

SUBSTITUTE FOR
SENATE BILL NO. 863

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 6, 11, 11a, 11j, 11k, 11m, 11s, 18, 19, 20,
20d, 20f, 21h, 22a, 22b, 22d, 22m, 22n, 24, 24a, 24c, 25f, 25g,
26a, 26b, 26c, 31a, 31d, 31f, 31j, 32d, 32p, 32q, 35a, 39, 39a, 41,
51a, 51c, 51d, 53a, 54, 54b, 55, 56, 61a, 61b, 61c, 62, 64b, 65,
67, 74, 81, 94, 94a, 95b, 98, 99h, 99r, 99s, 99t, 99u, 102d, 104,
104c, 107, 147, 147a, 147b, 147c, 147e, 152a, 152b, 163, 166b, and
169a (MCL 388.1606, 388.1611, 388.1611a, 388.1611j, 388.1611k,
388.1611m, 388.1611s, 388.1618, 388.1619, 388.1620, 388.1620d,
388.1620f, 388.1621h, 388.1622a, 388.1622b, 388.1622d, 388.1622m,
388.1622n, 388.1624, 388.1624a, 388.1624c, 388.1625f, 388.1625g,
388.1626a, 388.1626b, 388.1626c, 388.1631a, 388.1631d, 388.1631f,
388.1631j, 388.1632d, 388.1632p, 388.1632q, 388.1635a, 388.1639,

388.1639a, 388.1641, 388.1651a, 388.1651c, 388.1651d, 388.1653a, 388.1654, 388.1654b, 388.1655, 388.1656, 388.1661a, 388.1661b, 388.1661c, 388.1662, 388.1664b, 388.1665, 388.1667, 388.1674, 388.1681, 388.1694, 388.1694a, 388.1695b, 388.1698, 388.1699h, 388.1699r, 388.1699s, 388.1699t, 388.1699u, 388.1702d, 388.1704, 388.1704c, 388.1707, 388.1747, 388.1747a, 388.1747b, 388.1747c, 388.1747e, 388.1752a, 388.1752b, 388.1763, 388.1766b, and 388.1769a), sections 6, 11a, 11j, 11k, 11m, 11s, 18, 20, 20d, 20f, 22a, 22b, 22d, 24, 24a, 24c, 25f, 25g, 26a, 26b, 26c, 31d, 31f, 32p, 32q, 39, 39a, 41, 51a, 51c, 51d, 53a, 54, 54b, 55, 56, 61a, 61b, 62, 64b, 65, 67, 74, 81, 94, 94a, 98, 99s, 104, 147, 147b, 147c, 152a, and 152b as amendeded and sections 21h, 22m, 22n, and 147e as added by 2017 PA 108, sections 11, 31a, 31j, 32d, 35a, 61c, 95b, 99h, 99r, 99t, 102d, 104c, 107, 147a, and 166b as amendeded and section 99u as added by 2017 PA 143, section 19 as amendeded by 2016 PA 533, section 163 as amendeded by 2015 PA 85, and section 169a as amendeded by 1997 PA 93, and by adding sections 22p, 54c, 54d, 95c, and 99v; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) "Center program" means a program operated by a
 2 district or by an intermediate district for special education
 3 pupils from several districts in programs for pupils with autism
 4 spectrum disorder, pupils with severe cognitive impairment, pupils
 5 with moderate cognitive impairment, pupils with severe multiple
 6 impairments, pupils with hearing impairment, pupils with visual
 7 impairment, and pupils with physical impairment or other health
 8 impairment. Programs for pupils with emotional impairment housed in

1 buildings that do not serve regular education pupils also qualify.
2 Unless otherwise approved by the department, a center program
3 either shall serve all constituent districts within an intermediate
4 district or shall serve several districts with less than 50% of the
5 pupils residing in the operating district. In addition, special
6 education center program pupils placed part-time in noncenter
7 programs to comply with the least restrictive environment
8 provisions of section 612 of part B of the individuals with
9 disabilities education act, 20 USC 1412, may be considered center
10 program pupils for pupil accounting purposes for the time scheduled
11 in either a center program or a noncenter program.

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

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

21 (4) "Membership", except as otherwise provided in this
22 article, means for a district, a public school academy, or an
23 intermediate district the sum of the product of .90 times the
24 number of full-time equated pupils in grades K to 12 actually
25 enrolled and in regular daily attendance on the pupil membership
26 count day for the current school year, plus the product of .10
27 times the final audited count from the supplemental count day for

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

27 (a) Except as otherwise provided in this subsection, and

1 pursuant to subsection (6), a pupil shall be counted in membership
2 in the pupil's educating district or districts. An individual pupil
3 shall not be counted for more than a total of 1.0 full-time equated
4 membership.

