5) ~~shall be~~ **is** an amount
 14 equal to 102.5% of the 2017-2018 allocation to that intermediate
 15 district.

16 **(4)** Except as otherwise provided in this subsection,
 17 reimbursement for those millages levied in 2018-2019 is made in
 18 2019-2020 at an amount per 2018-2019 membership pupil computed by
 19 subtracting from \$197,700.00 the 2018-2019 taxable value behind
 20 each membership pupil and multiplying the resulting difference by
 21 the 2018-2019 millage levied, and then subtracting from that amount
 22 the 2018-2019 local community stabilization share revenue for
 23 special education purposes behind each membership pupil for
 24 reimbursement of personal property exemption loss under the local
 25 community stabilization authority act, 2014 PA 86, MCL 123.1341 to
 26 123.1362. Reimbursement in 2019-2020 for an intermediate district
 27 whose 2017-2018 allocation was affected by the operation of
 28 subsection (5) is an amount equal to 102.5% of the 2017-2018
 29 allocation to that intermediate district.



1 (5) The **department shall ensure that the** amount paid to a
 2 single intermediate district under this section ~~shall does~~ not
 3 exceed 62.9% of the total amount allocated under subsection (2).

4 (6) The **department shall ensure that the** amount paid to a
 5 single intermediate district under this section ~~shall not be~~ **is not**
 6 less than 75% of the amount allocated to the intermediate district
 7 under this section for the immediately preceding fiscal year.

8 Sec. 61a. (1) From the appropriation in section 11, there is
 9 allocated an amount not to exceed ~~\$36,611,300.00~~ **\$38,111,300.00** for
 10 ~~2018-2019-2019-2020~~ to reimburse on an added cost basis districts,
 11 except for a district that served as the fiscal agent for a
 12 vocational education consortium in the 1993-94 school year and that
 13 has a foundation allowance as calculated under section 20 greater
 14 than the minimum foundation allowance under that section, and
 15 secondary area vocational-technical education centers for
 16 secondary-level career and technical education programs according
 17 to rules approved by the superintendent. Applications for
 18 participation in the programs ~~shall must~~ be submitted in the form
 19 prescribed by the department. The department shall determine the
 20 added cost for each career and technical education program area.
 21 The **department shall prioritize the** allocation of added cost funds
 22 ~~shall be prioritized~~ based on the capital and program expenditures
 23 needed to operate the career and technical education programs
 24 provided; the number of pupils enrolled; the advancement of pupils
 25 through the instructional program; the existence of an articulation
 26 agreement with at least 1 postsecondary institution that provides
 27 pupils with opportunities to earn postsecondary credit during the
 28 pupil's participation in the career and technical education program
 29 and transfers those credits to the postsecondary institution upon



1 completion of the career and technical education program; and the
 2 program rank in student placement, job openings, and wages, and
 3 shall **ensure that the allocation does** not exceed 75% of the added
 4 cost of any program. Notwithstanding any rule or department
 5 determination to the contrary, when determining a district's
 6 allocation or the formula for making allocations under this
 7 section, the department shall include the participation of pupils
 8 in grade 9 in all of those determinations and in all portions of
 9 the formula. With the approval of the department, the board of a
 10 district maintaining a secondary career and technical education
 11 program may offer the program for the period from the close of the
 12 school year until September 1. The program shall use existing
 13 facilities and ~~shall~~**must** be operated as prescribed by rules
 14 promulgated by the superintendent.

15 (2) Except for a district that served as the fiscal agent for
 16 a vocational education consortium in the 1993-94 school year, **the**
 17 **department shall reimburse** districts and intermediate districts
 18 ~~shall be reimbursed~~ for local career and technical education
 19 administration, shared time career and technical education
 20 administration, and career education planning district career and
 21 technical education administration. The **superintendent shall adopt**
 22 **guidelines for the** definition of what constitutes administration
 23 and **shall make** reimbursement ~~shall be~~ pursuant to **those** guidelines.
 24 ~~adopted by the superintendent. Not~~ **The department shall not**
 25 **distribute** more than \$800,000.00 of the allocation in subsection
 26 (1) ~~shall be distributed~~ under this subsection.

27 (3) A career and technical education program funded under this
 28 section may provide an opportunity for participants who are
 29 eligible to be funded under section 107 to enroll in the career and



1 technical education program funded under this section if the
2 participation does not occur during regular school hours.

3 (4) In addition to the money allocated under subsections (1)
4 and (5), from the general fund money appropriated in section 11,
5 there is allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
6 \$100,000.00 to an eligible Michigan-approved 501(c)(3) organization
7 for the purposes of teaching or training restaurant management and
8 culinary arts for career and professional development. The
9 department shall oversee funds distributed to an eligible grantee
10 under this section. As used in this subsection, "eligible Michigan-
11 approved 501(c)(3) organization" means an organization that is
12 exempt from taxation under section 501(c)(3) of the internal
13 revenue code of 1986, 26 USC 501, that provides the ProStart
14 curriculum and training to state-approved career and technical
15 education programs with classification of instructional programs
16 (CIP) codes in the 12.05xx category, and that administers national
17 certification for the purpose of restaurant management and culinary
18 arts for career and professional development.

19 ~~(5) In addition to the funds allocated under subsections (1)~~
20 ~~and (4), from the funds appropriated in section 11, there is~~
21 ~~allocated for 2018-2019 an amount not to exceed \$1,000,000.00 for~~
22 ~~competitive grants to intermediate districts to hire career and~~
23 ~~technical education counselors. All of the following apply to this~~
24 ~~funding:~~

25 ~~(a) An intermediate district seeking a grant under this~~
26 ~~subsection shall apply to the department in a form and manner~~
27 ~~specified by the department.~~

28 ~~(b) The department shall award grants under this subsection to~~
29 ~~no more than 3 intermediate districts that received funding under~~



1 ~~this subsection in 2017-2018.~~

2 ~~(c) To be eligible for funding under this subsection, an~~
 3 ~~intermediate district shall do all of the following:~~

4 ~~(i) Catalog all available K-12 and other workforce development~~
 5 ~~programs and services, including job search, job training, pre-~~
 6 ~~employment certifications, career awareness programs, career and~~
 7 ~~technical education programs, and other related programs and~~
 8 ~~services offered by districts or intermediate districts,~~
 9 ~~postsecondary institutions, and other private or public service~~
 10 ~~organizations.~~

11 ~~(ii) Develop an outreach program that educates students about~~
 12 ~~career and technical education options and connects students to the~~
 13 ~~services cataloged under subparagraph (i).~~

14 ~~(iii) Track student placement and report on student placement to~~
 15 ~~the house and senate appropriations subcommittees on school aid no~~
 16 ~~later than June 30, 2019 in the form and manner prescribed by the~~
 17 ~~department.~~

18 Sec. 61b. (1) From the appropriation in section 11, there is
 19 allocated an amount not to exceed \$8,000,000.00 ~~each fiscal year~~
 20 ~~for 2017-2018 and for 2018-2019~~ **for 2019-2020** for CTE early/middle
 21 college and CTE dual enrollment programs authorized under this
 22 section and for planning grants for the development or expansion of
 23 CTE early/middle college programs. The purpose of these programs is
 24 to increase the number of Michigan residents with high-quality
 25 degrees or credentials, and to increase the number of students who
 26 are college and career ready upon high school graduation.

27 (2) From the funds allocated under subsection (1), **the**
 28 **department shall allocate** an amount as determined under this
 29 subsection ~~shall be allocated~~ to each intermediate district serving



1 as a fiscal agent for state-approved CTE early/middle college and
2 CTE dual enrollment programs in each of the prosperity regions and
3 subregions identified by the department. An intermediate district
4 shall not use more than 5% of the funds allocated under this
5 subsection for administrative costs for serving as the fiscal
6 agent.

7 (3) To be an eligible fiscal agent, an intermediate district
8 must agree to do all of the following in a form and manner
9 determined by the department:

10 (a) Distribute funds to eligible CTE early/middle college and
11 CTE dual enrollment programs in a prosperity region or subregion as
12 described in this section.

13 (b) Collaborate with the career and educational advisory
14 council that is located in the prosperity region or subregion to
15 develop a regional strategic plan under subsection (4) that aligns
16 CTE programs and services into an efficient and effective delivery
17 system for high school students.

18 (c) Implement a regional process to rank career clusters in
19 the prosperity region or subregion as described under subsection
20 (4). Regional processes ~~shall~~**must** be approved by the department
21 before the ranking of career clusters.

22 (d) Report CTE early/middle college and CTE dual enrollment
23 program and student data and information as prescribed by the
24 department and the center.

25 (4) A regional strategic plan must be approved by the career
26 and educational advisory council before submission to the
27 department. A regional strategic plan ~~shall~~**must** include, but **is**
28 not ~~be~~-limited to, the following:

29 (a) An identification of regional employer need based on a



1 ranking of all career clusters in the prosperity region or
 2 subregion ranked by 10-year job openings projections and median
 3 wage for each standard occupational code in each career cluster as
 4 obtained from the United States Bureau of Labor Statistics.
 5 Standard occupational codes within high-ranking clusters also may
 6 be further ranked by median wage. The ~~rankings shall be reviewed by~~
 7 ~~the~~ career and educational advisory council located in the
 8 prosperity region or subregion **shall review the rankings** and
 9 ~~modified~~ **modify them** if necessary to accurately reflect employer
 10 demand for talent in the prosperity region or subregion. A career
 11 and educational advisory council shall document that it has
 12 conducted this review and certify that it is accurate. These career
 13 cluster rankings ~~shall~~ **must** be determined and updated once every 4
 14 years.

15 (b) An identification of educational entities in the
 16 prosperity region or subregion that will provide eligible CTE
 17 early/middle college and CTE dual enrollment programs including
 18 districts, intermediate districts, postsecondary institutions, and
 19 noncredit occupational training programs leading to an industry-
 20 recognized credential.

21 (c) A strategy to inform parents and students of CTE
 22 early/middle college and CTE dual enrollment programs in the
 23 prosperity region or subregion.

24 (d) Any other requirements as defined by the department.

25 (5) An eligible CTE program is a program that meets all of the
 26 following:

27 (a) Has been identified in the highest 5 career cluster
 28 rankings in any of the 10 regional strategic plans jointly approved
 29 by the Michigan talent investment agency in the department of



1 talent and economic development and the department.

2 (b) Has a coherent sequence of courses that will allow a
3 student to earn a high school diploma and achieve at least 1 of the
4 following in a specific career cluster:

5 (i) An associate degree.

6 (ii) An industry-recognized technical certification approved by
7 the Michigan talent investment agency in the department of talent
8 and economic development.

9 (iii) Up to 60 transferable college credits.

10 (iv) Participation in a registered apprenticeship, pre-
11 apprenticeship, or apprentice readiness program.

12 (c) Is aligned with the Michigan merit curriculum.

13 (d) Has an articulation agreement with at least 1
14 postsecondary institution that provides students with opportunities
15 to receive postsecondary credits during the student's participation
16 in the CTE early/middle college or CTE dual enrollment program and
17 transfers those credits to the postsecondary institution upon
18 completion of the CTE early/middle college or CTE dual enrollment
19 program.

20 (e) Provides instruction that is supervised, directed, or
21 coordinated by an appropriately certificated CTE teacher or, for
22 concurrent enrollment courses, a postsecondary faculty member.

23 (f) Provides for highly integrated student support services
24 that include at least the following:

25 (i) Teachers as academic advisors.

26 (ii) Supervised course selection.

27 (iii) Monitoring of student progress and completion.

28 (iv) Career planning services provided by a local one-stop
29 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~~ **The department shall distribute funds** to eligible
8 CTE early/middle college and CTE dual enrollment programs ~~shall be~~
9 ~~distributed~~ as follows:

10 (a) The department shall determine statewide average CTE costs
11 per pupil for each CIP code program by calculating statewide
12 average costs for each CIP code program for the 3 most recent
13 fiscal years.

14 (b) ~~Distribution~~ **The distribution** to each eligible CTE
15 early/middle college or CTE dual enrollment program ~~shall be~~ **is** the
16 product of 50% of CTE costs per pupil times the current year pupil
17 enrollment of each eligible CTE early/middle college or CTE dual
18 enrollment program.

19 (7) In order to receive funds under this section, a CTE
20 early/middle college or CTE dual enrollment program shall furnish
21 to the intermediate district that is the fiscal agent identified in
22 subsection (2), in a form and manner determined by the department,
23 all information needed to administer this program and meet federal
24 reporting requirements; shall allow the department or the
25 department's designee to review all records related to the program
26 for which it receives funds; and shall reimburse the state for all
27 disallowances found in the review, as determined by the department.

28 (8) There is allocated from the funds under subsection (1) an
29 amount not to exceed \$500,000.00 ~~each fiscal year for 2017-2018 and~~



1 ~~for 2018-2019~~ **for 2019-2020** for grants to intermediate districts or
 2 consortia of intermediate districts for the purpose of planning for
 3 new or expanded early middle college programs. Applications for
 4 grants ~~shall~~ **must** be submitted in a form and manner determined by
 5 the department. The amount of a grant under this subsection ~~shall~~
 6 **must** not exceed \$50,000.00. To be eligible for a grant under this
 7 subsection, an intermediate district or consortia of intermediate
 8 districts must provide matching funds equal to the grant received
 9 under this subsection. Notwithstanding section 17b, **the department**
 10 **shall make** payments under this subsection ~~may be made as in the~~
 11 **manner** 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~~ **must** not exceed the total allowable costs of the
 19 program. 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
 28 reimbursed under this section, those pupils continue to qualify for
 29 reimbursement until graduation, even if the career cluster is no



1 longer identified as being in the highest 5 career cluster
2 rankings.

3 (12) As used in this section:

4 (a) "Allowable costs" means those costs directly attributable
5 to the program as jointly determined by the Michigan talent
6 investment agency and the department.

7 (b) "Career and educational advisory council" means an
8 advisory council to the local workforce development boards located
9 in a prosperity region consisting of educational, employer, labor,
10 and parent representatives.

11 (c) "CIP" means classification of instructional programs.

12 (d) "CTE" means career and technical education programs.

13 (e) "CTE dual enrollment program" means a 4-year high school
14 program of postsecondary courses offered by eligible postsecondary
15 educational institutions that leads to an industry-recognized
16 certification or degree.

17 (f) "Early/middle college program" means a 5-year high school
18 program.

19 (g) "Eligible postsecondary educational institution" means
20 that term as defined in section 3 of the career and technical
21 preparation act, 2000 PA 258, MCL 388.1903.

22 Sec. 61c. (1) From the general fund appropriation in section
23 11, there is allocated for ~~2018-2019-2019-2020~~ an amount not to
24 exceed \$2,500,000.00 to eligible career education planning
25 districts for the CTE skilled trades initiative described in
26 subsections (2) to (5). To be eligible to receive funding under
27 this section, at least 50% of the area served by a CEPD must be
28 located in an intermediate district that did not levy a ~~vocational~~
29 ~~education~~ **an area career and technical education** millage in



1 ~~2018-2019.~~

2 (2) To receive funding under subsection (1), each eligible
 3 CEPD shall apply in a form and manner determined by the department.
 4 Funding to each eligible CEPD ~~shall be~~ **is an amount** equal to the
 5 quotient of the allocation under subsection (1) and the sum of the
 6 number of career education planning districts applying for funding
 7 under subsection (1) that are located in an intermediate district
 8 that did not levy a ~~vocational education~~ **an area career and**
 9 **technical education** millage in ~~2018-2019.~~

10 (3) At least 50% of the funding allocated to each eligible
 11 CEPD ~~shall~~ **must** be used to update equipment in current CTE programs
 12 that have been identified in the highest 5 career cluster rankings
 13 in any of the 10 regional strategic plans jointly approved by the
 14 Michigan talent investment agency in the department of talent and
 15 economic development and the department, for training on new
 16 equipment, for professional development relating to computer
 17 science or coding, or for new and emerging certified CTE programs
 18 to allow CEPD administrators to provide programming in communities
 19 that will enhance economic development. The funding for equipment
 20 should be used to support and enhance community areas that have
 21 sustained job growth, and act as a commitment to build a more
 22 qualified and skilled workforce. In addition, each CEPD is
 23 encouraged to explore the option of leasing equipment from local
 24 private industry to encourage the use of the most advanced
 25 equipment.

26 (4) ~~The~~ **A CEPD administrator shall determine the** allocation of
 27 funds at the local level ~~shall be determined by CEPD administrators~~
 28 using data from the state, region, and local sources to make well-
 29 informed decisions on program equipment improvements. Grants



1 awarded by CEPD administrators for capital infrastructure ~~shall~~
 2 **must** be used to ensure that CTE programs can deliver educational
 3 programs in high-wage, high-skill, and high-demand occupations.
 4 Each CEPD shall continue to ensure that program advisory boards
 5 make recommendations on needed improvements for equipment that
 6 support job growth and job skill development and retention for both
 7 the present and the future.

8 (5) Not later than September 15 of each fiscal year, each CEPD
 9 receiving funding **under this section** shall annually report to the
 10 department, the senate and house appropriations subcommittees on
 11 state school aid, and the senate and house fiscal agencies and
 12 legislature on equipment purchased under subsection (1). In
 13 addition, the report ~~shall~~**must** identify growth data on program
 14 involvement, retention, and development of student skills.

15 (6) As used in this section:

16 (a) "CEPD" means a career education planning district
 17 described in this section.

18 (b) "CTE" means career and technical education.

19 Sec. 61d. (1) From the appropriation in section 11, there is
 20 allocated an amount not to exceed \$5,000,000.00 for ~~2018-2019-2019-~~
 21 **2020** for additional payments to districts for career and technical
 22 education programs for the purpose of increasing the number of
 23 Michigan residents with high-quality degrees or credentials, and to
 24 increase the number of pupils who are college- and career-ready
 25 upon high school graduation.

26 (2) ~~Payments~~**The department shall calculate payments** to
 27 districts under this section ~~must be calculated~~ in the following
 28 manner:

29 (a) A payment of \$25.00 multiplied by the number of pupils in



1 grades 9 to 12 who are counted in membership in the district and
2 are enrolled in at least 1 career and technical education program.

3 (b) An additional payment of \$25.00 multiplied by the number
4 of pupils in grades 9 to 12 who are counted in membership in the
5 district and are enrolled in at least 1 career and technical
6 education program that provides instruction in critical skills and
7 high-demand career fields.

8 (3) If the allocation under subsection (1) is insufficient to
9 fully fund payments under subsection (2), the department shall
10 prorate payments under this section on an equal per-pupil basis.

11 (4) As used in this section:

12 (a) "Career and technical education program" means a state-
13 approved career and technical education program, as determined by
14 the department.

15 (b) "Career and technical education program that provides
16 instruction in critical skills and high-demand career field" means
17 a career and technical education program classified under any of
18 the following 2-digit classification of instructional programs
19 (CIP) codes:

20 (i) 01, which refers to "agriculture, agriculture operations,
21 and related sciences".

22 (ii) 03, which refers to "natural resources and conservation".

23 (iii) 10 through 11, which refers to "communications
24 technologies/technicians and support services" and "computer and
25 information sciences and support services".

26 (iv) 14 through 15, which refers to "engineering" and
27 "engineering technologies and engineering-related fields".

28 (v) 26, which refers to "biological and biomedical sciences".