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

15 (c) A special education pupil educated by the intermediate
16 district shall be counted in membership in the intermediate
17 district.

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

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

27 (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 section 690 of the revised school
4 code, MCL 380.690, shall be counted only in the pupil's district of
5 residence.

6 (g) A pupil enrolled in a public school academy shall be
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.

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

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

1 pupils lost as defined by rules promulgated by the superintendent,
2 and as corrected by a subsequent department audit, plus the final
3 audited count from the supplemental count day for the current
4 school year, and dividing that sum by 2.

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

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

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

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

1 than 20 years of age on September 1 of the school year except as
2 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 counted in membership.

8 (ii) A pupil who is determined by the department to meet all
9 of 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
18 be eligible to attend school for that school year under section
19 1147 of the revised school code, MCL 380.1147, but will be 5 years
20 of age not later than December 1 of that school year, the district
21 may count the child in membership for that school year if the
22 parent or legal guardian has notified the district in writing that
23 he or she intends to enroll the child in kindergarten for that
24 school year.

25 (m) An individual who has achieved a high school diploma shall
26 not be counted in membership. An individual who has achieved a high
27 school equivalency certificate shall not be counted in membership

1 unless the individual is a student with a disability as defined in
2 R 340.1702 of the Michigan Administrative Code. An individual
3 participating in a job training program funded under former section
4 107a or a jobs program funded under former section 107b,
5 administered by the department of talent and economic development,
6 or participating in any successor of either of those 2 programs,
7 shall not be counted in membership.

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

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

1 the district or intermediate district providing the remainder of
2 the hours of instruction.

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

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

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

20 (q) The number of class hours used to calculate full-time
21 equated memberships shall be consistent with section 101. In
22 determining full-time equated memberships for pupils who are
23 enrolled in a postsecondary institution, a pupil shall not be
24 considered to be less than a full-time equated pupil solely because
25 of the effect of his or her postsecondary enrollment, including
26 necessary travel time, on the number of class hours provided by the
27 district to the pupil.

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

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

1 audit, plus the final audited count from the supplemental count day
2 for the current school year, and dividing that sum by 2.

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

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

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

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

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

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

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

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

22 (x) If a district's membership for a particular fiscal year,
23 as otherwise calculated under this subsection, would be less than
24 1,550 pupils and the district has 4.5 or fewer pupils per square
25 mile, as determined by the department, and if the district does not
26 receive funding under section 22d(2), the district's membership
27 shall be considered to be the membership figure calculated under

1 this subdivision. If a district educates and counts in its
2 membership pupils in grades 9 to 12 who reside in a contiguous
3 district that does not operate grades 9 to 12 and if 1 or both of
4 the affected districts request the department to use the
5 determination allowed under this sentence, the department shall
6 include the square mileage of both districts in determining the
7 number of pupils per square mile for each of the districts for the
8 purposes of this subdivision. The membership figure calculated
9 under this subdivision is the greater of the following:

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

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

17 (y) Full-time equated memberships for special education pupils
18 who are not enrolled in kindergarten but are enrolled in a
19 classroom program under R 340.1754 of the Michigan Administrative
20 Code shall be determined by dividing the number of class hours
21 scheduled and provided per year by 450. Full-time equated
22 memberships for special education pupils who are not enrolled in
23 kindergarten but are receiving early childhood special education
24 services under R 340.1755 or R 340.1862 of the Michigan
25 Administrative Code shall be determined by dividing the number of
26 hours of service scheduled and provided per year per-pupil by 180.

27 (z) A pupil of a district that begins its school year after

1 Labor Day who is enrolled in an intermediate district program that
2 begins before Labor Day shall not be considered to be less than a
3 full-time pupil solely due to instructional time scheduled but not
4 attended by the pupil before Labor Day.

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

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

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

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

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

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

16 (ii) The pupil meets the district's definition under section
17 23a of satisfactory monthly progress for that month or, if the
18 pupil does not meet that definition of satisfactory monthly
19 progress for that month, the pupil did meet that definition of
20 satisfactory monthly progress in the immediately preceding month
21 and appropriate interventions are implemented within 10 school days
22 after it is determined that the pupil does not meet that definition
23 of satisfactory monthly progress.

24 (ee) A pupil participating in a virtual course under section
25 21f shall be counted in membership in the district enrolling the
26 pupil.

27 (ff) If a public school academy that is not in its first or

1 second year of operation closes at the end of a school year and
2 does not reopen for the next school year, the department shall
3 adjust the membership count of the district or other public school
4 academy in which a former pupil of the closed public school academy
5 enrolls and is in regular daily attendance for the next school year
6 to ensure that the district or other public school academy receives
7 the same amount of membership aid for the pupil as if the pupil
8 were counted in the district or other public school academy on the
9 supplemental count day of the preceding school year.

10 (gg) If a special education pupil is expelled under section
11 1311 or 1311a of the revised school code, MCL 380.1311 and
12 380.1311a, and is not in attendance on the pupil membership count
13 day because of the expulsion, and if the pupil remains enrolled in
14 the district and resumes regular daily attendance during that
15 school year, the district's membership shall be adjusted to count
16 the pupil in membership as if he or she had been in attendance on
17 the pupil membership count day.

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

20 (ii) A part-time pupil enrolled in a nonpublic school in
21 grades ~~K-1~~ to 12 in accordance with section 166b shall not be
22 counted as more than ~~0.75~~ **0.67** of a full-time equated membership.

23 (jj) A district that borders another state or a public school
24 academy that operates at least grades 9 to 12 and is located within
25 20 miles of a border with another state may count in membership a
26 pupil who is enrolled in a course at a college or university that
27 is located in the bordering state and within 20 miles of the border

1 with this state if all of the following are met:

2 (i) The pupil would meet the definition of an eligible student
3 under the postsecondary enrollment options act, 1996 PA 160, MCL
4 388.511 to 388.524, if the course were an eligible course under
5 that act.

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

11 (iii) The department determines that the college or university
12 is an institution that, in the other state, fulfills a function
13 comparable to a state university or community college, as those
14 terms are defined in section 3 of the postsecondary enrollment
15 options act, 1996 PA 160, MCL 388.513, or is an independent
16 nonprofit degree-granting college or university.

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

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

27 (kk) A pupil enrolled in a middle college program may be

1 counted for more than a total of 1.0 full-time equated membership
2 if the pupil is enrolled in more than the minimum number of
3 instructional days and hours required under section 101 and the
4 pupil is expected to complete the 5-year program with both a high
5 school diploma and at least 60 transferable college credits or is
6 expected to earn an associate's degree in fewer than 5 years.

7 **(//) IF A DISTRICT'S MEMBERSHIP FOR A PARTICULAR FISCAL YEAR,**
8 **AS OTHERWISE CALCULATED UNDER THIS SUBSECTION, INCLUDES PUPILS**
9 **COUNTED IN MEMBERSHIP WHO ARE ENROLLED UNDER SECTION 166B, GROWTH**
10 **IN THE DISTRICT'S MEMBERSHIP FOR PUPILS COUNTED UNDER SECTION 166B**
11 **FROM 1 FISCAL YEAR TO THE NEXT SHALL NOT EXCEED 10%. HOWEVER, IF A**
12 **DISTRICT IS IN ITS FIRST 3 YEARS OF COUNTING PUPILS IN MEMBERSHIP**
13 **UNDER SECTION 166B, THE DISTRICT'S MEMBERSHIP FOR PUPILS COUNTED**
14 **UNDER SECTION 166B SHALL NOT EXCEED 5% OF THE DISTRICT'S MEMBERSHIP**
15 **FOR PUPILS NOT COUNTED UNDER SECTION 166B.**

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

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

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

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

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

1 (d) A pupil enrolled in a district other than the pupil's
2 district of residence under an intermediate district schools of
3 choice pilot program as described in section 91a or former section
4 91 if the intermediate district and its constituent districts have
5 been exempted from section 105.

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

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

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

27 (ii) "Serious assault" means an act that constitutes a felony

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

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

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

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

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

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

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

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

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

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

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

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

12 (i) Fourth Wednesday in July.

13 (ii) First Wednesday in October.

14 (iii) Second Wednesday in February.

15 (iv) Fourth Wednesday in April.