29 (vi) 46 through 48, which refers to "construction trades",



1 "mechanic and repair technologies/technicians", and "precision
2 production".

3 (vii) 51, which refers to "health professions and related
4 programs".

5 Sec. 61f. (1) From the funds appropriated under section 11,
6 there is allocated an amount not to exceed \$200,000.00 for ~~2018-~~
7 ~~2019-~~**2019-2020 only** for a grant to support a program that is an
8 innovative retention and completion program designed to create a
9 seamless educational and career pathway support structure and that
10 does at least all of the following:

11 (a) Creates a pipeline from kindergarten to a college
12 credential.

13 (b) Provides coaching at all levels of K-12 education to
14 foster an environment that educates pupils on the availability and
15 positive outcomes from postsecondary education.

16 (c) Introduces career clusters to elementary school pupils,
17 career pathways to middle school pupils, and develops pupil success
18 plans for high school pupils.

19 (d) Provides family literacy sessions.

20 (e) Provides a summer bridge program to ensure seamless
21 transition from high school to postsecondary educational
22 opportunities.

23 (f) Introduces K-12 pupils to college and career opportunities
24 at postsecondary campuses and bridges those pupils into the
25 respective postsecondary institutions for coursework.

26 (g) Creates a partnership between area districts, a community
27 college, and a public university to serve pupils in the program.

28 (h) Synchronizes families and pupils to assess and understand
29 their knowledge of how to be successful in school and work.



1 (2) The department shall distribute the funds awarded under
 2 subsection (1) not later than ~~February~~**November** 15, 2019 to Mott
 3 Community College to implement the program under this section.
 4 Funds allocated under this section may be used for salaries and
 5 benefits, supply and programming costs, and gap scholarships.

6 Sec. 62. (1) For the purposes of this section:

7 (a) "Membership" means for a particular fiscal year the total
 8 membership for the immediately preceding fiscal year of the
 9 intermediate district and the districts constituent to the
 10 intermediate district or the total membership for the immediately
 11 preceding fiscal year of the area vocational-technical program.

12 (b) "Millage levied" means the millage levied for area
 13 vocational-technical education pursuant to sections 681 to 690 of
 14 the revised school code, MCL 380.681 to 380.690, including a levy
 15 for debt service obligations incurred as the result of borrowing
 16 for capital outlay projects and in meeting capital projects fund
 17 requirements of area vocational-technical education.

18 (c) "Taxable value" means the total taxable value of the
 19 districts constituent to an intermediate district or area
 20 vocational-technical education program, except that if a district
 21 has elected not to come under sections 681 to 690 of the revised
 22 school code, MCL 380.681 to 380.690, the membership and taxable
 23 value of that district ~~shall not be~~**are not** included in the
 24 membership and taxable value of the intermediate district. However,
 25 the membership and taxable value of a district that has elected not
 26 to come under sections 681 to 690 of the revised school code, MCL
 27 380.681 to 380.690, ~~shall be~~**are** included in the membership and
 28 taxable value of the intermediate district if the district meets
 29 both of the following:



1 (i) The district operates the area vocational-technical
2 education program pursuant to a contract with the intermediate
3 district.

4 (ii) The district contributes an annual amount to the operation
5 of the program that is commensurate with the revenue that would
6 have been raised for operation of the program if millage were
7 levied in the district for the program under sections 681 to 690 of
8 the revised school code, MCL 380.681 to 380.690.

9 (2) From the appropriation in section 11, there is allocated
10 an amount not to exceed \$9,190,000.00 each fiscal year for ~~2017-~~
11 ~~2018 and for 2018-2019~~ **and for 2019-2020** to reimburse intermediate
12 districts and area vocational-technical education programs
13 established under section 690(3) of the revised school code, MCL
14 380.690, levying millages for area vocational-technical education
15 pursuant to sections 681 to 690 of the revised school code, MCL
16 380.681 to 380.690. The purpose, use, and expenditure of the
17 reimbursement ~~shall be~~ **are** limited as if the funds were generated
18 by those millages.

19 ~~(3) Reimbursement for those millages levied in 2016-2017 shall~~
20 ~~be made in 2017-2018 at an amount per 2016-2017 membership pupil~~
21 ~~computed by subtracting from \$200,800.00 the 2016-2017 taxable~~
22 ~~value behind each membership pupil and multiplying the resulting~~
23 ~~difference by the 2016-2017 millage levied, and then subtracting~~
24 ~~from that amount the 2016-2017 local community stabilization share~~
25 ~~revenue for area vocational technical education behind each~~
26 ~~membership pupil for reimbursement of personal property exemption~~
27 ~~loss under the local community stabilization authority act, 2014 PA~~
28 ~~86, MCL 123.1341 to 123.1362.~~

29 **(3)** ~~(4)~~ Reimbursement for those millages levied in 2017-2018



1 ~~shall be~~ **is** made in 2018-2019 at an amount per 2017-2018 membership
 2 pupil computed by subtracting from ~~\$205,700.00~~ **\$205,600.00** the
 3 2017-2018 taxable value behind each membership pupil and
 4 multiplying the resulting difference by the 2017-2018 millage
 5 levied, and then subtracting from that amount the 2017-2018 local
 6 community stabilization share revenue for area vocational technical
 7 education behind each membership pupil for reimbursement of
 8 personal property exemption loss under the local community
 9 stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

10 **(4) Reimbursement for those millages levied in 2018-2019 is**
 11 **made in 2019-2020 at an amount per 2018-2019 membership pupil**
 12 **computed by subtracting from \$210,600.00 the 2018-2019 taxable**
 13 **value behind each membership pupil and multiplying the resulting**
 14 **difference by the 2018-2019 millage levied, and then subtracting**
 15 **from that amount the 2018-2019 local community stabilization share**
 16 **revenue for area vocational technical education behind each**
 17 **membership pupil for reimbursement of personal property exemption**
 18 **loss under the local community stabilization authority act, 2014 PA**
 19 **86, MCL 123.1341 to 123.1362.**

20 (5) The **department shall ensure that the** amount paid to a
 21 single intermediate district under this section ~~shall not~~ **does not**
 22 exceed 38.4% of the total amount allocated under subsection (2).

23 (6) The **department shall ensure that the** amount paid to a
 24 single intermediate district under this section ~~shall not be~~ **is not**
 25 less than 75% of the amount allocated to the intermediate district
 26 under this section for the immediately preceding fiscal year.

27 Sec. 65. (1) From the appropriation under section 11, there is
 28 allocated an amount not to exceed \$400,000.00 for ~~2018-2019~~ **2019-**
 29 **2020** for a pre-college engineering K-12 educational program that is



1 focused on the development of a diverse future Michigan workforce,
 2 that serves multiple communities within southeast Michigan, that
 3 enrolls pupils from multiple districts, and that received funds
 4 appropriated for this purpose in the appropriations act that
 5 provided the Michigan strategic fund budget for 2014-2015.

6 (2) To be eligible for funding under this section, a program
 7 must have the ability to expose pupils to, and motivate and prepare
 8 pupils for, science, technology, engineering, and mathematics
 9 careers and postsecondary education with special attention given to
 10 groups of pupils who are at-risk and underrepresented in technical
 11 professions and careers.

12 Sec. 67. (1) From the general fund amount appropriated in
 13 section 11, there is allocated an amount not to exceed
 14 \$3,000,000.00 for ~~2018-2019~~**2019-2020** for college access programs.
 15 The programs funded under this section are intended to inform
 16 students of college and career options and to provide resources
 17 intended to increase the number of pupils who are adequately
 18 prepared with the information needed to make informed decisions on
 19 college and career. The funds appropriated under this section are
 20 intended to be used to increase the number of Michigan residents
 21 with high-quality degrees or credentials. Funds appropriated under
 22 this section ~~shall~~**must** not be used to supplant funding for
 23 counselors already funded by districts.

24 (2) The talent investment agency of the department of talent
 25 and economic development shall administer funds allocated under
 26 this section in collaboration with the Michigan college access
 27 network. These funds may be used for any of the following purposes:

28 (a) Michigan college access network operations, programming,
 29 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) In addition to the funds allocated under subsection (1),**
28 **from the general fund money allocated under section 11, there is**
29 **allocated for 2019-2020 an amount not to exceed \$80,000.00 for the**



1 college board career finder district pilot. The Michigan college
 2 access network shall implement this pilot project in collaboration
 3 with the college board.

4 (4) ~~(3)~~—For the purposes of this section, "college" means any
 5 postsecondary educational opportunity that leads to a career,
 6 including, but not limited to, a postsecondary degree, industry-
 7 recognized technical certification, or registered apprenticeship.

8 **Sec. 67a. (1) From the general fund money appropriated in**
 9 **section 11, there is allocated to the department for 2018-2019 an**
 10 **amount not to exceed \$500,000.00 and for 2019-2020 an amount not to**
 11 **exceed \$1,500,000.00 to expand an eligible web-based career**
 12 **preparation and readiness platform to prosperity regions beyond**
 13 **where the platform is currently being utilized. Funding under this**
 14 **section will not be allocated after 2019-2020.**

15 (2) In order to be eligible for funding under this section, a
 16 career preparation and readiness platform chosen by the department
 17 must meet all of the following:

18 (a) Has a partnership with intermediate districts, community
 19 colleges, workforce development agencies, and community employers.

20 (b) Assesses student skills, abilities, and preferences to
 21 match them with careers of interest.

22 (c) Allows students to explore careers with access to more
 23 than 600 career profiles, including, but not limited to, career
 24 descriptions, education and training requirements, and earning
 25 information.

26 (d) Connects with local companies through company profiles
 27 that include, but are not limited to, description, location, career
 28 opportunities, and work-based learning activities.

29 (e) Allows students to experience careers firsthand by



1 searching for job shadowing, mock interviews, company tours,
 2 company events, and internship opportunities offered by employers
 3 in a student's area.

4 (f) Provides students with step-by-step help to develop a job
 5 search plan, write a resume and cover letter, and prepare for job
 6 interviews.

7 (g) Provides students with an understanding of the education
 8 and training required for a particular career, a comparison of
 9 school data and profiles, and access to college preparation,
 10 scholarship, and financial aid information.

11 (3) Notwithstanding section 17b, the department shall make
 12 payments under this section on a schedule determined by the
 13 department.

14 Sec. 74. (1) From the amount appropriated in section 11, there
 15 is allocated an amount not to exceed ~~\$3,754,900.00 for 2018-2019~~
 16 **\$3,772,900.00 for 2019-2020** for the purposes of this section.

17 (2) From the allocation in subsection (1), there is allocated
 18 for each fiscal year the amount necessary for payments to state
 19 supported colleges or universities and intermediate districts
 20 providing school bus driver safety instruction ~~pursuant to~~ **under**
 21 section 51 of the pupil transportation act, 1990 PA 187, MCL
 22 257.1851. The **department shall make** payments ~~shall be~~ in an amount
 23 determined by the department not to exceed the actual cost of
 24 instruction and driver compensation for each public or nonpublic
 25 school bus driver attending a course of instruction. For the
 26 purpose of computing compensation, the hourly rate allowed each
 27 school bus driver ~~shall~~ **must** not exceed the hourly rate received
 28 for driving a school bus. ~~Reimbursement~~ **The department shall make**
 29 **reimbursement** compensating the driver during the course of



1 instruction ~~shall be made by the department~~ to the college or
2 university or intermediate district providing the course of
3 instruction.

4 (3) From the allocation in subsection (1), there is allocated
5 for ~~2018-2019~~ **2019-2020** the amount necessary to pay the reasonable
6 costs of nonspecial education auxiliary services transportation
7 provided ~~pursuant to~~ **under** section 1323 of the revised school code,
8 MCL 380.1323. Districts funded under this subsection ~~shall not do~~
9 **not** receive funding under any other section of this article for
10 nonspecial education auxiliary services transportation.

11 (4) From the funds allocated in subsection (1), there is
12 allocated an amount not to exceed ~~\$1,729,900.00 for 2018-2019~~
13 **\$1,747,900.00 for 2019-2020** for reimbursement to districts and
14 intermediate districts for costs associated with the inspection of
15 school buses and pupil transportation vehicles by the department of
16 state police as required under section 715a of the Michigan vehicle
17 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
18 transportation act, 1990 PA 187, MCL 257.1839. The department of
19 state police shall prepare a statement of costs attributable to
20 each district for which bus inspections are provided and submit it
21 to the department and to an intermediate district serving as
22 fiduciary in a time and manner determined jointly by the department
23 and the department of state police. Upon review and approval of the
24 statement of cost, the department shall forward to the designated
25 intermediate district serving as fiduciary the amount of the
26 reimbursement on behalf of each district and intermediate district
27 for costs detailed on the statement within 45 days after receipt of
28 the statement. The designated intermediate district shall make
29 payment in the amount specified on the statement to the department



1 of state police within 45 days after receipt of the statement. The
2 total reimbursement of costs under this subsection ~~shall~~**must** not
3 exceed the amount allocated under this subsection. Notwithstanding
4 section 17b, **the department shall make** payments to eligible
5 entities under this subsection ~~shall be paid~~ on a schedule
6 prescribed by the department.

7 Sec. 74a. (1) From the funds appropriated in section 11, there
8 is allocated an amount not to exceed \$810,000.00 for 2018-2019 to
9 an eligible intermediate district to implement a statewide school
10 bus driver safety program.

11 (2) An intermediate district is eligible to receive funds
12 under this section if the intermediate district meets all of the
13 following:

14 (a) The total combined membership of its constituent districts
15 is at least 7,000 and not more than 8,000.

16 (b) The intermediate district is located in prosperity region
17 4.

18 (c) The intermediate district consists of 2 formerly
19 independent intermediate districts that consolidated into 1
20 intermediate district.

21 (3) A statewide school bus driver safety program funded under
22 this section must provide transportation staff training on how to
23 respond to acts of violence by using the model known as **proactive**
24 **response training for school bus drivers.**

25 (4) Notwithstanding section 17b, **the department shall make**
26 payments under this section to an eligible intermediate district
27 not later than March 1, 2019.

28 Sec. 81. (1) From the appropriation in section 11, there is
29 allocated for ~~2018-2019~~**2019-2020** to the intermediate districts the



1 sum necessary, but not to exceed ~~\$68,453,000.00~~ **\$69,138,000.00**, to
2 provide state aid to intermediate districts under this section.

3 (2) The amount allocated under this section to each
4 intermediate district is an amount equal to ~~102%~~ **101%** of the amount
5 allocated to the intermediate district under this section for ~~2017-~~
6 ~~2018. Funding~~ **2018-2019. An intermediate district shall use funding**
7 provided under this section ~~shall be used to~~ comply with
8 requirements of this article and the revised school code that are
9 applicable to intermediate districts, and for which funding is not
10 provided elsewhere in this article, and to provide technical
11 assistance to districts as authorized by the intermediate school
12 board.

13 (3) Intermediate districts receiving funds under this section
14 ~~shall~~ collaborate with the department to develop expanded
15 professional development opportunities for teachers to update and
16 expand their knowledge and skills needed to support the Michigan
17 merit curriculum.

18 (4) From the allocation in subsection (1), there is allocated
19 to an intermediate district, formed by the consolidation or
20 annexation of 2 or more intermediate districts or the attachment of
21 a total intermediate district to another intermediate school
22 district or the annexation of all of the constituent K-12 districts
23 of a previously existing intermediate school district which has
24 disorganized, an additional allotment of \$3,500.00 each fiscal year
25 for each intermediate district included in the new intermediate
26 district for 3 years following consolidation, annexation, or
27 attachment.

28 (5) In order to receive funding under this section, an
29 intermediate district shall do all of the following:



1 (a) Demonstrate to the satisfaction of the department that the
2 intermediate district employs at least 1 person who is trained in
3 pupil accounting and auditing procedures, rules, and regulations.

4 (b) Demonstrate to the satisfaction of the department that the
5 intermediate district employs at least 1 person who is trained in
6 rules, regulations, and district reporting procedures for the
7 individual-level student data that serves as the basis for the
8 calculation of the district and high school graduation and dropout
9 rates.

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

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

15 (e) Comply with section 1230g of the revised school code, MCL
16 380.1230g.

17 Sec. 94. (1) From the general fund appropriation in section
18 11, there is allocated to the department for ~~2017-2018~~ an amount
19 ~~not to exceed \$750,000.00 and there is allocated to the department~~
20 ~~for 2018-2019~~ **2019-2020** an amount not to exceed \$1,000,000.00 for
21 efforts to increase the number of pupils who participate and
22 succeed in advanced placement and international baccalaureate
23 programs, and ~~, beginning in 2018-2019,~~ to support the college-
24 level examination program (CLEP).

25 (2) From the funds allocated under this section, the
26 department shall award funds to cover all or part of the costs of
27 advanced placement test fees or international baccalaureate test
28 fees and international baccalaureate registration fees for low-
29 income pupils who take an advanced placement or an international



1 baccalaureate test ~~, and, beginning in 2018-2019,~~ **and** CLEP fees for
 2 low-income pupils who take a CLEP test.

3 (3) The department shall only award funds under this section
 4 if the department determines that all of the following criteria are
 5 met:

6 (a) Each pupil for whom payment is made meets eligibility
 7 requirements of the federal advanced placement test fee program
 8 under section 1701 of the no child left behind act of 2001, Public
 9 Law 107-110, or under a corresponding provision of the every
 10 student succeeds act, Public Law 114-95.

11 (b) The tests are administered by the college board, the
 12 international baccalaureate organization, or another test provider
 13 approved by the department.

14 (c) The pupil for whom payment is made pays at least \$5.00
 15 toward the cost of each test for which payment is made.

16 (4) The department shall establish procedures for awarding
 17 funds under this section.

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

21 Sec. 94a. (1) There is created within the state budget office
 22 in the department of technology, management, and budget the center
 23 for educational performance and information. The center shall do
 24 all of the following:

25 (a) Coordinate the collection of all data required by state
 26 and federal law from districts, intermediate districts, and
 27 postsecondary institutions.

28 (b) Create, maintain, and enhance this state's P-20
 29 longitudinal data system and ensure that it meets the requirements



1 of subsection (4).

2 (c) Collect data in the most efficient manner possible in
3 order to reduce the administrative burden on reporting entities,
4 including, but not limited to, electronic transcript services.

5 (d) Create, maintain, and enhance this state's web-based
6 educational portal to provide information to school leaders,
7 teachers, researchers, and the public in compliance with all
8 federal and state privacy laws. Data ~~shall~~**must** include, but are
9 not limited to, all of the following:

10 (i) Data sets that link teachers to student information,
11 allowing districts to assess individual teacher impact on student
12 performance and consider student growth factors in teacher and
13 principal evaluation systems.

14 (ii) Data access or, if practical, data sets, provided for
15 regional data hubs that, in combination with local data, can
16 improve teaching and learning in the classroom.

17 (iii) Research-ready data sets for researchers to perform
18 research that advances this state's educational performance.

19 (e) Provide data in a useful manner to allow state and local
20 policymakers to make informed policy decisions.

21 (f) Provide public reports to the ~~citizens~~**residents** of this
22 state to allow them to assess allocation of resources and the
23 return on their investment in the education system of this state.

24 (g) Other functions as assigned by the state budget director.