16 **(C) FOR PUPILS ENROLLED IN A YOUTH CHALLENGE PROGRAM**
17 **MAINTAINING A RESIDENTIAL 11-MONTH PROGRAM, THE FOURTH WEDNESDAY IN**
18 **AUGUST.**

19 (8) "Pupils in grades K to 12 actually enrolled and in regular
20 daily attendance" means pupils in grades K to 12 in attendance and
21 receiving instruction in all classes for which they are enrolled on
22 the pupil membership count day or the supplemental count day, as
23 applicable. Except as otherwise provided in this subsection, a
24 pupil who is absent from any of the classes in which the pupil is
25 enrolled on the pupil membership count day or supplemental count
26 day and who does not attend each of those classes during the 10
27 consecutive school days immediately following the pupil membership

count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, intermediate district, or public school academy before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, or public school academy within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or ~~legally~~ ~~qualified~~ **AN INDIVIDUAL WORKING UNDER A VALID** substitute teacher **PERMIT, AUTHORIZATION, OR APPROVAL ISSUED BY THE DEPARTMENT,** are together and instruction is taking place.

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

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

1 380.1852.

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

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

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

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

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

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

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

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

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

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

14 Sec. 11. (1) ~~For the fiscal year ending September 30, 2017,~~
15 ~~there is appropriated for the public schools of this state and~~
16 ~~certain other state purposes relating to education the sum of~~
17 ~~\$12,069,644,300.00 from the state school aid fund, the sum of~~
18 ~~\$179,100,000.00 from the general fund, an amount not to exceed~~
19 ~~\$72,000,000.00 from the community district education trust fund~~
20 ~~created under section 12 of the Michigan trust fund act, 2000 PA~~
21 ~~489, MCL 12.262, and an amount not to exceed \$100.00 from the water~~
22 ~~emergency reserve fund. For the fiscal year ending September 30,~~
23 ~~2018, there is appropriated for the public schools of this state~~
24 ~~and certain other state purposes relating to education the sum of~~
25 ~~\$12,547,270,300.00~~ **\$12,673,077,200.00** ~~from the state school aid~~
26 ~~fund, the sum of \$215,000,000.00~~ **\$78,000,000.00** ~~from the general~~
27 ~~fund, an amount not to exceed \$72,000,000.00 from the community~~

1 district education trust fund created under section 12 of the
2 Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not to
3 exceed \$23,100,000.00 from the MPSERS retirement obligation reform
4 reserve fund, and an amount not to exceed \$100.00 from the water
5 emergency reserve fund. **FOR THE FISCAL YEAR ENDING SEPTEMBER 30,**
6 **2019, THERE IS APPROPRIATED FOR THE PUBLIC SCHOOLS OF THIS STATE**
7 **AND CERTAIN OTHER STATE PURPOSES RELATING TO EDUCATION THE SUM OF**
8 **\$12,753,706,700.00 FROM THE STATE SCHOOL AID FUND, THE SUM OF**
9 **\$150,500,000.00 FROM THE GENERAL FUND, AN AMOUNT NOT TO EXCEED**
10 **\$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION TRUST FUND**
11 **CREATED UNDER SECTION 12 OF THE MICHIGAN TRUST FUND ACT, 2000 PA**
12 **489, MCL 12.262, AN AMOUNT NOT TO EXCEED \$31,900,000.00 FROM THE**
13 **MPSERS RETIREMENT OBLIGATION REFORM RESERVE FUND, AND AN AMOUNT NOT**
14 **TO EXCEED \$100.00 FROM THE WATER EMERGENCY RESERVE FUND.** In
15 addition, all available federal funds are appropriated each fiscal
16 year for the fiscal years ending September 30, ~~2017-2018~~ and
17 September 30, ~~2018-2019~~.

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

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

26 Sec. 11a. (1) The school aid stabilization fund is created as
27 a separate account within the state school aid fund established by

1 section 11 of article IX of the state constitution of 1963.

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

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

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

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

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

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

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

25 (6) If the maximum amount appropriated under section 11 from
26 the state school aid fund for a fiscal year exceeds the amount
27 available for expenditure from the state school aid fund for that

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

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

15 Sec. 11j. From the appropriation in section 11, there is
16 allocated an amount not to exceed \$125,500,000.00 for ~~2017-2018~~
17 **2018-2019** for payments to the school loan bond redemption fund in
18 the department of treasury on behalf of districts and intermediate
19 districts. Notwithstanding section 296 or any other provision of
20 this act, funds allocated under this section are not subject to
21 proration and shall be paid in full.