25 (2) Each state department, officer, or agency that collects
26 information from districts, intermediate districts, or
27 postsecondary institutions as required under state or federal law
28 shall make arrangements with the center to ensure that the state
29 department, officer, or agency is in compliance with subsection



1 (1). This subsection does not apply to information collected by the
2 department of treasury under the uniform budgeting and accounting
3 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
4 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
5 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
6 388.1939; or section 1351a of the revised school code, MCL
7 380.1351a.

8 (3) The center may enter into any interlocal agreements
9 necessary to fulfill its functions.

10 (4) The center shall ensure that the P-20 longitudinal data
11 system required under subsection (1)(b) meets all of the following:

12 (a) Includes data at the individual student level from
13 preschool through postsecondary education and into the workforce.

14 (b) Supports interoperability by using standard data
15 structures, data formats, and data definitions to ensure linkage
16 and connectivity in a manner that facilitates the exchange of data
17 among agencies and institutions within the state and between
18 states.

19 (c) Enables the matching of individual teacher and student
20 records so that an individual student may be matched with those
21 teachers providing instruction to that student.

22 (d) Enables the matching of individual teachers with
23 information about their certification and the institutions that
24 prepared and recommended those teachers for state certification.

25 (e) Enables data to be easily generated for continuous
26 improvement and decision-making, including timely reporting to
27 parents, teachers, and school leaders on student achievement.

28 (f) Ensures the reasonable quality, validity, and reliability
29 of data contained in the system.



1 (g) Provides this state with the ability to meet federal and
2 state reporting requirements.

3 (h) For data elements related to preschool through grade 12
4 and postsecondary, meets all of the following:

5 (i) Contains a unique statewide student identifier that does
6 not permit a student to be individually identified by users of the
7 system, except as allowed by federal and state law.

8 (ii) Contains student-level enrollment, demographic, and
9 program participation information.

10 (iii) Contains student-level information about the points at
11 which students exit, transfer in, transfer out, drop out, or
12 complete education programs.

13 (iv) Has the capacity to communicate with higher education data
14 systems.

15 (i) For data elements related to preschool through grade 12
16 only, meets all of the following:

17 (i) Contains yearly test records of individual students for
18 assessments approved by DED-OESE for accountability purposes under
19 section 1111(b) of the elementary and secondary education act of
20 1965, 20 USC 6311, including information on individual students not
21 tested, by grade and subject.

22 (ii) Contains student-level transcript information, including
23 information on courses completed and grades earned.

24 (iii) Contains student-level college readiness test scores.

25 (j) For data elements related to postsecondary education only:

26 (i) Contains data that provide information regarding the extent
27 to which individual students transition successfully from secondary
28 school to postsecondary education, including, but not limited to,
29 all of the following:



1 (A) Enrollment in remedial coursework.

2 (B) Completion of 1 year's worth of college credit applicable
3 to a degree within 2 years of enrollment.

4 (ii) Contains data that provide other information determined
5 necessary to address alignment and adequate preparation for success
6 in postsecondary education.

7 (5) From the general fund appropriation in section 11, there
8 is allocated an amount not to exceed ~~\$16,356,700.00 for 2018-2019~~
9 **\$16,457,200.00 for 2019-2020** to the department of technology,
10 management, and budget to support the operations of the center. In
11 addition, from the federal funds appropriated in section 11, there
12 is allocated for ~~2018-2019~~ **2019-2020** the amount necessary,
13 estimated at \$193,500.00, to support the operations of the center
14 and to establish a P-20 longitudinal data system necessary for
15 state and federal reporting purposes. The center shall cooperate
16 with the department to ensure that this state is in compliance with
17 federal law and is maximizing opportunities for increased federal
18 funding to improve education in this state.

19 (6) From the funds allocated in subsection (5), the center may
20 use an amount determined by the center for competitive grants for
21 ~~2018-2019~~ **2019-2020** to support collaborative efforts on the P-20
22 longitudinal data system. All of the following apply to grants
23 awarded under this subsection:

24 (a) The center shall award competitive grants to eligible
25 intermediate districts or a consortium of intermediate districts
26 based on criteria established by the center.

27 (b) Activities funded under the grant ~~shall~~ **must** support the
28 P-20 longitudinal data system portal and may include portal
29 hosting, hardware and software acquisition, maintenance,



1 enhancements, user support and related materials, and professional
2 learning tools and activities aimed at improving the utility of the
3 P-20 longitudinal data system.

4 (c) An applicant that received a grant under this subsection
5 for the immediately preceding fiscal year ~~shall receive~~**has**
6 priority for funding under this section. However, after 3 fiscal
7 years of continuous funding, an applicant is required to compete
8 openly with new applicants.

9 (7) Funds allocated under this section that are not expended
10 in the fiscal year in which they were allocated may be carried
11 forward to a subsequent fiscal year and are appropriated for the
12 purposes for which the funds were originally allocated.

13 (8) The center may bill departments as necessary in order to
14 fulfill reporting requirements of state and federal law. The center
15 may also enter into agreements to supply custom data, analysis, and
16 reporting to other principal executive departments, state agencies,
17 local units of government, and other individuals and organizations.
18 The center may receive and expend funds in addition to those
19 authorized in subsection (5) to cover the costs associated with
20 salaries, benefits, supplies, materials, and equipment necessary to
21 provide such data, analysis, and reporting services.

22 (9) As used in this section:

23 (a) "DED-OESE" means the United States Department of Education
24 Office of Elementary and Secondary Education.

25 (b) "State education agency" means the department.

26 Sec. 95a. (1) The educator evaluation reserve fund is created
27 as a separate account within the state school aid fund.

28 (2) The state treasurer may receive money or other assets from
29 any source for deposit into the educator evaluation reserve fund.



1 The state treasurer shall direct the investment of the educator
 2 evaluation reserve fund. The state treasurer shall credit to the
 3 educator evaluation reserve fund interest and earnings from the
 4 educator evaluation reserve fund.

5 (3) Money in the educator evaluation reserve fund at the close
 6 of the fiscal year ~~shall remain in the educator evaluation reserve~~
 7 ~~fund and shall not lapse~~ **lapses** to the state school aid fund. ~~or to~~
 8 ~~the general fund.~~ The department of treasury ~~shall be~~ **is** the
 9 administrator of the educator evaluation reserve fund for auditing
 10 purposes.

11 (4) From the appropriations in section 11, there is allocated
 12 to the educator evaluation reserve fund for 2014-2015 an amount not
 13 to exceed \$12,100,000.00 from the state school aid fund and an
 14 amount not to exceed \$2,700,000.00 from the general fund. Subject
 15 to ~~subsections (5) and (6),~~ **subsection (5)**, the department shall
 16 expend the money in the educator evaluation reserve fund for
 17 implementing evaluation systems for public school teachers and
 18 school administrators.

19 (5) ~~Funds~~ **The department shall not expend funds** in the
 20 educator evaluation reserve fund ~~shall not be expended~~ unless the
 21 state budget office has approved the department's spending plan.

22 **Sec. 97. (1) From the general fund appropriation in section**
 23 **11, there is allocated to the department an amount not to exceed**
 24 **\$5,000,000.00 for 2019-2020 only to expand an existing advanced 911**
 25 **state contract for the sole purpose of implementing a statewide**
 26 **pilot Secure Schools Program and Panic Button App phone application**
 27 **system in public and nonpublic schools that operate any of grades K**
 28 **to 12.**

29 (2) **The Panic Button App phone application system funded under**



1 this section must be able to do all of the following
2 simultaneously:

3 (a) Allow authorized users to place a voice call to 911.

4 (b) Provide intelligent notifications via text and electronic
5 mail.

6 (c) Provide push notifications that contain information
7 regarding the identity and location of the reporting party,
8 response type required based on incident type, and additional
9 location details to relevant communities to which users belong
10 including, but not limited to, both of the following, as applicable
11 based on the location and category of the emergency event:

12 (i) Key stakeholders.

13 (ii) Authorized users, including, but not limited to, all of
14 the following:

15 (A) School staff.

16 (B) School resource officers.

17 (C) 911.

18 (D) First responder agencies.

19 (d) Allow 911, school officials, and first responder agencies
20 to send messages to Panic Button App users both during and after
21 emergency events in order to facilitate ongoing communications and
22 coordination.

23 (3) The Secure Schools Program funded under this section must
24 integrate with this state's current supplemental 911 database to
25 maintain information voluntarily provided by individuals and
26 facility managers via a secure web application. Any information
27 submitted by a district under the Secure Schools Program,
28 including, but not limited to, floorplans, automated external
29 defibrillator information, school safety plans, reunification



1 plans, and entry or exit points must automatically appear to 911
2 whenever the Panic Button App is activated.

3 (4) Funds allocated under this section may be used to defray
4 the initial costs associated with the implementation of the Secure
5 Schools Program, including installation, training, and maintenance
6 costs. A grant recipient may carry a portion of a grant payment
7 under this section into 2020-2021 to support ongoing costs. After
8 2020-2021, any ongoing costs must be supported solely by the grant
9 recipient.

10 (5) The department shall distribute funds under this section
11 in 2 payments. The first payment must be made by October 1, 2019
12 and the second payment must be made by December 30, 2019.

13 Sec. 98. (1) From the general fund money appropriated in
14 section 11, there is allocated an amount not to exceed
15 \$7,387,500.00 for ~~2018-2019~~**2019-2020** for the purposes described in
16 this section. The Michigan Virtual University shall provide a
17 report to the legislature not later than November 1 of each year
18 that includes its mission, its plans, and proposed benchmarks it
19 must meet, ~~which shall include~~**including** a plan to achieve the
20 organizational priorities identified in this section, in order to
21 receive full funding for ~~2019-2020~~**2020-2021**. Not later than March
22 1 of each year, the Michigan Virtual University shall provide an
23 update to the house and senate appropriations subcommittees on
24 school aid to show the progress being made to meet the benchmarks
25 identified.

26 (2) The Michigan Virtual University shall operate the Michigan
27 Virtual Learning Research Institute. The Michigan Virtual Learning
28 Research Institute shall do all of the following:

29 (a) Support and accelerate innovation in education through the



1 following activities:

2 (i) Test, evaluate, and recommend as appropriate new
3 technology-based instructional tools and resources.

4 (ii) Research, design, and recommend virtual education delivery
5 models for use by pupils and teachers that include age-appropriate
6 multimedia instructional content.

7 (iii) Research, develop, and recommend annually to the
8 department criteria by which cyber schools and virtual course
9 providers should be monitored and evaluated to ensure a quality
10 education for their pupils.

11 (iv) Based on pupil completion and performance data reported to
12 the department or the center ~~for educational performance and~~
13 ~~information~~ from cyber schools and other virtual course providers
14 operating in this state, analyze the effectiveness of virtual
15 learning delivery models in preparing pupils to be college- and
16 career-ready and publish a report that highlights enrollment
17 totals, completion rates, and the overall impact on pupils. The
18 ~~report shall be submitted~~ **Michigan Virtual Learning Research**
19 **Institute shall submit the report** to the house and senate
20 appropriations subcommittees on state school aid, the state budget
21 director, the house and senate fiscal agencies, the department,
22 districts, and intermediate districts not later than March 31 of
23 each year.

24 (v) Provide an extensive professional development program to
25 at least 30,000 educational personnel, including teachers, school
26 administrators, and school board members, that focuses on the
27 effective integration of virtual learning into curricula and
28 instruction. The Michigan Virtual Learning Research Institute is
29 encouraged to work with the MiSTEM advisory council created under



1 section 99s to coordinate professional development of teachers in
2 applicable fields. In addition, the Michigan Virtual Learning
3 Research Institute and external stakeholders are encouraged to
4 coordinate with the department for professional development in this
5 state. Not later than December 1 of each year, the Michigan Virtual
6 Learning Research Institute shall submit a report to the house and
7 senate appropriations subcommittees on state school aid, the state
8 budget director, the house and senate fiscal agencies, and the
9 department on the number of teachers, school administrators, and
10 school board members who have received professional development
11 services from the Michigan Virtual University. The report ~~shall~~
12 **must** also identify barriers and other opportunities to encourage
13 the adoption of virtual learning in the public education system.

14 (vi) Identify and share best practices for planning,
15 implementing, and evaluating virtual and blended education delivery
16 models with intermediate districts, districts, and public school
17 academies to accelerate the adoption of innovative education
18 delivery models statewide.

19 (b) Provide leadership for this state's system of virtual
20 learning education by doing the following activities:

21 (i) Develop and report policy recommendations to the governor
22 and the legislature that accelerate the expansion of effective
23 virtual learning in this state's schools.

24 (ii) Provide a clearinghouse for research reports, academic
25 studies, evaluations, and other information related to virtual
26 learning.

27 (iii) Promote and distribute the most current instructional
28 design standards and guidelines for virtual teaching.

29 (iv) In collaboration with the department and interested



1 colleges and universities in this state, support implementation and
2 improvements related to effective virtual learning instruction.

3 (v) Pursue public/private partnerships that include districts
4 to study and implement competency-based technology-rich virtual
5 learning models.

6 (vi) Create a statewide network of school-based mentors serving
7 as liaisons between pupils, virtual instructors, parents, and
8 school staff, as provided by the department or the center, and
9 provide mentors with research-based training and technical
10 assistance designed to help more pupils be successful virtual
11 learners.

12 (vii) Convene focus groups and conduct annual surveys of
13 teachers, administrators, pupils, parents, and others to identify
14 barriers and opportunities related to virtual learning.

15 (viii) Produce an annual consumer awareness report for schools
16 and parents about effective virtual education providers and
17 education delivery models, performance data, cost structures, and
18 research trends.

19 (ix) Provide an internet-based platform that educators can use
20 to create student-centric learning tools and resources for sharing
21 in the state's open educational resource repository and facilitate
22 a user network that assists educators in using the content creation
23 platform and state repository for open educational resources. As
24 part of this initiative, the Michigan Virtual University shall work
25 collaboratively with districts and intermediate districts to
26 establish a plan to make available virtual resources that align to
27 Michigan's K-12 curriculum standards for use by students,
28 educators, and parents.

29 (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~~**must** 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 pass rate for each virtual course.

24 (xi) Support registration, payment services, and transcript
25 functionality for the statewide catalog and train key stakeholders
26 on how to use new features.

27 (xii) Collaborate with key stakeholders to examine district
28 level accountability and teacher effectiveness issues related to
29 virtual learning under section 21f and make findings and



1 recommendations publicly available.

2 (xiii) Provide a report on the activities of the Michigan
3 Virtual Learning Research Institute.

4 (3) To further enhance its expertise and leadership in virtual
5 learning, the Michigan Virtual University shall continue to operate
6 the Michigan Virtual School as a statewide laboratory and quality
7 model of instruction by implementing virtual and blended learning
8 solutions for Michigan schools in accordance with the following
9 parameters:

10 (a) The Michigan Virtual School must maintain its
11 accreditation status from recognized national and international
12 accrediting entities.

13 (b) The Michigan Virtual University shall use no more than
14 \$1,000,000.00 of the amount allocated under this section to
15 subsidize the cost paid by districts for virtual courses.

16 (c) In providing educators responsible for the teaching of
17 virtual courses as provided for in this section, the Michigan
18 Virtual School shall follow the requirements to request and assess,
19 and the department of state police shall provide, a criminal
20 history check and criminal records check under sections 1230 and
21 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
22 the same manner as if the Michigan Virtual School were a school
23 district under those sections.

24 (4) From the funds allocated under subsection (1), the
25 Michigan Virtual University shall allocate up to \$500,000.00 to
26 support the expansion of new online and blended educator
27 professional development programs.

28 (5) If the course offerings are included in the statewide
29 catalog of virtual courses under subsection (2)(b)(x), the Michigan



1 Virtual School operated by the Michigan Virtual University may
2 offer virtual course offerings, including, but not limited to, all
3 of the following:

4 (a) Information technology courses.

5 (b) College level equivalent courses, as defined in section
6 1471 of the revised school code, MCL 380.1471.

7 (c) Courses and dual enrollment opportunities.

8 (d) Programs and services for at-risk pupils.

9 (e) High school equivalency test preparation courses for
10 adjudicated youth.

11 (f) Special interest courses.

12 (g) Professional development programs for teachers, school
13 administrators, other school employees, and school board members.

14 (6) If a home-schooled or nonpublic school student is a
15 resident of a district that subscribes to services provided by the
16 Michigan Virtual School, the student may use the services provided
17 by the Michigan Virtual School to the district without charge to
18 the student beyond what is charged to a district pupil using the
19 same services.

20 (7) Not later than December 1 of each fiscal year, the
21 Michigan Virtual University shall provide a report to the house and
22 senate appropriations subcommittees on state school aid, the state
23 budget director, the house and senate fiscal agencies, and the
24 department that includes at least all of the following information
25 related to the Michigan Virtual School for the preceding state
26 fiscal year:

27 (a) A list of the districts served by the Michigan Virtual
28 School.

29 (b) A list of virtual course titles available to districts.



1 (c) The total number of virtual course enrollments and
2 information on registrations and completions by course.

3 (d) The overall course completion rate percentage.

4 (8) In addition to the information listed in subsection (7),
5 the report under subsection (7) ~~shall~~**must** also include a plan to
6 serve at least 600 schools with courses from the Michigan Virtual
7 School or with content available through the internet-based
8 platform identified in subsection (2) (b) (ix).

9 (9) The governor may appoint an advisory group for the
10 Michigan Virtual Learning Research Institute established under
11 subsection (2). The members of the advisory group ~~shall~~serve at
12 the pleasure of the governor and ~~shall~~serve without compensation.
13 The purpose of the advisory group is to make recommendations to the
14 governor, the legislature, and the president and board of the
15 Michigan Virtual University that will accelerate innovation in this
16 state's education system in a manner that will prepare elementary
17 and secondary students to be career and college ready and that will
18 promote the goal of increasing the percentage of ~~citizens~~**residents**
19 of this state with high-quality degrees and credentials to at least
20 60% by ~~2025~~**2030**.

21 (10) Not later than November 1 of each year, the Michigan
22 Virtual University shall submit to the house and senate
23 appropriations subcommittees on state school aid, the state budget
24 director, and the house and senate fiscal agencies a detailed
25 budget for that fiscal year that includes a breakdown on its
26 projected costs to deliver virtual educational services to
27 districts and a summary of the anticipated fees to be paid by
28 districts for those services. Not later than March 1 each year, the
29 Michigan Virtual University shall submit to the house and senate



1 appropriations subcommittees on state school aid, the state budget
2 director, and the house and senate fiscal agencies a breakdown on
3 its actual costs to deliver virtual educational services to
4 districts and a summary of the actual fees paid by districts for
5 those services based on audited financial statements for the
6 immediately preceding fiscal year.

7 (11) As used in this section:

8 (a) "Blended learning" means a hybrid instructional delivery
9 model where pupils are provided content, instruction, and
10 assessment, in part at a supervised educational facility away from
11 home where the pupil and a teacher with a valid Michigan teaching
12 certificate are in the same physical location and in part through
13 internet-connected learning environments with some degree of pupil
14 control over time, location, and pace of instruction.

15 (b) "Cyber school" means a full-time instructional program of
16 virtual courses for pupils that may or may not require attendance
17 at a physical school location.

18 (c) "Virtual course" means a course of study that is capable
19 of generating a credit or a grade and that is provided in an
20 interactive learning environment in which the majority of the
21 curriculum is delivered using the internet and in which pupils are
22 separated from their instructor or teacher of record by time or
23 location, or both.