22 Sec. 11k. For ~~2017-2018~~, **2018-2019**, there is appropriated from
23 the general fund to the school loan revolving fund an amount equal
24 to the amount of school bond loans assigned to the Michigan finance
25 authority, not to exceed the total amount of school bond loans held
26 in reserve as long-term assets. As used in this section, "school
27 loan revolving fund" means that fund created in section 16c of the

1 shared credit rating act, 1985 PA 227, MCL 141.1066c.

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

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

24 (2) From the allocation in subsection (1), there is allocated
25 to a district with the majority of its territory located within the
26 boundaries of a city in which an executive proclamation of
27 emergency is issued in the current or immediately preceding ~~2-3~~

1 fiscal years and that has at least 4,500 pupils in membership for
2 the 2016-2017 fiscal year or has at least 4,000 pupils in
3 membership for a fiscal year after 2016-2017, an amount not to
4 exceed ~~\$1,292,500.00 for 2016-2017 and an amount not to exceed~~
5 ~~\$2,625,000.00 for 2017-2018~~ **\$2,375,000.00 FOR 2018-2019** for the
6 purpose of employing school nurses, **CLASSROOM AIDES**, and school
7 social workers. The district shall provide a report to the
8 department in a form, manner, and frequency prescribed by the
9 department. The department shall provide a copy of that report to
10 the governor, the house and senate school aid subcommittees, the
11 house and senate fiscal agencies, and the state budget director
12 within 5 days after receipt. The report shall provide at least the
13 following information:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (A) Instruction.

4 (B) Support services.

5 (C) Business and administration.

6 (D) Operations and maintenance.

7 (c) Links to all of the following:

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

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

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

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

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

21 (vi) The district's written policy establishing specific
22 categories of reimbursable expenses, as described in section
23 1254(2) of the revised school code, MCL 380.1254.

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

1 school fiscal year.

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

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

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

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

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

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

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

27 (4) For the purposes of determining the reasonableness of

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

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

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

1 immediately preceding fiscal year by less than 5%.

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

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

10 (e) All of the following shall be done not later than November
11 1 each year for reporting the prior fiscal year data:

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

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

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

20 (f) The annual financial audit reports and pupil accounting
21 procedures reports shall be available to the public in compliance
22 with the freedom of information act, 1976 PA 442, MCL 15.231 to
23 15.246.

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

1 filed an annual financial audit and pupil accounting procedures
2 report required under this section for the school year ending in
3 the immediately preceding fiscal year.

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

26 (6) By September 30 of each year, each district and
27 intermediate district shall file with the ~~department~~**CENTER** the

1 **AUDITED** special education actual cost report, known as "SE-4096",
2 on a form and in the manner prescribed by the ~~department~~-**CENTER. AN**
3 **INTERMEDIATE DISTRICT SHALL PERFORM THE AUDIT OF A DISTRICT'S**
4 **REPORT.**

5 (7) By October 7 of each year, each district and intermediate
6 district shall file with the center the **AUDITED** transportation
7 expenditure report, known as "SE-4094", on a form and in the manner
8 prescribed by the center. **AN INTERMEDIATE DISTRICT SHALL PERFORM**
9 **THE AUDIT OF A DISTRICT'S REPORT.**

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

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

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

1 or intermediate district forfeits the amount withheld.

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

11 (12) By November 1 of each year, if a district or intermediate
12 district offers virtual learning under section 21f, the district or
13 intermediate district shall submit to the department a report that
14 details the per-pupil costs of operating the virtual learning by
15 vendor type. The report shall include at least all of the following
16 information concerning the operation of virtual learning for the
17 immediately preceding school fiscal year:

18 (a) The name of the district operating the virtual learning
19 and of each district that enrolled students in the virtual
20 learning.

21 (b) The total number of students enrolled in the virtual
22 learning and the total number of membership pupils enrolled in the
23 virtual learning.

24 (c) For each pupil who is enrolled in a district other than
25 the district offering virtual learning, the name of that district.

26 (d) The district in which the pupil was enrolled before
27 enrolling in the district offering virtual learning.

1 (e) The number of participating students who had previously
2 dropped out of school.

3 (f) The number of participating students who had previously
4 been expelled from school.

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

12 (h) The name of each virtual education provider contracted by
13 the district and the state in which each virtual education provider
14 is headquartered.

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

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

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

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

27 (c) Virtual courses provided by third party vendors not

1 affiliated with a Michigan public school.

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

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

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

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

23 (2) Each district shall furnish to the center not later than 5
24 weeks after the pupil membership count day and by ~~June 30~~ **THE LAST**
25 **BUSINESS DAY IN JUNE** of the school fiscal year ending in the fiscal
26 year, in a manner prescribed by the center, the information
27 necessary for the preparation of the district and high school

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

17 (3) By the first business day in December and by ~~June 30~~ **THE**
18 **LAST BUSINESS DAY IN JUNE** of each year, a district shall furnish to
19 the center, in a manner prescribed by the center, information
20 related to educational personnel as necessary for reporting
21 required by state and federal law. For the purposes of this
22 subsection, the center shall only require districts and
23 intermediate districts to report information that is not already
24 available from the office of retirement services in the department
25 of technology, management, and budget.

26 (4) If a district or intermediate district fails to meet the
27 requirements of this section, the department shall withhold 5% of

1 the total funds for which the district or intermediate district
2 qualifies under this article until the district or intermediate
3 district complies with all of those subsections. If the district or
4 intermediate district does not comply with all of those subsections
5 by the end of the fiscal year, the department shall place the
6 amount withheld in an escrow account until the district or
7 intermediate district complies with all of those subsections.

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

21 (6) Beginning in 2016-2017, the department shall implement
22 statewide standard reporting requirements for education data
23 approved by the department in conjunction with the center. The
24 department shall work with the center, intermediate districts,
25 districts, and other interested stakeholders to implement this
26 policy change. A district or intermediate district shall implement
27 the statewide standard reporting requirements not later than 2017-

1 2018 or when a district or intermediate district updates its
2 education data reporting system, whichever is later.

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

5 (a) The basic foundation allowance is ~~\$8,289.00~~. **\$8,404.00**.

6 (b) The minimum foundation allowance is ~~\$7,631.00~~. **\$7,861.00**.

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

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

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

1 ~~\$20.00)~~**\$38.00)** times (the difference between the district's
2 foundation allowance for the immediately preceding state fiscal
3 year and the minimum foundation allowance for the immediately
4 preceding state fiscal year) divided by the difference between the
5 basic foundation allowance for the current state fiscal year and
6 the minimum foundation allowance for the immediately preceding
7 state fiscal year.] However, the foundation allowance for a
8 district that had less than the basic foundation allowance for the
9 immediately preceding state fiscal year shall not exceed the basic
10 foundation allowance for the current state fiscal year.

11 (b) Except as otherwise provided in this subsection, for a
12 district that in the immediately preceding state fiscal year had a
13 foundation allowance in an amount equal to the amount of the basic
14 foundation allowance for the immediately preceding state fiscal
15 year, the district shall receive a foundation allowance for ~~2017-~~
16 ~~2018-2019~~ in an amount equal to the basic foundation allowance
17 for ~~2017-2018-2018-2019~~.

18 (c) For a district that had a foundation allowance for the
19 immediately preceding state fiscal year that was greater than the
20 basic foundation allowance for the immediately preceding state
21 fiscal year, the district's foundation allowance is an amount equal
22 to the sum of the district's foundation allowance for the
23 immediately preceding state fiscal year plus the lesser of the
24 increase in the basic foundation allowance for the current state
25 fiscal year, as compared to the immediately preceding state fiscal
26 year, or the product of the district's foundation allowance for the
27 immediately preceding state fiscal year times the percentage

1 increase in the United States consumer price index in the calendar
2 year ending in the immediately preceding fiscal year as reported by
3 the May revenue estimating conference conducted under section 367b
4 of the management and budget act, 1984 PA 431, MCL 18.1367b.

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

8 (e) For a district that received a foundation allowance
9 supplemental payment calculated under section 20m and paid under
10 section 22b for ~~2016-2017~~, **2017-2018**, the district's ~~2016-2017~~
11 **2017-2018** foundation allowance is considered to have been an amount
12 equal to the sum of the district's actual ~~2016-2017~~ **2017-2018**
13 foundation allowance as otherwise calculated under this section
14 plus the lesser of the per pupil amount of the district's
15 supplemental payment for ~~2016-2017~~ **2017-2018** as calculated under
16 section 20m or the product of the district's foundation allowance
17 for the immediately preceding state fiscal year times the
18 percentage increase in the United States consumer price index in
19 the calendar year ending in the immediately preceding fiscal year
20 as reported by the May revenue estimating conference conducted
21 under section 367b of the management and budget act, 1984 PA 431,
22 MCL 18.1367b.