24 Sec. 99h. (1) From the state school aid fund appropriation in
25 section 11, there is allocated ~~an amount not to exceed~~
26 ~~\$3,000,000.00 for 2017-2018~~ and an amount not to exceed
27 ~~\$4,500,000.00~~ **\$5,000,000.00** for ~~2018-2019~~ **2019-2020** for competitive
28 grants to districts and intermediate districts, and from the
29 general fund appropriation in section 11, there is allocated an



1 amount not to exceed \$300,000.00 ~~each fiscal year for 2017-2018 and~~
2 ~~for 2018-2019~~ **for 2019-2020** for competitive grants to nonpublic
3 schools that provide pupils in grades K to 12 with expanded
4 opportunities to improve mathematics, science, and technology
5 skills by participating in events hosted by a science and
6 technology development program known as FIRST (for inspiration and
7 recognition of science and technology) Robotics, including JR FIRST
8 Lego League, FIRST Lego League, FIRST Tech challenge, and FIRST
9 Robotics competition, or ~~, beginning in 2018-2019,~~ other
10 competitive robotics programs, including **VEX and** those hosted by
11 the Robotics Education and Competition (REC) Foundation. Programs
12 funded under this section are intended to increase the number of
13 pupils demonstrating proficiency in science and mathematics on the
14 state assessments and to increase the number of pupils who are
15 college- and career-ready upon high school graduation.
16 Notwithstanding section 17b, **the department shall make** grant
17 payments to districts, nonpublic schools, and intermediate
18 districts under this section ~~shall be paid~~ on a schedule determined
19 by the department. The department shall set maximum grant awards
20 for each different level of competition in a manner that both
21 maximizes the number of teams that will be able to receive funds
22 and expands the geographical distribution of teams.

23 (2) A district, nonpublic school, or intermediate district
24 applying for a grant under this section shall submit an application
25 in a form and manner determined by the department. To be eligible
26 for a grant, a district, nonpublic school, or intermediate district
27 shall demonstrate in its application that the district, nonpublic
28 school, or intermediate district has established a partnership for
29 the purposes of the robotics program with at least 1 sponsor,



1 business entity, higher education institution, or technical school,
2 shall submit a spending plan, and shall pay at least 25% of the
3 cost of the robotics program.

4 (3) The department shall distribute the grant funding under
5 this section for the following purposes:

6 (a) Grants to districts, nonpublic schools, or intermediate
7 districts to pay for stipends not to exceed \$1,500.00 for 1 coach
8 per team.

9 (b) Grants to districts, nonpublic schools, or intermediate
10 districts for event registrations, materials, travel costs, and
11 other expenses associated with the preparation for and attendance
12 at robotics events and competitions. Each grant recipient shall
13 provide a local match from other private or local funds for the
14 funds received under this subdivision equal to at least 50% of the
15 costs of participating in an event.

16 (c) Grants to districts, nonpublic schools, or intermediate
17 districts for awards to teams that advance to the state and world
18 championship competitions. The department shall determine an equal
19 amount per team for those teams that advance to the state
20 championship and a second equal award amount to those teams that
21 advance to the world championship.

22 (4) A nonpublic school that receives a grant under this
23 section may use the funds for either robotics or Science Olympiad
24 programs.

25 (5) To be eligible to receive funds under this section, a
26 nonpublic school must be a nonpublic school registered with the
27 department and must meet all applicable state reporting
28 requirements for nonpublic schools.

29 ~~(6) The funds allocated under this section for 2017-2018 are a~~



1 ~~work project appropriation, and any unexpended funds for 2017-2018~~
 2 ~~are carried forward into 2018-2019. The purpose of the work project~~
 3 ~~is to continue support of FIRST Robotics and must not be used to~~
 4 ~~support other robotics competitions. The estimated completion date~~
 5 ~~of the work project is September 30, 2020.~~

6 Sec. 99s. (1) From the funds appropriated under section 11,
 7 there is allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
 8 \$7,634,300.00 from the state school aid fund appropriation and an
 9 amount not to exceed \$300,000.00 from the general fund
 10 appropriation for Michigan science, technology, engineering, and
 11 mathematics (MiSTEM) programs. In addition, from the federal funds
 12 appropriated in section 11, there is allocated for ~~2018-2019~~ **2019-**
 13 **2020** an amount estimated at ~~\$3,500,000.00~~ **\$235,000.00** from DED-
 14 OESE, title II, mathematics and science partnership grants. **The**
 15 **MiSTEM network may receive funds from private sources. If the**
 16 **MiSTEM network receives funds from private sources, the MiSTEM**
 17 **network shall expend those funds in alignment with the statewide**
 18 **STEM strategy.** Programs funded under this section are intended to
 19 increase the number of pupils demonstrating proficiency in science
 20 and mathematics on the state assessments and to increase the number
 21 of pupils who are college- and career-ready upon high school
 22 graduation. Notwithstanding section 17b, **the department shall make**
 23 **payments under this section shall be paid on a schedule determined**
 24 **by the department.**

25 (2) All of the following apply to the MiSTEM advisory council:

26 (a) The MiSTEM advisory council is created. The MiSTEM
 27 advisory council shall provide to the governor, legislature,
 28 department of talent and economic development, and department
 29 recommendations designed to improve and promote innovation in STEM



1 education and to prepare students for careers in science,
2 technology, engineering, and mathematics.

3 (b) The MiSTEM advisory council created under subdivision (a)
4 ~~shall consist~~ **consists** of the following members:

5 (i) The governor shall appoint 11 voting members who are
6 representative of business sectors that are important to Michigan's
7 economy and rely on a STEM-educated workforce, nonprofit
8 organizations and associations that promote STEM education, K-12
9 and postsecondary education entities involved in STEM-related
10 career education, or other sectors as considered appropriate by the
11 governor. Each of these members ~~shall serve~~ **serves** at the pleasure
12 of the governor and for a term determined by the governor.

13 (ii) The senate majority leader shall appoint 2 members of the
14 senate to serve as nonvoting, ex-officio members of the MiSTEM
15 advisory council, including 1 majority party member and 1 minority
16 party member.

17 (iii) The speaker of the house of representatives shall appoint
18 2 members of the house of representatives to serve as nonvoting,
19 ex-officio members of the MiSTEM advisory council, including 1
20 majority party member and 1 minority party member.

21 (iv) **The governor shall appoint 1 state officer or employee to**
22 **serve as a nonvoting, ex-officio member of the MiSTEM advisory**
23 **council.**

24 (c) Each member of the MiSTEM advisory council ~~shall serve~~
25 **serves** without compensation.

26 (d) The MiSTEM advisory council annually shall review and make
27 recommendations to the governor, the legislature, and the
28 department concerning changes to the statewide strategy adopted by
29 the council for delivering STEM education-related opportunities to



1 pupils. The MiSTEM advisory council shall use funds received under
2 this subsection to ensure that its members or their designees are
3 trained in the Change the Equation STEMworks rating system program
4 for the purpose of rating STEM programs.

5 (e) The MiSTEM advisory council shall make specific funding
6 recommendations for the funds allocated under subsection (3) by
7 December 15 of each fiscal year. Each specific funding
8 recommendation ~~shall~~**must** be for a program approved by the MiSTEM
9 advisory council. To be eligible for MiSTEM advisory council
10 approval, a program must satisfy all of the following:

11 (i) Align with this state's academic standards.

12 (ii) Have STEMworks certification.

13 (iii) Provide project-based experiential learning, student
14 programming, or educator professional learning experiences.

15 (iv) Focus predominantly on classroom-based STEM experiences or
16 professional learning experiences.

17 (f) The MiSTEM advisory council shall approve programs that
18 represent all network regions and include a diverse array of
19 options for students and educators and at least 1 program in each
20 of the following areas:

21 (i) Robotics.

22 (ii) Computer science or coding.

23 (iii) Engineering or bioscience.

24 (g) The MiSTEM advisory council is encouraged to work with the
25 MiSTEM network to develop locally and regionally developed programs
26 and professional ~~development~~**learning** experiences for the programs
27 on the list of approved programs.

28 (h) If the MiSTEM advisory council is unable to make specific
29 funding recommendations by December 15 of a fiscal year, the



1 department shall award and distribute the funds allocated under
 2 subsection (3) on a competitive grant basis that at least follows
 3 the statewide STEM strategy plan and rating system recommended by
 4 the MiSTEM advisory council. Each grant must provide STEM
 5 education-related opportunities for pupils.

6 (i) The MiSTEM advisory council shall work with the executive
 7 director of the MiSTEM network to implement the statewide STEM
 8 strategy adopted by the MiSTEM advisory council.

9 (3) From the state school aid fund money allocated under
 10 subsection (1), there is allocated for ~~2018-2019-2019-2020~~ an
 11 amount not to exceed \$3,050,000.00 for the purpose of funding
 12 programs under this section for ~~2018-2019,~~ **2019-2020**, as
 13 recommended by the MiSTEM advisory council.

14 (4) From the school aid fund allocation under subsection (1),
 15 there is allocated an amount not to exceed \$3,834,300.00 for ~~2018-~~
 16 ~~2019-2019-2020~~ to support the activities and programs of the MiSTEM
 17 network regions. In addition, from the federal funds allocated
 18 under subsection (1), there is allocated for ~~2018-2019-2019-2020~~ an
 19 amount estimated at ~~\$3,500,000.00~~ **\$235,000.00** from DED-OESE, title
 20 II, mathematics and science partnership grants, for the purposes of
 21 this subsection. ~~Beginning in 2018-2019, the~~ **From the money**
 22 **allocated under this subsection, the department shall award the**
 23 fiscal agent for each MiSTEM network region ~~shall receive~~
 24 \$200,000.00 for the base operations of each region. The **department**
 25 **shall distribute the** remaining funds ~~will be distributed~~ to each
 26 fiscal agent in an equal amount per pupil, based on the number of K
 27 to 12 pupils enrolled in districts within each region in the ~~prior~~
 28 **immediately preceding** fiscal year.

29 (5) A MiSTEM network region shall do all of the following:



1 (a) Collaborate with the career and educational advisory
2 council that is located in the MiSTEM region to develop a regional
3 strategic plan for STEM education that creates a robust regional
4 STEM culture, that empowers STEM teachers, that integrates business
5 and education into the STEM network, and that ensures high-quality
6 STEM experiences for pupils. At a minimum, a regional STEM
7 strategic plan should do all of the following:

8 (i) Identify regional employer need for STEM.

9 (ii) Identify processes for regional employers and educators to
10 create guided pathways for STEM careers that include internships or
11 externships, apprenticeships, and other experiential engagements
12 for pupils.

13 (iii) Identify educator professional development opportunities,
14 including internships or externships and apprenticeships, that
15 integrate this state's science standards into high-quality STEM
16 experiences that engage pupils.

17 (b) Facilitate regional STEM events such as educator and
18 employer networking and STEM career fairs to raise STEM awareness.

19 (c) Contribute to the MiSTEM website and engage in other
20 MiSTEM network functions to further the mission of STEM in this
21 state in coordination with the MiSTEM advisory council and its
22 executive director.

23 (d) Facilitate application and implementation of state and
24 federal funds under this subsection and any other grants or funds
25 for the MiSTEM network region.

26 (e) Work with districts to provide STEM programming and
27 professional ~~development~~. **learning.**

28 (f) Coordinate recurring discussions and work with the career
29 and educational advisory council to ensure that feedback and best



1 practices are being shared, including funding, program,
2 professional learning opportunities, and regional strategic plans.

3 (6) From the school aid funds allocated under subsection (1),
4 the department shall distribute for ~~2018-2019~~ **2019-2020** an amount
5 not to exceed \$750,000.00, in a form and manner determined by the
6 department, to those network regions able to provide curriculum and
7 professional development support to assist districts in
8 implementing the Michigan merit curriculum components for
9 mathematics and science.

10 (7) In order to receive state or federal funds under
11 subsection (4) or (6), **or to receive funds from private sources as**
12 **authorized under subsection (1)**, a grant recipient ~~shall~~**must** allow
13 access for the department or the department's designee to audit all
14 records related to the program for which it receives those funds.
15 The grant recipient shall reimburse the state for all disallowances
16 found in the audit.

17 (8) In order to receive state funds under subsection (4) or
18 (6), a grant recipient ~~shall~~**must** provide at least a 10% local
19 match from local public or private resources for the funds received
20 under this subsection.

21 (9) Not later than July 1, 2019 and July 1 of each year
22 thereafter, a MiSTEM network region that receives funds under
23 subsection (4) shall report to the executive director of the MiSTEM
24 network in a form and manner prescribed by the executive director
25 on performance measures developed by the MiSTEM network regions and
26 approved by the executive director. The performance measures ~~shall~~
27 **must** be designed to ensure that the activities of the MiSTEM
28 network are improving student academic outcomes.

29 (10) Not more than 5% of a MiSTEM network region grant under



1 subsection (4) or (6) may be retained by a fiscal agent for serving
2 as the fiscal agent of a MiSTEM network region.

3 (11) From the general fund allocation under subsection (1),
4 there is allocated an amount not to exceed \$300,000.00 to the
5 department of ~~technology, management, and budget~~ **talent and**
6 **economic development** to support the functions of the executive
7 director and executive assistant for the MiSTEM network, and for
8 administrative, training, and travel costs related to the MiSTEM
9 advisory council. The executive director and executive assistant
10 for the MiSTEM network shall do all of the following:

11 (a) Serve as a liaison among and between the department, the
12 department of ~~technology, management, and budget~~, **talent and**
13 **economic development**, the MiSTEM advisory council, ~~the Michigan~~
14 ~~mathematics and science centers network~~, the governor's **future**
15 ~~talent investment board~~, ~~the general education leadership network~~,
16 ~~and council~~, the MiSTEM regions, **and any other relevant**
17 **organization or entity** in a manner that creates a robust statewide
18 STEM culture, that empowers STEM teachers, that integrates business
19 and education into the STEM network, and that ensures high-quality
20 STEM 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) Work with the department and the MiSTEM advisory council
27 to coordinate, award, and monitor MiSTEM state and federal grants
28 to the MiSTEM network regions and conduct reviews of grant
29 recipients, including, but not limited to, pupil experience and



1 feedback.

2 (d) Report to the governor, the legislature, the department,
3 and the MiSTEM advisory council annually on the activities and
4 performance of the MiSTEM network regions.

5 (e) Coordinate recurring discussions and work with regional
6 staff to ensure that a network or loop of feedback and best
7 practices are shared, including funding, programming, professional
8 learning opportunities, discussion of MiSTEM strategic vision, and
9 regional objectives.

10 (f) Coordinate major grant application efforts with the MiSTEM
11 advisory council to assist regional staff with grant applications
12 on a local level. The MiSTEM advisory council shall leverage
13 private and nonprofit relationships to coordinate and align private
14 funds in addition to funds appropriated under this section.

15 (g) Train state and regional staff in the STEMworks rating
16 system, in collaboration with the MiSTEM advisory council and the
17 department.

18 (h) ~~Collaborate with the MiSTEM network to hire~~ **Hire** MiSTEM
19 network region staff **in collaboration with the network region**
20 **fiscal agent.**

21 (12) As used in this section:

22 (a) "Career and educational advisory council" means an
23 advisory council to the local workforce development boards located
24 in a prosperity region consisting of educational, employer, labor,
25 and parent representatives.

26 (b) "DED" means the United States Department of Education.

27 (c) "DED-OESE" means the DED Office of Elementary and
28 Secondary Education.

29 (d) "STEM" means science, technology, engineering, and



1 mathematics delivered in an integrated fashion using cross-
2 disciplinary learning experiences that can include language arts,
3 performing and fine arts, and career and technical education.

4 Sec. 99t. (1) From the general fund appropriation under
5 section 11, there is allocated an amount not to exceed
6 \$1,500,000.00 for ~~2018-2019~~**2019-2020 only** to purchase statewide
7 access to an online algebra tool that meets all of the following:

8 (a) Provides students statewide with complete access to videos
9 aligned with state standards including study guides and workbooks
10 that are aligned with the videos.

11 (b) Provides students statewide with access to a personalized
12 online algebra learning tool including adaptive diagnostics.

13 (c) Provides students statewide with dynamic algebra practice
14 assessments that emulate the state assessment with immediate
15 feedback and help solving problems.

16 (d) Provides students statewide with online access to algebra
17 help 24 hours a day and 7 days a week from study experts, teachers,
18 and peers on a moderated social networking platform.

19 (e) Provides an online algebra professional development
20 network for teachers.

21 (f) Is already provided under a statewide contract in at least
22 1 other state that has a population of at least 18,000,000 but not
23 more than 19,000,000 according to the most recent decennial census
24 and is offered in that state in partnership with a public
25 university.

26 (2) The department shall purchase the online algebra tool that
27 was chosen under this section in 2016-2017.

28 (3) A grantee receiving funding under this section shall
29 comply with the requirements of section 19b.



1 Sec. 99u. (1) From the general fund appropriation under
2 section 11, there is allocated for ~~2018-2019~~ **2019-2020** an amount
3 not to exceed \$1,500,000.00 to purchase statewide access to an
4 online mathematics tool that meets all of the following:

5 (a) Provides students statewide with complete access to
6 mathematics support aligned with state standards through a program
7 that has all of the following elements:

8 (i) Student motivation.

9 (ii) Valid and reliable assessments.

10 (iii) Personalized learning pathways.

11 (iv) Highly qualified, live teachers available all day and all
12 year.

13 (v) Twenty-four-hour reporting.

14 (vi) Content built for rigorous mathematics.

15 (b) Has a record of improving student mathematics scores in at
16 least 5 other states.

17 (c) Received funding under this section in 2017-2018.

18 (2) A grantee that receives funding under this section shall
19 comply with the requirements of section 19b.

20 (3) In addition to the funds allocated under subsection (1),
21 from the general fund appropriation in section 11, there is
22 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
23 \$500,000.00 for a software-based solution designed to teach Spanish
24 language literacy to students in pre-kindergarten through first
25 grade. A program funded under this subsection ~~shall~~ **must** be a grant
26 to the eligible provider that promotes bilingualism and biliteracy,
27 and is based on research that shows how students who become
28 proficient readers in their first language have an easier time
29 making the transition to reading proficiency in a second language.



1 A provider of programming under subsection (1) is the eligible
2 provider of programming under this subsection.

3 (4) In addition to the funds allocated under subsection (1),
4 from the general fund money appropriated in section 11, there is
5 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
6 \$1,000,000.00 for a ~~pilot~~ program to provide explicit, targeted
7 literacy instruction within an individualized learning path that
8 continually adjusts to a pupil's needs. A program funded under this
9 subsection ~~shall~~ **must** be a grant to the eligible provider that
10 promotes literacy by teaching critical language and literacy
11 concepts such as reading and listening comprehension, basic
12 vocabulary, academic language, grammar, phonological awareness,
13 phonics, and fluency. A ~~pilot~~ program funded under this subsection
14 ~~shall~~ **must** cover both the remainder of ~~2018-2019~~ **2019-2020** and also
15 the entire ~~2019-2020~~ **2020-2021** school year. A provider of
16 programming under subsection (1) is the eligible provider of
17 programming under this subsection.

18 (5) Notwithstanding section 17b, **the department shall make**
19 payments ~~made~~ under this section ~~shall be made~~ not later than March
20 1, 2019.