23 (4) Except as otherwise provided in this subsection, beginning
24 in 2014-2015, the state portion of a district's foundation
25 allowance is an amount equal to the district's foundation allowance
26 or the basic foundation allowance for the current state fiscal
27 year, whichever is less, minus the local portion of the district's

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

26 (5) The allocation calculated under this section for a pupil
27 shall be based on the foundation allowance of the pupil's district

1 of residence. For a pupil enrolled pursuant to section 105 or 105c
2 in a district other than the pupil's district of residence, the
3 allocation calculated under this section shall be based on the
4 lesser of the foundation allowance of the pupil's district of
5 residence or the foundation allowance of the educating district.
6 For a pupil in membership in a K-5, K-6, or K-8 district who is
7 enrolled in another district in a grade not offered by the pupil's
8 district of residence, the allocation calculated under this section
9 shall be based on the foundation allowance of the educating
10 district if the educating district's foundation allowance is
11 greater than the foundation allowance of the pupil's district of
12 residence. The calculation under this subsection shall take into
13 account a district's per-pupil allocation under section 20m. **FOR A**
14 **PUPIL ENROLLED UNDER SECTION 166B, THE ALLOCATION CALCULATED UNDER**
15 **THIS SECTION SHALL BE BASED ON THE MINIMUM FOUNDATION ALLOWANCE.**

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

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

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

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

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

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

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

1 and an index as follows:

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

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

1 senate subcommittees responsible for school aid appropriations not
2 later than 7 days after the conclusion of the revenue conference.

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

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

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

19 (14) As used in this section:

20 (a) "Certified mills" means the lesser of 18 mills or the
21 number of mills of school operating taxes levied by the district in
22 1993-94.

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

27 (c) "Combined state and local revenue per membership pupil"

1 means the district's combined state and local revenue divided by
2 the district's membership excluding special education pupils.

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

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

9 (f) "Immediately preceding state fiscal year" means the state
10 fiscal year immediately preceding the current state fiscal year.

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

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

1 revised school code, MCL 380.12, local school operating revenue
2 does not include school operating taxes levied within the
3 geographic area of the dissolved district.

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

7 (j) "Maximum public school academy allocation", except as
8 otherwise provided in this subdivision, means the maximum per-pupil
9 allocation as calculated by adding the highest per-pupil allocation
10 among all public school academies for the immediately preceding
11 state fiscal year plus the difference between twice the amount of
12 the difference between the basic foundation allowance for the
13 current state fiscal year and the basic foundation allowance for
14 the immediately preceding state fiscal year and [(the amount of the
15 difference between the basic foundation allowance for the current
16 state fiscal year and the basic foundation allowance for the
17 immediately preceding state fiscal year minus ~~\$20.00~~—**\$38.00**) times
18 (the difference between the highest per-pupil allocation among all
19 public school academies for the immediately preceding state fiscal
20 year and the minimum foundation allowance for the immediately
21 preceding state fiscal year) divided by the difference between the
22 basic foundation allowance for the current state fiscal year and
23 the minimum foundation allowance for the immediately preceding
24 state fiscal year.] For the purposes of this subdivision, for ~~2017—~~
25 ~~2018, 2018–2019~~, the maximum public school academy allocation is
26 ~~\$7,631.00~~—**\$7,861.00**.

27 (k) "Membership" means the definition of that term under

1 section 6 as in effect for the particular fiscal year for which a
2 particular calculation is made.

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

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

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

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

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

23 (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 ~~125.2672,~~

1 125.2670, or the corridor improvement authority act, 2005 PA 280,
2 MCL 125.2871 to 125.2899.

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

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

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

1 code, MCL 380.1211, as a result of the adjustment under this
2 subdivision.

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

20 Sec. 20f. (1) From the funds appropriated in section 11, there
21 is allocated an amount not to exceed \$18,000,000.00 for ~~2017-2018~~
22 **2018-2019** for payments to eligible districts under this section.

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

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

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

6 (c) The quotient of the district's allocation under section
7 147a for 2012-2013 divided by the district's membership pupils for
8 2012-2013 minus the quotient of the district's allocation under
9 section 147a for 2013-2014 divided by the district's membership
10 pupils for 2013-2014.

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

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

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

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

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

25 (d) The quotient of the district's allocation under section
26 31a for 2015-2016 divided by the district's membership pupils for
27 2015-2016 minus the quotient of the district's allocation under

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

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

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

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

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

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

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

22 Sec. 21h. (1) From the appropriation in section 11, there is
23 allocated \$6,000,000.00 for ~~2017-2018~~ **2018-2019** for assisting
24 districts assigned by the superintendent to participate in a
25 partnership to improve student achievement. The purpose of the
26 partnership is to identify district needs, develop intervention
27 plans, and partner with public, private, and nonprofit

1 organizations to coordinate resources and improve student
2 achievement. Assignment of a district to a partnership is at the
3 sole discretion of the superintendent.