21 Sec. 99v. From the general fund appropriation in section 11,
22 there is allocated an amount not to exceed \$25,000.00 for ~~2018-2019~~
23 **2019-2020 only** for a grant to be distributed by the department to a
24 provider that develops and scales effective innovations to support
25 educators, administrators, and policymakers in creating seamless
26 transitions throughout the K-14 system for all students, especially
27 the underserved. A grantee must have expertise in K-12 services,
28 online course programs, digital platform services, leadership
29 networks, and higher education, and work to develop a mathematics



1 pathways alignment. A grantee that receives a grant under this
 2 section shall facilitate a 2-day math workshop with high school and
 3 college faculty focused on sharing information about high-impact
 4 practices, defining the problem or problems, and using data and
 5 planning strategies to address those problems. In addition, the
 6 grantee shall use funds to conduct 3 virtual check-ins during which
 7 the working groups will report on progress and identify challenges
 8 and questions, with the grantee providing guidance and resources as
 9 appropriate.

10 Sec. 99x. (1) From the general fund money appropriated under
 11 section 11, there is allocated for ~~2018-2019-2019-2020~~ **only** an
 12 amount not to exceed \$300,000.00 for Teach for America to host a
 13 summer training institute in the city of Detroit, recruit teachers
 14 into a master teacher fellowship, and retain a committed alumni
 15 community. A program funded under this section must provide
 16 coaching and professional development, with the goal to produce
 17 highly effective teachers that move pupils beyond their growth
 18 benchmarks.

19 (2) Notwithstanding section 17b, **the department shall make**
 20 payments made under this section ~~shall be made not later than March~~
 21 ~~1,~~ **November 15, 2019.**

22 **Sec. 99z. (1) From the general fund money appropriated under**
 23 **section 11, there is allocated to the department an amount not to**
 24 **exceed \$300,000.00 for 2019-2020 only for funding a program that**
 25 **provides teacher STEM professional development and workshops, and**
 26 **enables high school students to incorporate innovation and**
 27 **engineering into the design of a wide variety of complex vehicles.**
 28 **To be eligible for funding under this section, a program must**
 29 **provide an underwater innovative vehicle design challenge, an**



1 autonomous innovative vehicle design challenge, a mini innovative
 2 vehicle design challenge, and a full-scale innovative vehicle
 3 design challenge.

4 (2) Notwithstanding section 17b, the department shall make
 5 payments under this section not later than November 15, 2019.

6 Sec. 101. (1) To be eligible to receive state aid under this
 7 article, not later than the fifth Wednesday after the pupil
 8 membership count day and not later than the fifth Wednesday after
 9 the supplemental count day, each district superintendent shall
 10 submit **and certify** to the center and the intermediate
 11 superintendent, in the form and manner prescribed by the center,
 12 the number of pupils enrolled and in regular daily attendance in
 13 the district as of the pupil membership count day and as of the
 14 supplemental count day, as applicable, for the current school year.
 15 In addition, a district maintaining school during the entire year ~~7~~
 16 ~~as provided under section 1561 of the revised school code, MCL~~
 17 ~~380.1561,~~ shall submit **and certify** to the center and the
 18 intermediate superintendent, in the form and manner prescribed by
 19 the center, the number of pupils enrolled and in regular daily
 20 attendance in the district for the current school year pursuant to
 21 rules promulgated by the superintendent. Not later than the sixth
 22 Wednesday after the pupil membership count day and not later than
 23 the sixth Wednesday after the supplemental count day, the district
 24 shall ~~certify~~ **resolve any pupil membership conflicts with another**
 25 **district, correct any data issues, and recertify** the data in a form
 26 and manner prescribed by the center and file the certified data
 27 with the intermediate superintendent. If a district fails to submit
 28 and certify the attendance data, as required under this subsection,
 29 the center shall notify the department and **the department shall**



1 **withhold** state aid due to be distributed under this article ~~shall~~
 2 ~~be withheld~~ from the defaulting district immediately, beginning
 3 with the next payment after the failure and continuing with each
 4 payment until the district complies with this subsection. If a
 5 district does not comply with this subsection by the end of the
 6 fiscal year, the district forfeits the amount withheld. A person
 7 who willfully falsifies a figure or statement in the certified and
 8 sworn copy of enrollment ~~shall be punished in the manner~~ **is subject**
 9 **to penalty as** prescribed by section 161.

10 (2) To be eligible to receive state aid under this article,
 11 not later than the twenty-fourth Wednesday after the pupil
 12 membership count day and not later than the twenty-fourth Wednesday
 13 after the supplemental count day, an intermediate district shall
 14 submit to the center, in a form and manner prescribed by the
 15 center, the audited enrollment and attendance data for the pupils
 16 of its constituent districts and of the intermediate district. If
 17 an intermediate district fails to submit the audited data as
 18 required under this subsection, **the department shall withhold** state
 19 aid due to be distributed under this article ~~shall be withheld~~ from
 20 the defaulting intermediate district immediately, beginning with
 21 the next payment after the failure and continuing with each payment
 22 until the intermediate district complies with this subsection. If
 23 an intermediate district does not comply with this subsection by
 24 the end of the fiscal year, the intermediate district forfeits the
 25 amount withheld.

26 (3) Except as otherwise provided in subsections (11) and (12),
 27 all of the following apply to the provision of pupil instruction:

28 (a) Except as otherwise provided in this section, each
 29 district shall provide at least 1,098 hours and ~~beginning in~~



1 ~~2010-2011, the required minimum number of 180~~ days of pupil
 2 instruction. ~~Beginning in 2014-2015, the required minimum number of~~
 3 ~~days of pupil instruction is 175. However, all of the following~~
 4 ~~apply to these requirements:~~

5 ~~(i) If a collective bargaining agreement that provides a~~
 6 ~~complete school calendar was in effect for employees of a district~~
 7 ~~as of July 1, 2013, and if that school calendar is not in~~
 8 ~~compliance with this subsection, then this subsection does not~~
 9 ~~apply to that district until after the expiration of that~~
 10 ~~collective bargaining agreement. If a district entered into a~~
 11 ~~collective bargaining agreement on or after July 1, 2013 and if~~
 12 ~~that collective bargaining agreement did not provide for at least~~
 13 ~~175 days of pupil instruction beginning in 2014-2015, then the~~
 14 ~~department shall withhold from the district's total state school~~
 15 ~~aid an amount equal to 5% of the funding the district receives in~~
 16 ~~2014-2015 under sections 22a and 22b.~~

17 ~~(ii) A district may apply for a waiver under subsection (9)~~
 18 ~~from the requirements of this subdivision.~~

19 ~~(b) Beginning in 2016-2017, the required minimum number of~~
 20 ~~days of pupil instruction is 180. If a collective bargaining~~
 21 ~~agreement that provides a complete school calendar was in effect~~
 22 ~~for employees of a district as of the effective date of the~~
 23 ~~amendatory act that added this subdivision, **June 24, 2014**, and if~~
 24 ~~that school calendar is not in compliance with this subdivision,~~
 25 ~~then this subdivision does not apply to that district until after~~
 26 ~~the expiration of that collective bargaining agreement. A district~~
 27 ~~may apply for a waiver under subsection (9) from the requirements~~
 28 ~~of this subdivision.~~

29 ~~(b) (e)~~ Except as otherwise provided in this article, a



1 district failing to comply with the required minimum hours and days
 2 of pupil instruction under this subsection ~~shall forfeit~~ **forfeits**
 3 from its total state aid allocation an amount determined by
 4 applying a ratio of the number of hours or days the district was in
 5 noncompliance in relation to the required minimum number of hours
 6 and days under this subsection. Not later than August 1, the board
 7 of each district shall either certify to the department that the
 8 district was in full compliance with this section regarding the
 9 number of hours and days of pupil instruction in the previous
 10 school year, or report to the department, in a form and manner
 11 prescribed by the center, each instance of noncompliance. If the
 12 district did not provide at least the required minimum number of
 13 hours and days of pupil instruction under this subsection, **the**
 14 **department shall make** the deduction of state aid ~~shall be made in~~
 15 the following fiscal year from the first payment of state school
 16 aid. A district is not subject to forfeiture of funds under this
 17 subsection for a fiscal year in which a forfeiture was already
 18 imposed under subsection (6).

19 **(c)** ~~(d)~~ Hours or days lost because of strikes or teachers'
 20 conferences ~~shall not be~~ **are not** counted as hours or days of pupil
 21 instruction.

22 ~~(e) If a collective bargaining agreement that provides a~~
 23 ~~complete school calendar is in effect for employees of a district~~
 24 ~~as of October 19, 2009, and if that school calendar is not in~~
 25 ~~compliance with this subsection, then this subsection does not~~
 26 ~~apply to that district until after the expiration of that~~
 27 ~~collective bargaining agreement.~~

28 **(d)** ~~(f)~~ Except as otherwise provided in subdivisions ~~(g)~~ and
 29 ~~(h)~~, **(e) and (f)**, if a district ~~not having~~ **does not have** at least



1 75% of the district's membership in attendance on any day of pupil
 2 instruction, ~~shall receive~~ **the department shall pay the district**
 3 state aid in that proportion of 1/180 that the actual percent of
 4 attendance bears to ~~the specified percentage.~~ **75%.**

5 **(e)** ~~(g)~~—If a district adds 1 or more days of pupil instruction
 6 to the end of its instructional calendar for a school year to
 7 comply with subdivision (a) because the district otherwise would
 8 fail to provide the required minimum number of days of pupil
 9 instruction even after the operation of subsection (4) due to
 10 conditions not within the control of school authorities, then
 11 subdivision ~~(f)~~ **(d)** does not apply for any day of pupil instruction
 12 that is added to the end of the instructional calendar. Instead,
 13 for any of those days, if the district does not have at least 60%
 14 of the district's membership in attendance on that day, **the**
 15 **department shall pay** the district ~~shall receive~~ state aid in that
 16 proportion of 1/180 that the actual percentage of attendance bears
 17 to ~~the specified percentage.~~ **60%.** For any day of pupil instruction
 18 added to the instructional calendar as described in this
 19 subdivision, the district shall report to the department the
 20 percentage of the district's membership that is in attendance, in
 21 the form and manner prescribed by the department.

22 **(f)** ~~(h)~~—At the request of a district that operates a
 23 department-approved alternative education program and that does not
 24 provide instruction for pupils in all of grades K to 12, the
 25 superintendent shall grant a waiver from the requirements of
 26 subdivision ~~(f)~~ **(d)**. The waiver ~~shall indicate~~ **must provide** that
 27 an eligible district is subject to the proration provisions of
 28 subdivision ~~(f)~~ **(d)** only if the district does not have at least 50%
 29 of the district's membership in attendance on any day of pupil



1 instruction. In order to be eligible for this waiver, a district
2 must maintain records to substantiate its compliance with the
3 following requirements:

4 (i) The district offers the minimum hours of pupil instruction
5 as required under this section.

6 (ii) For each enrolled pupil, the district uses appropriate
7 academic assessments to develop an individual education plan that
8 leads to a high school diploma.

9 (iii) The district tests each pupil to determine academic
10 progress at regular intervals and records the results of those
11 tests in that pupil's individual education plan.

12 (g) ~~(i)~~—All of the following apply to a waiver granted under
13 subdivision ~~(h)~~: **(f)** :

14 (i) If the waiver is for a blended model of delivery, a waiver
15 that is granted for the 2011-2012 fiscal year or a subsequent
16 fiscal year remains in effect unless it is revoked by the
17 superintendent.

18 (ii) If the waiver is for a 100% online model of delivery and
19 the educational program for which the waiver is granted makes
20 educational services available to pupils for a minimum of at least
21 1,098 hours during a school year and ensures that each pupil
22 participates in the educational program for at least 1,098 hours
23 during a school year, a waiver that is granted for the 2011-2012
24 fiscal year or a subsequent fiscal year remains in effect unless it
25 is revoked by the superintendent.

26 (iii) A waiver that is not a waiver described in subparagraph
27 (i) or (ii) is valid for 1 fiscal year and must be renewed annually
28 to remain in effect.

29 (h) ~~(j)~~—The superintendent shall promulgate rules for the



1 implementation of this subsection.

2 (4) Except as otherwise provided in this subsection, the first
 3 6 days or the equivalent number of hours for which pupil
 4 instruction is not provided because of conditions not within the
 5 control of school authorities, such as severe storms, fires,
 6 epidemics, utility power unavailability, water or sewer failure, or
 7 health conditions as defined by the city, county, or state health
 8 authorities, ~~shall be~~**are** counted as hours and days of pupil
 9 instruction. With the approval of the superintendent of public
 10 instruction, the department shall count as hours and days of pupil
 11 instruction for a fiscal year not more than 3 additional days or
 12 the equivalent number of additional hours for which pupil
 13 instruction is not provided in a district due to unusual and
 14 extenuating occurrences resulting from conditions not within the
 15 control of school authorities such as those conditions described in
 16 this subsection. Subsequent such hours or days ~~shall not be~~**are not**
 17 counted as hours or days of pupil instruction.

18 (5) A district ~~shall~~**does** not forfeit part of its state aid
 19 appropriation because it adopts or has in existence an alternative
 20 scheduling program for pupils in kindergarten if the program
 21 provides at least the number of hours required under subsection (3)
 22 for a full-time equated membership for a pupil in kindergarten as
 23 provided under section 6(4).

24 (6) In addition to any other penalty or forfeiture under this
 25 section, if at any time the department determines that 1 or more of
 26 the following have occurred in a district, the district ~~shall~~
 27 ~~forfeit~~**forfeits** in the current fiscal year beginning in the next
 28 payment to be calculated by the department a proportion of the
 29 funds due to the district under this article that is equal to the



1 proportion below the required minimum number of hours and days of
2 pupil instruction under subsection (3), as specified in the
3 following:

4 (a) The district fails to operate its schools for at least the
5 required minimum number of hours and days of pupil instruction
6 under subsection (3) in a school year, including hours and days
7 counted under subsection (4).

8 (b) The board of the district takes formal action not to
9 operate its schools for at least the required minimum number of
10 hours and days of pupil instruction under subsection (3) in a
11 school year, including hours and days counted under subsection (4).

12 (7) In providing the minimum number of hours and days of pupil
13 instruction required under subsection (3), a district shall use the
14 following guidelines, and a district shall maintain records to
15 substantiate its compliance with the following guidelines:

16 (a) Except as otherwise provided in this subsection, a pupil
17 must be scheduled for at least the required minimum number of hours
18 of instruction, excluding study halls, or at least the sum of 90
19 hours plus the required minimum number of hours of instruction,
20 including up to 2 study halls.

21 (b) The time a pupil is assigned to any tutorial activity in a
22 block schedule may be considered instructional time, unless that
23 time is determined in an audit to be a study hall period.

24 (c) Except as otherwise provided in this subdivision, a pupil
25 in grades 9 to 12 for whom a reduced schedule is determined to be
26 in the individual pupil's best educational interest must be
27 scheduled for a number of hours equal to at least 80% of the
28 required minimum number of hours of pupil instruction to be
29 considered a full-time equivalent pupil. A pupil in grades 9 to 12



1 who is scheduled in a 4-block schedule may receive a reduced
 2 schedule under this subsection if the pupil is scheduled for a
 3 number of hours equal to at least 75% of the required minimum
 4 number of hours of pupil instruction to be considered a full-time
 5 equivalent pupil.

6 (d) If a pupil in grades 9 to 12 who is enrolled in a
 7 cooperative education program or a special education pupil cannot
 8 receive the required minimum number of hours of pupil instruction
 9 solely because of travel time between instructional sites during
 10 the school day, that travel time, up to a maximum of 3 hours per
 11 school week, ~~shall be~~ **is** considered to be pupil instruction time
 12 for the purpose of determining whether the pupil is receiving the
 13 required minimum number of hours of pupil instruction. However, if
 14 a district demonstrates to the satisfaction of the department that
 15 the travel time limitation under this subdivision would create
 16 undue costs or hardship to the district, the department may
 17 consider more travel time to be pupil instruction time for this
 18 purpose.

19 (e) In grades 7 through 12, instructional time that is part of
 20 a ~~junior reserve officer training corps~~ **Junior Reserve Officer**
 21 **Training Corps** (JROTC) program ~~shall be~~ **is** considered to be pupil
 22 instruction time regardless of whether the instructor is a
 23 certificated teacher if all of the following are met:

24 (i) The instructor has met all of the requirements established
 25 by the United States Department of Defense and the applicable
 26 branch of the armed services for serving as an instructor in the
 27 ~~junior reserve officer training corps~~ **Junior Reserve Officer**
 28 **Training Corps** program.

29 (ii) The board of the district or intermediate district



1 employing or assigning the instructor complies with the
 2 requirements of sections 1230 and 1230a of the revised school code,
 3 MCL 380.1230 and 380.1230a, with respect to the instructor to the
 4 same extent as if employing the instructor as a regular classroom
 5 teacher.

6 (8) Except as otherwise provided in subsections (11) and (12),
 7 the department shall apply the guidelines under subsection (7) in
 8 calculating the full-time equivalency of pupils.

9 (9) Upon application by the district for a particular fiscal
 10 year, the superintendent shall waive for a district the minimum
 11 number of hours and days of pupil instruction requirement of
 12 subsection (3) for a department-approved alternative education
 13 program or another innovative program approved by the department,
 14 including a 4-day school week. If a district applies for and
 15 receives a waiver under this subsection and complies with the terms
 16 of the waiver, the district is not subject to forfeiture under this
 17 section for the specific program covered by the waiver. If the
 18 district does not comply with the terms of the waiver, the amount
 19 of the forfeiture ~~shall be~~ **is** calculated based upon a comparison of
 20 the number of hours and days of pupil instruction actually provided
 21 to the minimum number of hours and days of pupil instruction
 22 required under subsection (3). ~~Pupils~~ **A district shall report**
 23 **pupils** enrolled in a department-approved alternative education
 24 program under this subsection ~~shall be reported~~ to the center in a
 25 form and manner determined by the center. All of the following
 26 apply to a waiver granted under this subsection:

27 (a) If the waiver is for a blended model of delivery, a waiver
 28 that is granted for the 2011-2012 fiscal year or a subsequent
 29 fiscal year remains in effect unless it is revoked by the



1 superintendent.

2 (b) If the waiver is for a 100% online model of delivery and
3 the educational program for which the waiver is granted makes
4 educational services available to pupils for a minimum of at least
5 1,098 hours during a school year and ensures that each pupil is on
6 track for course completion at proficiency level, a waiver that is
7 granted for the 2011-2012 fiscal year or a subsequent fiscal year
8 remains in effect unless it is revoked by the superintendent.

9 (c) A waiver that is not a waiver described in subdivision (a)
10 or (b) is valid for 1 fiscal year and must be renewed annually to
11 remain in effect.

12 ~~(d) For 2018-2019 only, the department shall grant a waiver to~~
13 ~~a district that applies for a waiver for a blended model of~~
14 ~~delivery after the department's application deadline if the~~
15 ~~district meets the other requirements for a waiver under this~~
16 ~~subsection.~~

17 (10) ~~Until 2014-2015, a~~ **A** district may count up to 38 hours of
18 qualifying professional development for teachers as hours of pupil
19 instruction. ~~However, if a collective bargaining agreement that~~
20 ~~provides for the counting of up to 38 hours of qualifying~~
21 ~~professional development for teachers as pupil instruction is in~~
22 ~~effect for employees of a district as of July 1, 2013, then until~~
23 ~~the school year that begins after the expiration of that collective~~
24 ~~bargaining agreement a district may count up to the contractually~~
25 ~~specified number of hours of qualifying professional development~~
26 ~~for teachers as hours of pupil instruction. Professional~~
27 ~~development provided online is allowable and encouraged, as long as~~
28 ~~the instruction has been approved by the district. The department~~
29 ~~shall issue a list of approved online professional development~~



1 ~~providers, which shall include the Michigan Virtual School. As used~~
 2 ~~in this subsection, "qualifying professional development" means~~
 3 ~~professional development that is focused on 1 or more of the~~
 4 ~~following:~~

5 ~~(a) Achieving or improving adequate yearly progress as defined~~
 6 ~~under the no child left behind act of 2001, Public Law 107-110.~~

7 ~~(b) Achieving accreditation or improving a school's~~
 8 ~~accreditation status under section 1280 of the revised school code,~~
 9 ~~MCL 380.1280.~~

10 ~~(c) Achieving highly qualified teacher status as defined under~~
 11 ~~the no child left behind act of 2001, Public Law 107-110.~~

12 ~~(d) Integrating technology into classroom instruction.~~

13 ~~(e) Maintaining teacher certification.~~ **All of the following**
 14 **apply to the counting of qualifying professional development as**
 15 **pupil instruction under this subsection:**

16 (a) If qualifying professional development exceeds 5 hours in
 17 a single day, that day may be counted as a day of pupil
 18 instruction.

19 (b) At least 8 hours of the qualifying professional
 20 development counted as hours of pupil instruction under this
 21 subsection must be recommended by a districtwide professional
 22 development advisory committee appointed by the district board. The
 23 advisory committee must be composed of teachers employed by the
 24 district who represent a variety of grades and subject matter
 25 specializations, including special education; nonteaching staff;
 26 parents; and administrators. The majority membership of the
 27 committee shall be composed of teaching staff.

28 (c) Professional development provided online is allowable and
 29 encouraged, as long as the instruction has been approved by the



1 district. The department shall issue a list of approved online
2 professional development providers, which must include the Michigan
3 Virtual School.

4 (d) Qualifying professional development may only be counted as
5 hours of pupil instruction for the pupils of those teachers
6 scheduled to participate in the qualifying professional
7 development.

8 (e) For professional development to be considered qualifying
9 professional development under this subsection, the professional
10 development must meet all of the following:

11 (i) Is aligned to the school or district improvement plan for
12 the school or district in which the professional development is
13 being provided.

14 (ii) Is linked to 1 or more criteria in the evaluation tool
15 developed or adopted by the district or intermediate district under
16 section 1249 of the revised school code, MCL 380.1249.

17 (iii) Has been approved by the department as counting for state
18 continuing education clock hours. The number of hours of
19 professional development counted as hours of pupil instruction may
20 not exceed the number of state continuing education clock hours for
21 which the qualifying professional development was approved.

22 (iv) Takes place after the first scheduled day of school for
23 the school year ending in the fiscal year and before the last
24 scheduled day of school for that school year. No more than 10 hours
25 of qualifying professional development may be delivered in a single
26 month.

27 (v) At least 75% of teachers scheduled to participate in the
28 professional development are in attendance.

29 (11) Subsections (3) and (8) do not apply to a school of



1 excellence that is a cyber school, as defined in section 551 of the
2 revised school code, MCL 380.551, and is in compliance with section
3 553a of the revised school code, MCL 380.553a.

4 (12) Subsections (3) and (8) do not apply to eligible pupils
5 enrolled in a dropout recovery program that meets the requirements
6 of section 23a. As used in this subsection, "eligible pupil" means
7 that term as defined in section 23a.

8 (13) ~~Beginning in 2013, at~~ **At** least every 2 years the
9 superintendent shall review the waiver standards set forth in the
10 pupil accounting and auditing manuals to ensure that the waiver
11 standards and waiver process continue to be appropriate and
12 responsive to changing trends in online learning. The
13 superintendent shall solicit and consider input from stakeholders
14 as part of this review.

15 Sec. 102d. (1) From the funds appropriated in section 11,
16 there is allocated an amount not to exceed \$1,500,000.00 for ~~2018-~~
17 ~~2019-~~**2019-2020** for reimbursements to districts, intermediate
18 districts, and authorizing bodies of public school academies for
19 the licensing of school data analytical tools as described under
20 this section. The reimbursement is for districts, intermediate
21 districts, and authorizing bodies of public school academies that
22 choose to use a school data analytical tool to assist the district,
23 intermediate district, or authorizing body of a public school
24 academy and that enter into a licensing agreement for a school data
25 analytical tool with 1 of the vendors approved by the department of
26 technology, management, and budget under subsection (2). Funds
27 allocated under this section are intended to provide districts,
28 intermediate districts, and authorizing bodies of public school
29 academies with financial forecasting and transparency reporting



1 tools to help improve the financial health of districts and to
 2 improve communication with the public., ~~resulting in increased fund~~
 3 ~~balances for districts and intermediate districts.~~

4 (2) A vendor approved under this section for ~~2017-2018-2018-~~
 5 **2019** is approved for use by a district, intermediate district, or
 6 authorizing body of a public school academy and for reimbursement
 7 for ~~2018-2019. 2019-2020.~~

8 (3) ~~Funds~~ **The department shall pay funds** allocated under this
 9 section ~~shall be paid~~ to districts, intermediate districts, and
 10 authorizing bodies of public school academies as a reimbursement
 11 for already having a licensing agreement or for entering into a
 12 licensing agreement not later than December 1, ~~2018-2019~~ with a
 13 vendor approved under subsection (2) to implement a school data
 14 analytical tool. Reimbursement will be prorated for the portion of
 15 the state fiscal year not covered by the licensing agreement.
 16 However, a licensing agreement that takes effect after October 1,
 17 ~~2018-2019~~ and before December 1, ~~2018-2019~~ will not be prorated if
 18 the term of the agreement is at least 1 year. Reimbursement under
 19 this section ~~shall~~ **must** be made as follows:

20 (a) All districts, intermediate districts, and authorizing
 21 bodies of public school academies seeking reimbursement shall
 22 submit requests not later than December 1, ~~2018-2019~~ indicating the
 23 cost paid for the school data analytical tool.

24 (b) The department shall determine the sum of the funding
 25 requests under subdivision (a) and, if there are sufficient funds,
 26 shall pay **the greater of \$1,500.00 or** 1/2 of the costs submitted
 27 under subdivision (a). If there are insufficient funds to pay **the**
 28 1/2 of the costs submitted under (a), **the amounts as calculated**
 29 **under this subdivision, then the department shall make**



1 reimbursement ~~shall be made~~ on an equal percentage basis.

2 (c) Funds remaining after the calculation and payment under
3 subdivision (b) ~~shall must~~ be distributed on an equal per-pupil
4 basis, with an intermediate district's pupils considered to be the
5 sum of the pupil memberships of the constituent districts for which
6 the intermediate district is purchasing the school data analytical
7 tool, and with an authorizing body's pupils considered to be the
8 sum of the pupil memberships of the public school academies
9 authorized by the authorizing body for which the authorizing body
10 is purchasing the school data analytical tool.

11 (d) The reimbursement to a district, intermediate district, or
12 authorizing body of a public school academy ~~shall must~~ not be
13 greater than the amount paid for a data analytics application.

14 (e) ~~A Subject to subsection (4), the department shall not~~
15 **reimburse a** district, intermediate district, or authorizing body of
16 a public school academy ~~shall not be reimbursed~~ for the purchase of
17 more than 1 software application.

18 (4) If an intermediate district purchases both a school data
19 analytical tool specifically for intermediate district finances and
20 a school data analytical tool for those constituent districts that
21 opt in, the intermediate district ~~shall may~~ be reimbursed for both
22 purchases under this section.

23 (5) If an intermediate district makes available to 1 or more
24 of its constituent districts a school data analytical tool funded
25 under this section, **the department shall not reimburse** that
26 constituent district ~~shall not be reimbursed~~ under this section for
27 the purchase of that school data analytical tool if the constituent
28 district has opted in for that tool.

29 (6) If an authorizing body of a public school academy makes



1 available to 1 or more public school academies a school data
 2 analytical tool funded under this section, **the department shall not**
 3 **reimburse** the public school academy ~~shall not be reimbursed~~ under
 4 this section for the purchase of a school data analytical tool if
 5 the public school academy opted in for that tool.

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

9 Sec. 104. (1) In order to receive state aid under this
 10 article, a district shall comply with sections 1249, 1278a, 1278b,
 11 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
 12 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
 13 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
 14 the state school aid fund money appropriated in section 11, there
 15 is allocated for ~~2017-2018 an amount not to exceed \$29,709,400.00~~
 16 ~~and there is allocated for 2018-2019~~ **2019-2020** an amount not to
 17 exceed ~~\$32,509,400.00~~ **\$31,009,400.00** for payments on behalf of
 18 districts for costs associated with complying with those provisions
 19 of law. In addition, from the federal funds appropriated in section
 20 11, there is allocated ~~each fiscal year for 2017-2018 and for 2018-~~
 21 ~~2019~~ **for 2019-2020** an amount estimated at \$6,250,000.00, funded
 22 from DED-OESE, title VI, state assessment funds, and from DED-
 23 OSERS, section 504 of part B of the individuals with disabilities
 24 education act, Public Law 94-142, plus any carryover federal funds
 25 from previous year appropriations, for the purposes of complying
 26 with the ~~federal no child left behind act of 2001, Public Law 107-~~
 27 ~~110, or the every student succeeds act, Public Law 114-95.~~

28 (2) The results of each test administered as part of the
 29 Michigan student test of educational progress (M-STEP), including



1 tests administered to high school students, ~~shall~~**must** include an
2 item analysis that lists all items that are counted for individual
3 pupil scores and the percentage of pupils choosing each possible
4 response. The department shall work with the center to identify the
5 number of students enrolled at the time assessments are given by
6 each district. In calculating the percentage of pupils assessed for
7 a district's scorecard, the department shall use only the number of
8 pupils enrolled in the district at the time the district
9 administers the assessments and shall exclude pupils who enroll in
10 the district after the district administers the assessments.

11 (3) ~~All~~**The department shall distribute** federal funds
12 allocated under this section ~~shall be distributed~~ in accordance
13 with federal law and with flexibility provisions outlined in Public
14 Law 107-116, and in the education flexibility partnership act of
15 1999, Public Law 106-25.

16 (4) ~~From the funds allocated in subsection (1), there is~~
17 ~~allocated an amount not to exceed \$1,000,000.00 for 2017-2018 and~~
18 ~~an amount not to exceed \$1,500,000.00 for 2018-2019 to an~~
19 ~~intermediate district described in this subsection to implement a~~
20 ~~Michigan kindergarten entry observation tool in 2017-2018 and 2018-~~
21 ~~2019. The funding under this subsection is allocated to an~~
22 ~~intermediate district in prosperity region 9 with at least 3,000~~
23 ~~kindergarten pupils enrolled in its constituent districts to~~
24 ~~continue participation in the Maryland Ohio pilot and cover the~~
25 ~~costs of implementing the observation tool, including a contract~~
26 ~~with a university for implementation of the observation tool also~~
27 ~~referred to as the kindergarten readiness assessment. The~~
28 ~~intermediate district shall continue implementation of the Michigan~~
29 ~~kindergarten entry observation (MKEO) and the kindergarten~~



~~1 readiness assessment shall be conducted in all kindergarten~~
~~2 classrooms in districts located in prosperity regions 4, 5, and 9~~
~~3 beginning in August 2018 and, beginning August 1, 2019, in~~
~~4 districts located in prosperity regions 2, 3, 4, 5, 6, 7, 8, and 9.~~
~~5 A constituent district of an intermediate district located within~~
~~6 these prosperity regions shall administer the Maryland-Ohio tool~~
~~7 within each kindergarten classroom to either the full census of~~
~~8 kindergarten pupils or a representative sample of not less than 35%~~
~~9 of the enrolled kindergarten pupils in each classroom. The~~
~~10 intermediate district receiving the funding allocated under this~~
~~11 subsection shall work with other intermediate districts to~~
~~12 implement the Michigan kindergarten entry observation, engage with~~
~~13 the office of great start and the department, and provide a report~~
~~14 to the legislature on the demonstrated readiness of kindergarten~~
~~15 pupils within the participating intermediate districts. That~~
~~16 intermediate district may share this funding with the other~~
~~17 affected intermediate districts and districts. Allowable costs~~
~~18 under this subsection include those incurred in July, August, and~~
~~19 September 2017 as well as those incurred in 2017-2018. As used in~~
~~20 this subsection, "kindergarten" may include a classroom for young~~
~~21 5-year-olds, commonly referred to as "young 5s" or "developmental~~
~~22 kindergarten". The department shall approve the language and~~
~~23 literacy domain within the Maryland-Ohio tool, also referred to as~~
~~24 the "Kindergarten Readiness Assessment", for use by districts as an~~
~~25 initial assessment that may be delivered to all kindergarten~~
~~26 students to assist with identifying any possible area of concern~~
~~27 for a student in English language arts.~~**From the funds allocated in**
~~28 subsection (1), there is allocated an amount not to exceed~~
~~29 \$2,500,000.00 to an intermediate district described in this~~



1 subsection for statewide implementation of the Michigan
2 kindergarten entry observation tool (MKEO) beginning in the fall of
3 2019, utilizing the Maryland-Ohio observational tool, also referred
4 to as the Kindergarten Readiness Assessment, as piloted under this
5 subsection in 2017-2018 and implemented in 2018-2019. The funding
6 in this subsection is allocated to an intermediate district in
7 prosperity region 9 with at least 3,000 kindergarten pupils
8 enrolled in its constituent districts. All of the following apply
9 to the implementation of the kindergarten entry observation tool
10 under this subsection:

11 (a) The department, in collaboration with all intermediate
12 districts and the center, shall ensure that the Michigan
13 kindergarten entry observation tool is administered in each
14 kindergarten classroom to either the full census of kindergarten
15 pupils enrolled in the classroom or to a representative sample of
16 not less than 35% of the total kindergarten pupils enrolled in each
17 classroom. If a district elects to administer the Michigan
18 kindergarten entry observation tool to a random sample of pupils
19 within each classroom, the intermediate district shall select the
20 pupils who will receive the assessment. Beginning in 2019-2020, the
21 observation tool must be administered no later than November 1 of
22 each year.

23 (b) The intermediate district that receives funding under this
24 subsection, in collaboration with all other intermediate districts,
25 shall implement a "train the trainer" professional development
26 model on the usage of the Michigan kindergarten entry observation
27 tool. This training model must provide training to intermediate
28 district staff so that they may provide similar training for staff
29 of their constituent districts. This training model must also



1 ensure that the tool produces reliable data and that there are a
2 sufficient number of trainers to train all kindergarten teachers
3 statewide.

4 (c) By March 1 of each year, the department and the
5 intermediate district that receives funding under this subsection
6 shall report to the house and senate appropriations subcommittees
7 on school aid, the house and senate fiscal agencies, and the state
8 budget director on the results of the statewide implementation,
9 including, but not limited to, an evaluation of the demonstrated
10 readiness of kindergarten pupils statewide and the effectiveness of
11 other state and federal early childhood programs, including the
12 great start readiness program and head start. by September 1 each
13 year, the department and the center shall provide districts and
14 public school academies with enrollment data for pupils who were
15 enrolled in a publicly funded early childhood program in the year
16 before kindergarten, including the individual great start readiness
17 program, the individual head start program, the individual early
18 childhood special education program, or the individual program for
19 young 5-year-olds in which each tested child was enrolled.
20 Participating districts shall analyze the data to determine whether
21 high-performing children were enrolled in any specific early
22 childhood program and, if so, report that finding to the department
23 and to the intermediate district that receives funding under this
24 subsection.

25 (d) The department shall approve the language and literacy
26 domain within the Kindergarten Readiness Assessment for use by
27 districts as an initial assessment that may be delivered to all
28 kindergarten pupils to assist with identifying any possible area of
29 concern for a pupil in English language arts.



1 (e) As used in this subsection:

2 (i) "Kindergarten" includes a classroom for young 5-year-olds,
3 commonly referred to as "young 5s" or "developmental kindergarten".

4 (ii) "Representative sample" means a sample capable of
5 producing valid and reliable assessment information on all or major
6 subgroups of kindergarten pupils in a district.

7 ~~(5) The department shall continue to make the kindergarten~~
8 ~~entry assessment developed by the department and field tested in~~
9 ~~2015-2016 available to districts in 2017-2018.~~

10 (5) ~~(6)~~The department may recommend, but may not require,
11 districts to allow pupils to use an external keyboard with tablet
12 devices for online M-STEP testing, including, but not limited to,
13 open-ended test items such as constructed response or equation
14 builder items.

15 (6) ~~(7)~~Notwithstanding section 17b, **the department shall make**
16 payments on behalf of districts, intermediate districts, and other
17 eligible entities under this section ~~shall be paid~~
18 on a schedule determined by the department.

19 (7) ~~(8)~~From the allocation in subsection (1), there is
20 allocated ~~an amount not to exceed \$3,200,000.00 for 2017-2018 and~~
21 ~~an amount not to exceed \$500,000.00 for 2018-2019~~**2019-2020** for the
22 ~~development or selection~~**operation** of an online reporting tool to
23 provide student-level assessment data in a secure environment to
24 educators, parents, and pupils immediately after assessments are
25 scored. The department and the center shall ensure that any data
26 collected by the online reporting tool do not provide individually
27 identifiable student data to the federal government.

28 (8) ~~(9)~~As used in this section:

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



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

3 (c) "DED-OSERS" means the DED Office of Special Education and
4 Rehabilitative Services.

5 Sec. 104d. (1) From the state school aid fund money
6 appropriated in section 11, there is allocated for ~~2018-2019-2019-~~
7 **2020** an amount not to exceed \$9,200,000.00 for providing
8 reimbursement to districts that purchase a computer-adaptive test,
9 or that purchase 1 or more diagnostic tools or screening tools for
10 pupils in grades K to 3 that are intended to increase reading
11 proficiency by grade 4, or that purchase benchmark assessments for
12 pupils in grades K to 8.

13 (2) In order to receive reimbursement under this section for
14 the purchase of a computer-adaptive test, the computer-adaptive
15 test must provide for at least all of the following:

16 (a) Internet-delivered, standards-based assessment using a
17 computer-adaptive model to target the instructional level of each
18 pupil.

19 (b) Unlimited testing opportunities throughout the 2018-2019
20 school year.

21 (c) Valid and reliable diagnostic assessment data.

22 (d) Adjustment of testing difficulty based on previous answers
23 to test questions.

24 (e) Immediate feedback to pupils and teachers.

25 (3) In order to receive reimbursement under this section for
26 the purchase of 1 or more diagnostic tools or screening tools for
27 pupils in grades K to 3, each of the tools must meet all of the
28 following:

29 (a) Be reliable.



1 (b) Be valid.

2 (c) Be useful. As used in this subdivision, "useful" means
3 that a tool is easy to administer and requires a short time to
4 complete and that results are linked to intervention.

5 (4) In order to receive funding under this section for the
6 purchase of benchmark assessments for pupils in grades K to 8, the
7 benchmark assessments must meet all of the following:

8 (a) Be aligned to the state standards of this state.

9 (b) Complement this state's summative assessment system.

10 (c) Be administered at least once a year before the
11 administration of any summative assessment to monitor pupil
12 progress.

13 (d) Provide information on pupil achievement with regard to
14 learning the content required in a given year or grade span.

15 (5) ~~Reimbursement~~**The department shall make reimbursement**
16 under this section ~~shall be made~~ to eligible districts that
17 purchase a computer-adaptive test or 1 or more diagnostic tools,
18 screening tools, or benchmark assessments described in this section
19 by October 15, ~~2018 and shall~~**2019. The reimbursement must** be made
20 on an equal per-pupil basis according to the available funding,
21 based on the number of pupils for whom assessments were purchased.

22 (6) In order to receive reimbursement under this section, a
23 district ~~shall~~**must** demonstrate to the satisfaction of the
24 department that each qualifying computer-adaptive test, diagnostic
25 tool, screening tool, or benchmark assessment was purchased by the
26 district by December 1, ~~2018~~**2019** and ~~shall~~**must** report to the
27 department which tests, tools, and assessments the district
28 purchased.

29 (7) Not later than February 1, ~~2019,~~**2020**, the department



1 shall compile the data provided by districts under subsection (6)
 2 and report to the house and senate appropriations subcommittees on
 3 school aid and the house and senate fiscal agencies the number of
 4 districts that purchased each test, tool, and assessment.

5 (8) ~~Districts~~ **A district** seeking reimbursement under this
 6 section for a benchmark assessment shall commit to using the same
 7 benchmark assessment for no less than 3 years without switching to
 8 another benchmark assessment.

9 Sec. 107. (1) From the appropriation in section 11, there is
 10 allocated an amount not to exceed \$30,000,000.00 for ~~2018-2019~~
 11 **2019-2020** for adult education programs authorized under this
 12 section. Except as otherwise provided under subsections (14) and
 13 (15), funds allocated under this section are restricted for adult
 14 education programs as authorized under this section only. A
 15 recipient of funds under this section shall not use those funds for
 16 any other purpose.

17 (2) To be eligible for funding under this section, an eligible
 18 adult education provider shall employ certificated teachers and
 19 qualified administrative staff and shall offer continuing education
 20 opportunities for teachers to allow them to maintain certification.

21 (3) To be eligible to be a participant funded under this
 22 section, an individual ~~shall~~ **must** be enrolled in an adult basic
 23 education program, an adult secondary education program, an adult
 24 English as a second language program, a high school equivalency
 25 test preparation program, or a high school completion program, that
 26 meets the requirements of this section, and for which instruction
 27 is provided, and the individual ~~shall~~ **must** be at least 18 years of
 28 age and the individual's graduating class ~~shall~~ **must** have
 29 graduated.



1 (4) By April 1 of each fiscal year, the intermediate districts
 2 within a prosperity region or subregion shall determine which
 3 intermediate district will serve as the prosperity region's or
 4 subregion's fiscal agent for the next fiscal year and shall notify
 5 the department in a form and manner determined by the department.
 6 The department shall approve or disapprove of the prosperity
 7 region's or subregion's selected fiscal agent. From the funds
 8 allocated under subsection (1), an amount as determined under this
 9 subsection ~~shall be~~ **is** allocated to each intermediate district
 10 serving as a fiscal agent for adult education programs in each of
 11 the prosperity regions or subregions identified by the department.
 12 An intermediate district shall not use more than 5% of the funds
 13 allocated under this subsection for administration costs for
 14 serving as the fiscal agent. ~~Beginning in 2014-2015, 67% of the~~
 15 ~~allocation provided to each intermediate district serving as a~~
 16 ~~fiscal agent shall be based on the proportion of total funding~~
 17 ~~formerly received by the adult education providers in that~~
 18 ~~prosperity region or subregion in 2013-2014, and 33% shall be~~
 19 ~~allocated based on the factors in subdivisions (a), (b), and (c).~~
 20 ~~For 2018-2019, 33% of the allocation provided to each intermediate~~
 21 ~~district serving as a fiscal agent shall be based upon the~~
 22 ~~proportion of total funding formerly received by the adult~~
 23 ~~education providers in that prosperity region in 2013-2014 and 67%~~
 24 ~~of the allocation shall be based upon the factors in subdivisions~~
 25 ~~(a), (b), and (c). However, if the allocation to an intermediate~~
 26 ~~district as calculated under the preceding sentence is less than~~
 27 ~~the amount received by the intermediate district under this~~
 28 ~~subsection for 2017-2018, the intermediate district shall instead~~
 29 ~~receive in 2018-2019 an amount equal to what the intermediate~~



1 ~~district received in 2017-2018.~~ Beginning in 2019-2020, the
 2 allocation provided to each intermediate district serving as a
 3 fiscal agent ~~shall be~~ **is an amount** equal to what the intermediate
 4 district received in 2018-2019. The funding factors for this
 5 section are as follows:

6 (a) Sixty percent of this portion of the funding ~~shall be~~ **is**
 7 distributed based upon the proportion of the state population of
 8 individuals between the ages of 18 and 24 that are not high school
 9 graduates that resides in each of the prosperity regions or
 10 subregions, as reported by the most recent 5-year estimates from
 11 the American Community Survey (ACS) from the United States Census
 12 Bureau.

13 (b) Thirty-five percent of this portion of the funding ~~shall~~
 14 ~~be~~ **is** distributed based upon the proportion of the state population
 15 of individuals age 25 or older who are not high school graduates
 16 that resides in each of the prosperity regions or subregions, as
 17 reported by the most recent 5-year estimates from the American
 18 Community Survey (ACS) from the United States Census Bureau.

19 (c) Five percent of this portion of the funding ~~shall be~~ **is**
 20 distributed based upon the proportion of the state population of
 21 individuals age 18 or older who lack basic English language
 22 proficiency that resides in each of the prosperity regions or
 23 subregions, as reported by the most recent 5-year estimates from
 24 the American Community Survey (ACS) from the United States Census
 25 Bureau.

26 (5) To be an eligible fiscal agent, an intermediate district
 27 must agree to do the following in a form and manner determined by
 28 the department:

29 (a) Distribute funds to adult education programs in a



1 prosperity region or subregion as described in this section.

2 (b) Collaborate with the career and educational advisory
3 council, which is an advisory council of the workforce development
4 boards located in the prosperity region or subregion, or its
5 successor, to develop a regional strategy that aligns adult
6 education programs and services into an efficient and effective
7 delivery system for adult education learners, with special
8 consideration for providing contextualized learning and career
9 pathways and addressing barriers to education and employment.

10 (c) Collaborate with the career and educational advisory
11 council, which is an advisory council of the workforce development
12 boards located in the prosperity region or subregion, or its
13 successor, to create a local process and criteria that will
14 identify eligible adult education providers to receive funds
15 allocated under this section based on location, demand for
16 services, past performance, quality indicators as identified by the
17 department, and cost to provide instructional services. The fiscal
18 agent shall determine all local processes, criteria, and provider
19 determinations. However, the local processes, criteria, and
20 provider services must be approved by the department before funds
21 may be distributed to the fiscal agent.

22 (d) Provide oversight to its adult education providers
23 throughout the program year to ensure compliance with the
24 requirements of this section.

25 (e) Report adult education program and participant data and
26 information as prescribed by the department.

27 (6) An adult basic education program, an adult secondary
28 education program, or an adult English as a second language program
29 operated on a year-round or school year basis may be funded under



1 this section, subject to all of the following:

2 (a) The program enrolls adults who are determined by a
3 department-approved assessment, in a form and manner prescribed by
4 the department, to be below twelfth grade level in reading or
5 mathematics, or both, or to lack basic English proficiency.

6 (b) The program tests individuals for eligibility under
7 subdivision (a) before enrollment and upon completion of the
8 program in compliance with the state-approved assessment policy.

9 (c) A participant in an adult basic education program is
10 eligible for reimbursement until 1 of the following occurs:

11 (i) The participant's reading and mathematics proficiency are
12 assessed at or above the ninth grade level.

13 (ii) The participant fails to show progress on 2 successive
14 assessments after having completed at least 450 hours of
15 instruction.

16 (d) A participant in an adult secondary education program is
17 eligible for reimbursement until 1 of the following occurs:

18 (i) The participant's reading and mathematics proficiency are
19 assessed above the twelfth grade level.

20 (ii) The participant fails to show progress on 2 successive
21 assessments after having at least 450 hours of instruction.

22 (e) A funding recipient enrolling a participant in an English
23 as a second language program is eligible for funding according to
24 subsection (9) until the participant meets 1 of the following:

25 (i) The participant is assessed as having attained basic
26 English proficiency as determined by a department-approved
27 assessment.

28 (ii) The participant fails to show progress on 2 successive
29 department-approved assessments after having completed at least 450



1 hours of instruction. The department shall provide information to a
2 funding recipient regarding appropriate assessment instruments for
3 this program.

4 (7) A high school equivalency test preparation program
5 operated on a year-round or school year basis may be funded under
6 this section, subject to all of the following:

7 (a) The program enrolls adults who do not have a high school
8 diploma or a high school equivalency certificate.

9 (b) The program ~~shall administer~~ **administers** a pre-test
10 approved by the department before enrolling an individual to
11 determine the individual's literacy levels, ~~shall administer~~
12 **administers** a high school equivalency practice test to determine
13 the individual's potential for success on the high school
14 equivalency test, and ~~shall administer~~ **administers** a post-test upon
15 completion of the program in compliance with the state-approved
16 assessment policy.

17 (c) A funding recipient ~~shall receive~~ **receives** funding
18 according to subsection (9) for a participant, and a participant
19 may be enrolled in the program until 1 of the following occurs:

20 (i) The participant achieves a high school equivalency
21 certificate.

22 (ii) The participant fails to show progress on 2 successive
23 department-approved assessments used to determine readiness to take
24 a high school equivalency test after having completed at least 450
25 hours of instruction.

26 (8) A high school completion program operated on a year-round
27 or school year basis may be funded under this section, subject to
28 all of the following:

29 (a) The program enrolls adults who do not have a high school



1 diploma.

2 (b) The program tests participants described in subdivision
3 (a) before enrollment and upon completion of the program in
4 compliance with the state-approved assessment policy.

5 (c) A funding recipient ~~shall receive~~ **receives** funding
6 according to subsection (9) for a participant in a course offered
7 under this subsection until 1 of the following occurs:

8 (i) The participant passes the course and earns a high school
9 diploma.

10 (ii) The participant fails to earn credit in 2 successive
11 semesters or terms in which the participant is enrolled after
12 having completed at least 900 hours of instruction.

13 (9) ~~A~~ **The department shall make payments to a** funding
14 recipient ~~shall receive payments~~ under this section in accordance
15 with all of the following:

16 (a) Statewide allocation criteria, including 3-year average
17 enrollments, census data, and local needs.

18 (b) Participant completion of the adult basic education
19 objectives by achieving an educational gain as determined by the
20 national reporting system levels; for achieving basic English
21 proficiency, as determined by the department; for achieving a high
22 school equivalency certificate or passage of 1 or more individual
23 high school equivalency tests; for attainment of a high school
24 diploma or passage of a course required for a participant to attain
25 a high school diploma; for enrollment in a postsecondary
26 institution, or for entry into or retention of employment, as
27 applicable.

28 (c) Participant completion of core indicators as identified in
29 the innovation and opportunity act.



1 (d) Allowable expenditures.

2 (10) A person who is not eligible to be a participant funded
3 under this section may receive adult education services upon the
4 payment of tuition. In addition, a person who is not eligible to be
5 served in a program under this section due to the program
6 limitations specified in subsection (6), (7), or (8) may continue
7 to receive adult education services in that program upon the
8 payment of tuition. The ~~tuition level shall be determined by the~~
9 local or intermediate district conducting the program **shall**
10 **determine the tuition amount.**

11 (11) An individual who is an inmate in a state correctional
12 facility ~~shall not be~~ **is not** counted as a participant under this
13 section.

14 (12) A funding recipient shall not commingle money received
15 under this section or from another source for adult education
16 purposes with any other funds and shall establish a separate ledger
17 account for funds received under this section. This subsection does
18 not prohibit a district from using general funds of the district to
19 support an adult education or community education program.

20 (13) A funding recipient receiving funds under this section
21 may establish a sliding scale of tuition rates based upon a
22 participant's family income. A funding recipient may charge a
23 participant tuition to receive adult education services under this
24 section from that sliding scale of tuition rates on a uniform
25 basis. The amount of tuition charged per participant ~~shall~~ **must** not
26 exceed the actual operating cost per participant minus any funds
27 received under this section per participant. A funding recipient
28 may not charge a participant tuition under this section if the
29 participant's income is at or below 200% of the federal poverty



1 guidelines published by the United States Department of Health and
2 Human Services.

3 (14) In order to receive funds under this section, a funding
4 recipient shall furnish to the department, in a form and manner
5 determined by the department, all information needed to administer
6 this program and meet federal reporting requirements; shall allow
7 the department or the department's designee to review all records
8 related to the program for which it receives funds; and shall
9 reimburse the state for all disallowances found in the review, as
10 determined by the department. In addition, a funding recipient
11 shall agree to pay to a career and technical education program
12 under section 61a the amount of funding received under this section
13 in the proportion of career and technical education coursework used
14 to satisfy adult basic education programming, as billed to the
15 funding recipient by programs operating under section 61a. In
16 addition to the funding allocated under subsection (1), there is
17 allocated **for 2019-2020** an amount not to exceed \$500,000.00 to
18 reimburse funding recipients for administrative and instructional
19 expenses associated with commingling programming under this section
20 and section 61a. ~~Payments made~~ **The department shall make payments**
21 **under this subsection** to each funding recipient ~~shall be~~ in the
22 same proportion as funding calculated and allocated under
23 subsection (4).

24 (15) From the amount appropriated in subsection (1), an amount
25 not to exceed \$4,000,000.00 ~~shall be~~ **is** allocated for ~~2018-2019~~
26 **2019-2020** for grants to adult education or career technical center
27 programs that connect adult education participants with employers
28 as provided under this subsection. The **department shall determine**
29 **the amount of the grant** to each program ~~shall be up to~~ **under this**



1 **subsection, not to exceed** \$350,000.00. To be eligible for funding
 2 under this subsection, a program must provide a collaboration
 3 linking adult education programs within the county, the area career
 4 technical center, and local employers. To receive funding under
 5 this subsection, an eligible program ~~shall~~**must** satisfy all of the
 6 following:

7 (a) ~~Shall connect~~**Connect** adult education participants **who are**
 8 **actively working toward earning a high school diploma or a high**
 9 **school equivalency certificate** directly with employers by linking
 10 adult education, career and technical skills, and workforce
 11 development.

12 (b) ~~Shall require~~**Require** adult education staff to work with
 13 Michigan Works! agency to identify a cohort of participants who are
 14 most prepared to successfully enter the workforce. Participants
 15 identified under this subsection ~~shall~~**must** be dually enrolled in
 16 adult education programming, **actively working toward earning a high**
 17 **school diploma or a high school equivalency certificate**, and **in** at
 18 least 1 technical course at the area career and technical center.

19 (c) ~~Shall have~~**Employ** an individual staffed as an adult
 20 education navigator who will serve as a caseworker for each
 21 participant identified under subdivision (b). The navigator shall
 22 work with adult education staff and potential employers to design
 23 an educational program best suited to the personal and employment
 24 needs of the participant and shall work with human service agencies
 25 or other entities to address any barrier in the way of participant
 26 access.

27 (16) A program that was a pilot program in 2017-2018 and that
 28 was funded under this section in 2017-2018 ~~shall be~~**is** funded in
 29 ~~2018-2019-2019-2020~~ unless the program ceases operation. The



1 intermediate district in which that pilot program was funded ~~shall~~
 2 ~~be~~-is the fiscal agent for that program and shall apply for that
 3 program's funding under subsection (15).

4 (17) Each program funded under subsection (15) will receive
 5 funding for 3 years. After 3 years of operations and funding, a
 6 program must reapply for funding.

7 (18) Not later than December 1, ~~2019,~~2020, a program funded
 8 under subsection (15) shall provide a report to the senate and
 9 house appropriations subcommittees on school aid, to the senate and
 10 house fiscal agencies, and to the state budget director identifying
 11 the number of participants, graduation rates, and a measure of
 12 transition to employment.

13 (19) The department shall approve at least 3 high school
 14 equivalency tests and determine whether a high school equivalency
 15 certificate meets the requisite standards for high school
 16 equivalency in this state.

17 (20) As used in this section:

18 (a) "Career and educational advisory council" means an
 19 advisory council to the local workforce development boards located
 20 in a prosperity region consisting of educational, employer, labor,
 21 and parent representatives.

22 (b) "Career pathway" means a combination of rigorous and high-
 23 quality education, training, and other services that comply with
 24 all of the following:

25 (i) Aligns with the skill needs of industries in the economy of
 26 this state or in the regional economy involved.

27 (ii) Prepares an individual to be successful in any of a full
 28 range of secondary or postsecondary education options, including
 29 apprenticeships registered under the act of August 16, 1937



1 (commonly known as the "national apprenticeship act"), 29 USC 50 et
2 seq.

3 (iii) Includes counseling to support an individual in achieving
4 the individual's education and career goals.

5 (iv) Includes, as appropriate, education offered concurrently
6 with and in the same context as workforce preparation activities
7 and training for a specific occupation or occupational cluster.

8 (v) Organizes education, training, and other services to meet
9 the particular needs of an individual in a manner that accelerates
10 the educational and career advancement of the individual to the
11 extent practicable.

12 (vi) Enables an individual to attain a secondary school diploma
13 or its recognized equivalent, and at least 1 recognized
14 postsecondary credential.

15 (vii) Helps an individual enter or advance within a specific
16 occupation or occupational cluster.

17 (c) "Department" means the department of talent and economic
18 development.

19 (d) "Eligible adult education provider" means a district,
20 intermediate district, a consortium of districts, a consortium of
21 intermediate districts, or a consortium of districts and
22 intermediate districts that is identified as part of the local
23 process described in subsection (5)(c) and approved by the
24 department.

25 Sec. 147. (1) The allocation for ~~2018-2019-2019-2020~~ for the
26 public school employees' retirement system pursuant to the public
27 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
28 to 38.1437, ~~shall be~~ **is** made using the individual projected benefit
29 entry age normal cost method of valuation and risk assumptions



1 adopted by the public school employees retirement board and the
2 department of technology, management, and budget.

3 (2) The annual level percentage of payroll contribution rates
4 for the ~~2018-2019~~ **2019-2020** fiscal year, as determined by the
5 retirement system, are estimated as follows:

6 (a) For public school employees who first worked for a public
7 school reporting unit before July 1, 2010 and who are enrolled in
8 the health premium subsidy, the annual level percentage of payroll
9 contribution rate is estimated at ~~38.39%~~ **39.91%**, with ~~26.18%~~
10 **27.50%** paid directly by the employer.

11 (b) For public school employees who first worked for a public
12 school reporting unit on or after July 1, 2010 and who are enrolled
13 in the health premium subsidy, the annual level percentage of
14 payroll contribution rate is estimated at ~~36.60%~~ **36.96%**, with
15 ~~24.39%~~ **24.55%** paid directly by the employer.

16 (c) For public school employees who first worked for a public
17 school reporting unit on or after July 1, 2010 and who participate
18 in the personal healthcare fund, the annual level percentage of
19 payroll contribution rate is estimated at ~~36.24%~~ **36.44%**, with
20 24.03% paid directly by the employer.

21 (d) For public school employees who first worked for a public
22 school reporting unit on or after September 4, 2012, who elect
23 defined contribution, and who participate in the personal
24 healthcare fund, the annual level percentage of payroll
25 contribution rate is estimated at ~~33.17%~~ **33.37%** with 20.96% paid
26 directly by the employer.

27 (e) For public school employees who first worked for a public
28 school reporting unit before July 1, 2010, who elect defined
29 contribution, and who are enrolled in the health premium subsidy,



1 the annual level percentage of payroll contribution rate is
 2 estimated at ~~33.53%~~, **33.89%** with ~~21.32%~~ **21.48%** paid directly by the
 3 employer.

4 (f) For public school employees who first worked for a public
 5 school reporting unit before July 1, 2010, who elect defined
 6 contribution, and who participate in the personal healthcare fund,
 7 the annual level percentage of payroll contribution rate is
 8 estimated at ~~33.17%~~, **33.37%**, with 20.96% paid directly by the
 9 employer.

10 (g) For public school employees who first worked for a public
 11 school reporting unit before July 1, 2010 and who participate in
 12 the personal healthcare fund, the annual level percentage of
 13 payroll contribution rate is estimated at ~~38.03%~~, **39.39%**, with
 14 ~~25.82%~~ **26.98%** paid directly by the employer.

15 (h) For public school employees who first worked for a public
 16 school reporting unit after January 31, 2018 and who elect to
 17 become members of the MPSERS plan, the annual level percentage of
 18 payroll contribution rate is estimated at ~~39.37%~~, **39.57%** with
 19 27.16% paid directly by the employer.

20 (3) In addition to the employer payments described in
 21 subsection (2), the employer shall pay the applicable contributions
 22 to the Tier 2 plan, as determined by the public school employees
 23 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

24 (4) The contribution rates in subsection (2) reflect an
 25 amortization period of ~~20~~ **19** years for ~~2018-2019~~. **2019-2020**. The
 26 public school employees' retirement system board shall notify each
 27 district and intermediate district by February 28 of each fiscal
 28 year of the estimated contribution rate for the next fiscal year.

29 Sec. 147a. (1) From the appropriation in section 11, there is



1 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
 2 \$100,000,000.00 for payments to participating districts. A
 3 participating district that receives money under this subsection
 4 shall use that money solely for the purpose of offsetting a portion
 5 of the retirement contributions owed by the district for the fiscal
 6 year in which it is received. The amount allocated to each
 7 participating district under this subsection ~~shall be~~ **is** based on
 8 each participating district's percentage of the total statewide
 9 payroll for all participating districts for the immediately
 10 preceding fiscal year. As used in this subsection, "participating
 11 district" means a district that is a reporting unit of the Michigan
 12 public school employees' retirement system under the public school
 13 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
 14 38.1437, and that reports employees to the Michigan public school
 15 employees' retirement system for the applicable fiscal year.

16 (2) In addition to the allocation under subsection (1), from
 17 the state school aid fund money appropriated under section 11,
 18 there is allocated an amount not to exceed ~~\$88,091,000.00 for 2018-~~
 19 ~~2019~~ **\$171,986,000.00 for 2019-2020** for payments to participating
 20 districts and intermediate districts and from the general fund
 21 money appropriated under section 11, there is allocated an amount
 22 not to exceed ~~\$48,000.00 for 2018-2019~~ **\$83,000.00 for 2019-2020** for
 23 payments to participating district libraries. The amount allocated
 24 to each participating entity under this subsection ~~shall be~~ **is**
 25 based on each participating entity's percentage of the total
 26 statewide payroll for that type of participating entity for the
 27 immediately preceding fiscal year. A participating entity that
 28 receives money under this subsection shall use that money solely
 29 for the purpose of offsetting a portion of the normal cost



1 contribution rate. As used in this subsection:

2 (a) "District library" means a district library established
3 under the district library establishment act, 1989 PA 24, MCL
4 397.171 to 397.196.

5 (b) "Participating entity" means a district, intermediate
6 district, or district library that is a reporting unit of the
7 Michigan public school employees' retirement system under the
8 public school employees retirement act of 1979, 1980 PA 300, MCL
9 38.1301 to 38.1437, and that reports employees to the Michigan
10 public school employees' retirement system for the applicable
11 fiscal year.

12 Sec. 147c. From the appropriation in section 11, there is
13 allocated for ~~2018-2019~~ **2019-2020** an amount not to exceed
14 ~~\$1,032,000,000.00~~ **\$1,030,400,000.00** from the state school aid fund
15 for payments to districts and intermediate districts that are
16 participating entities of the Michigan public school employees'
17 retirement system. In addition, from the general fund money
18 appropriated in section 11, there is allocated for ~~2018-2019~~ **2019-**
19 **2020** an amount not to exceed ~~\$700,000.00~~ **\$500,000.00** for payments
20 to district libraries that are participating entities of the
21 Michigan public school employees' retirement system. All of the
22 following apply to funding under this subsection:

23 (a) For ~~2018-2019~~, **2019-2020**, the amounts allocated under this
24 subsection are estimated to provide an average MPSERS rate cap per
25 pupil amount of ~~\$690.00~~ **\$693.00** and are estimated to provide a rate
26 cap per pupil for districts ranging between \$4.00 and
27 ~~\$3,000.00~~ **\$4,000.00**.

28 (b) Payments made under this subsection ~~shall be~~ **are** equal to
29 the difference between the unfunded actuarial accrued liability



1 contribution rate as calculated pursuant to section 41 of the
2 public school employees retirement act of 1979, 1980 PA 300, MCL
3 38.1341, as calculated without taking into account the maximum
4 employer rate of 20.96% included in section 41 of the public school
5 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
6 maximum employer rate of 20.96% included in section 41 of the
7 public school employees retirement act of 1979, 1980 PA 300, MCL
8 38.1341.

9 (c) The amount allocated to each participating entity under
10 this subsection ~~shall be~~ **is** based on each participating entity's
11 proportion of the total covered payroll for the immediately
12 preceding fiscal year for the same type of participating entities.
13 A participating entity that receives funds under this subsection
14 shall use the funds solely for the purpose of retirement
15 contributions as specified in subdivision (d).

16 (d) Each participating entity receiving funds under this
17 subsection shall forward an amount equal to the amount allocated
18 under subdivision (c) to the retirement system in a form, manner,
19 and time frame determined by the retirement system.

20 (e) Funds allocated under this subsection should be considered
21 when comparing a district's growth in total state aid funding from
22 1 fiscal year to the next.

23 (f) Not later than December 20, ~~2018,~~ **2019**, the department
24 shall publish and post on its website an estimated MPERS rate cap
25 per pupil for each district.

26 (g) ~~It is the intent of the legislature that any~~ **The office of**
27 **retirement service shall first apply** funds allocated under this
28 subsection ~~are first applied~~ to pension contributions ~~and,~~ if any
29 funds remain after that payment, **shall apply** those remaining funds



1 ~~shall be applied~~ to other postemployment benefit contributions.

2 (h) As used in this subsection:

3 (i) "District library" means a district library established
4 under the district library establishment act, 1989 PA 24, MCL
5 397.171 to 397.196.

6 (ii) "MPSERS rate cap per pupil" means an amount equal to the
7 quotient of the district's payment under this subsection divided by
8 the district's pupils in membership.

9 (iii) "Participating entity" means a district, intermediate
10 district, or district library that is a reporting unit of the
11 Michigan public school employees' retirement system under the
12 public school employees retirement act of 1979, 1980 PA 300, MCL
13 38.1301 to 38.1437, and that reports employees to the Michigan
14 public school employees' retirement system for the applicable
15 fiscal year.

16 (iv) "Retirement board" means the board that administers the
17 retirement system under the public school employees retirement act
18 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

19 (v) "Retirement system" means the Michigan public school
20 employees' retirement system under the public school employees
21 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

22 Sec. 147e. (1) From the appropriation in section 11, there is
23 allocated for 2018-2019 an amount not to exceed ~~\$31,900,000.00~~
24 **\$30,000,000.00** from the MPSERS retirement obligation reform reserve
25 fund, **and there is allocated for 2019-2020 an amount not to exceed**
26 **\$1,900,000.00 from the MPSERS retirement obligation reform reserve**
27 **fund** and ~~\$5,700,000.00~~ **\$40,671,000.00** from the state school aid
28 fund for payments to participating entities.

29 (2) The payment to each participating entity under this



1 section ~~shall be~~ **is** the sum of the amounts under this subsection as
2 follows:

3 (a) An amount equal to the contributions made by a
4 participating entity for the additional contribution made to a
5 qualified participant's Tier 2 account in an amount equal to the
6 contribution made by the qualified participant not to exceed 3% of
7 the qualified participant's compensation as provided for under
8 section 131(6) of the public school employees retirement act of
9 1979, 1980 PA 300, MCL 38.1431.

10 (b) Beginning October 1, 2017, an amount equal to the
11 contributions made by a participating entity for a qualified
12 participant who is only a Tier 2 qualified participant under
13 section 81d of the public school employees retirement act of 1979,
14 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning
15 February 1, 2018, not to exceed 1%, of the qualified participant's
16 compensation.

17 (c) An amount equal to the increase in employer normal cost
18 contributions under section 41b(2) of the public school employees
19 retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member
20 that was hired after February 1, 2018 and chose to participate in
21 Tier 1, compared to the employer normal cost contribution for a
22 member under section 41b(1) of the public school employees
23 retirement act of 1979, 1980 PA 300, MCL 38.1341b.

24 (3) As used in this section:

25 (a) "Member" means that term as defined under the public
26 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
27 to 38.1437.

28 (b) "Participating entity" means a district, intermediate
29 district, or community college that is a reporting unit of the



1 Michigan public school employees' retirement system under the
2 public school employees retirement act of 1979, 1980 PA 300, MCL
3 38.1301 to 38.1437, and that reports employees to the Michigan
4 public school employees' retirement system for the applicable
5 fiscal year.

6 (c) "Qualified participant" means that term as defined under
7 section 124 of the public school employees retirement act of 1979,
8 1980 PA 300, MCL 38.1424.

9 Sec. 152a. (1) As required by the court in the consolidated
10 cases known as *Adair* v#/# State#/# of#/# Michigan#/#,
11 486 Mich 468 (2010), from the state school aid fund money
12 appropriated in section 11, there is allocated for ~~2018-2019-2019-~~
13 **2020** an amount not to exceed \$38,000,500.00 to be used solely for
14 the purpose of paying necessary costs related to the state-mandated
15 collection, maintenance, and reporting of data to this state.

16 (2) From the allocation in subsection (1), the department
17 shall make payments to districts and intermediate districts in an
18 equal amount per-pupil based on the total number of pupils in
19 membership in each district and intermediate district. The
20 department shall not make any adjustment to these payments after
21 the final installment payment under section 17b is made.

22 Sec. 152b. (1) From the general fund money appropriated under
23 section 11, there is allocated ~~an amount not to exceed~~
24 ~~\$2,500,000.00 for 2017-2018 and~~ an amount not to exceed \$250,000.00
25 **each fiscal year** for 2018-2019 **and for 2019-2020** to reimburse
26 actual costs incurred by nonpublic schools in complying with a
27 health, safety, or welfare requirement mandated by a law or
28 administrative rule of this state.

29 (2) By January 1 of each applicable fiscal year, the



1 department shall publish a form for reporting actual costs incurred
 2 by a nonpublic school in complying with a health, safety, or
 3 welfare requirement mandated under state law containing each
 4 health, safety, or welfare requirement mandated by a law or
 5 administrative rule of this state applicable to a nonpublic school
 6 and with a reference to each relevant provision of law or
 7 administrative rule for the requirement. The **department shall post**
 8 **the** form ~~shall be posted~~ on the department's website in electronic
 9 form.

10 (3) By June 30 of each applicable fiscal year, a nonpublic
 11 school seeking reimbursement for actual costs incurred in complying
 12 with a health, safety, or welfare requirement under a law or
 13 administrative rule of this state during each applicable school
 14 year shall submit a completed form described in subsection (2) to
 15 the department. This section does not require a nonpublic school to
 16 submit a form described in subsection (2). A nonpublic school is
 17 not eligible for reimbursement under this section if the nonpublic
 18 school does not submit the form described in subsection (2) in a
 19 timely manner.

20 (4) By August 15 of each applicable fiscal year, the
 21 department shall distribute funds to each nonpublic school that
 22 submits a completed form described under subsection (2) in a timely
 23 manner. The superintendent shall determine the amount of funds to
 24 be paid to each nonpublic school in an amount that does not exceed
 25 the nonpublic school's actual costs in complying with a health,
 26 safety, or welfare requirement under a law or administrative rule
 27 of this state. The superintendent shall calculate a nonpublic
 28 school's actual cost in accordance with this section.

29 (5) If the funds allocated under this section are insufficient



1 to fully fund payments as otherwise calculated under this section,
2 the department shall distribute funds under this section on a
3 prorated or other equitable basis as determined by the
4 superintendent.

5 (6) The department may review the records of a nonpublic
6 school submitting a form described in subsection (2) only for the
7 limited purpose of verifying the nonpublic school's compliance with
8 this section. If a nonpublic school does not allow the department
9 to review records under this subsection, the nonpublic school is
10 not eligible for reimbursement under this section.

11 (7) The funds appropriated under this section are for purposes
12 related to education, are considered to be incidental to the
13 operation of a nonpublic school, are noninstructional in character,
14 and are intended for the public purpose of ensuring the health,
15 safety, and welfare of the children in nonpublic schools and to
16 reimburse nonpublic schools for costs described in this section.

17 (8) Funds allocated under this section are not intended to aid
18 or maintain any nonpublic school, support the attendance of any
19 student at a nonpublic school, employ any person at a nonpublic
20 school, support the attendance of any student at any location where
21 instruction is offered to a nonpublic school student, or support
22 the employment of any person at any location where instruction is
23 offered to a nonpublic school student.

24 (9) For purposes of this section, "actual cost" means the
25 hourly wage for the employee or employees performing a task or
26 tasks required to comply with a health, safety, or welfare
27 requirement under a law or administrative rule of this state
28 identified by the department under subsection (2) and is to be
29 calculated in accordance with the form published by the department



1 under subsection (2), which shall include a detailed itemization of
 2 costs. The nonpublic school shall not charge more than the hourly
 3 wage of its lowest-paid employee capable of performing a specific
 4 task regardless of whether that individual is available and
 5 regardless of who actually performs a specific task. Labor costs
 6 under this subsection ~~shall~~**must** be estimated and charged in
 7 increments of 15 minutes or more, with all partial time increments
 8 rounded down. When calculating costs under subsection (4), fee
 9 components ~~shall~~**must** be itemized in a manner that expresses both
 10 the hourly wage and the number of hours charged. The nonpublic
 11 school may not charge any applicable labor charge amount to cover
 12 or partially cover the cost of health or fringe benefits. A
 13 nonpublic school shall not charge any overtime wages in the
 14 calculation of labor costs.

15 (10) For the purposes of this section, the actual cost
 16 incurred by a nonpublic school for taking daily student attendance
 17 ~~shall be~~**is** considered an actual cost in complying with a health,
 18 safety, or welfare requirement under a law or administrative rule
 19 of this state. Training fees, inspection fees, and criminal
 20 background check fees are considered actual costs in complying with
 21 a health, safety, or welfare requirement under a law or
 22 administrative rule of this state.

23 (11) The funds allocated under this section for 2017-2018 are
 24 a work project appropriation, and any unexpended funds for 2017-
 25 2018 are carried forward into 2018-2019. The purpose of the work
 26 project is to continue to reimburse nonpublic schools for actual
 27 costs incurred in complying with a health, safety, or welfare
 28 requirement mandated by a law or administrative rule of this state.
 29 The estimated completion date of the work project is September 30,



1 ~~2020-2021.~~

2 (12) The funds allocated under this section for 2018-2019 are
 3 a work project appropriation, and any unexpended funds for 2018-
 4 2019 are carried forward into 2019-2020. The purpose of the work
 5 project is to continue to reimburse nonpublic schools for actual
 6 costs incurred in complying with a health, safety, or welfare
 7 requirement mandated by a law or administrative rule of this state.
 8 The estimated completion date of the work project is September 30,
 9 ~~2020-2021.~~

10 (13) **The funds allocated under this section for 2019-2020 are**
 11 **a work project appropriation, and any unexpended funds for 2019-**
 12 **2020 are carried forward into 2020-2021. The purpose of the work**
 13 **project is to continue to reimburse nonpublic schools for actual**
 14 **costs incurred in complying with a health, safety, or welfare**
 15 **requirement mandated by a law or administrative rule of this state.**
 16 **The estimated completion date of the work project is September 30,**
 17 **2021.**

18 Enacting section 1. In accordance with section 30 of article
 19 IX of the state constitution of 1963, total state spending on
 20 school aid under article I of the state school aid act of 1979,
 21 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2018 PA 265,
 22 2018 PA 586, and this amendatory act, from state sources for fiscal
 23 year 2018-2019 is estimated at \$13,048,345,300.00 and state
 24 appropriations for school aid to be paid to local units of
 25 government for fiscal year 2018-2019 are estimated at
 26 \$12,831,100,000.00. In accordance with section 30 of article IX of
 27 the state constitution of 1963, total state spending on school aid
 28 under article I of the state school aid act of 1979, 1979 PA 94,
 29 MCL 388.1601 to 388.1772, as amended by this amendatory act, from



1 state sources for fiscal year 2019-2020 is estimated at
2 \$13,490,579,400.00 and state appropriations for school aid to be
3 paid to local units of government for fiscal year 2019-2020 are
4 estimated at \$13,261,779,600.00.

5 Enacting section 2. Sections 20m, 22n, 24c, 25h, 32q, 35b,
6 61g, 61h, 64b, 64d, 74a, 95b, 99w, 99y, 104f, 153, and 166 of the
7 state school aid act of 1979, 1979 PA 94, MCL 388.1620m, 388.1622n,
8 388.1624c, 388.1625h, 388.1632q, 388.1635b, 388.1661g, 388.1661h,
9 388.1664b, 388.1664d, 388.1674a, 388.1695b, 388.1699w, 388.1704f,
10 388.1753, and 388.1766, are repealed effective October 1, 2019.

11 Enacting section 3. (1) Except as otherwise provided in
12 subsection (2), this amendatory act takes effect October 1, 2019.

13 (2) Sections 11, 11m, 22a, 22b, 26a, 26c, 51a, 51c, 56, 62,
14 67a, 74a, 95a, 147e, and 152b of the state school aid act of 1979,
15 MCL 388.1611, 388.1611m, 388.1622a, 388.1622b, 388.1626a,
16 388.1626c, 388.1651a, 388.1651c, 388.1656, 388.1662, 388.1667a,
17 388.1674a, 388.1695a, 388.1747e, and 388.1652b, as amended by this
18 amendatory act, take effect upon enactment of this amendatory act.