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

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

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

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

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

26 (b) Develops an intervention plan that has been approved by
27 the superintendent and that addresses the needs identified in the

1 comprehensive needs evaluation completed under subdivision (a). The
2 intervention plan shall include at least all of the following:

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

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

9 **(C) CRAFTS ACADEMIC GOALS THAT PUT PUPILS ON TRACK TO MEET OR**
10 **EXCEED GRADE LEVEL PROFICIENCY.**

11 (3) Upon approval of the intervention plan developed under
12 subsection (2), the department shall assign a team of individuals
13 with expertise in comprehensive school and district reform to
14 partner with the district, the intermediate district, community
15 organizations, education organizations, and postsecondary
16 institutions identified in the intervention plan to review the
17 district's use of existing financial resources to ensure that those
18 resources are being used as efficiently and effectively as possible
19 to improve student academic achievement. **THE SUPERINTENDENT OF**
20 **PUBLIC INSTRUCTION MAY WAIVE BURDENSOME ADMINISTRATIVE RULES FOR A**
21 **PARTNERSHIP DISTRICT FOR THE DURATION OF THE PARTNERSHIP AGREEMENT.**

22 (4) Funds allocated under this section may be used to pay for
23 district expenditures approved by the superintendent to improve
24 student achievement. Funds may be used for professional development
25 for teachers or district or school leadership, increased
26 instructional time, teacher mentors, or other expenditures that
27 directly impact student achievement and cannot be paid from

1 existing district financial resources. An eligible district shall
2 not receive funds under this section for more than 3 years.
3 Notwithstanding section 17b, payments to eligible districts under
4 this section shall be paid on a schedule determined by the
5 department.

6 (5) The department shall annually report **IN PERSON** to the
7 legislature on the activities funded under this section and how
8 those activities impacted student achievement in eligible districts
9 that received funds under this section. **TO THE EXTENT POSSIBLE,**
10 **PARTICIPATING DISTRICTS RECEIVING FUNDING UNDER THIS SECTION SHALL**
11 **PARTICIPATE IN THE REPORT.**

12 Sec. 22a. (1) From the appropriation in section 11, ~~there is~~
13 ~~allocated an amount not to exceed \$5,207,000,000.00 for 2016-2017~~
14 ~~and there is allocated an amount not to exceed \$5,181,800,000.00~~
15 **\$5,176,000,000.00 for 2017-2018 AND THERE IS ALLOCATED AN AMOUNT**
16 **NOT TO EXCEED \$5,115,000,000.00 FOR 2018-2019** for payments to
17 districts and qualifying public school academies to guarantee each
18 district and qualifying public school academy an amount equal to
19 its 1994-95 total state and local per pupil revenue for school
20 operating purposes under section 11 of article IX of the state
21 constitution of 1963. Pursuant to section 11 of article IX of the
22 state constitution of 1963, this guarantee does not apply to a
23 district in a year in which the district levies a millage rate for
24 school district operating purposes less than it levied in 1994.
25 However, subsection (2) applies to calculating the payments under
26 this section. Funds allocated under this section that are not
27 expended in the state fiscal year for which they were allocated, as

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

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

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

1 under section 12 of the revised school code, MCL 380.12, taxable
2 value per membership pupil of all property in the receiving
3 district that is nonexempt property and taxable value per
4 membership pupil of property in the receiving district that is
5 commercial personal property do not include property within the
6 geographic area of the dissolved district; ad valorem property tax
7 revenue of the receiving district captured under tax increment
8 financing acts does not include ad valorem property tax revenue
9 captured within the geographic boundaries of the dissolved district
10 under tax increment financing acts; and certified mills do not
11 include the certified mills of the dissolved district. For a
12 community district, the allocation as otherwise calculated under
13 this section shall be reduced by an amount equal to the amount of
14 local school operating tax revenue that would otherwise be due to
15 the community district if not for the operation of section 386 of
16 the revised school code, MCL 380.386, and the amount of this
17 reduction shall be offset by the increase in funding under section
18 22b(2).

19 (b) For a district that had a 1994-95 foundation allowance
20 greater than \$6,500.00, the state payment under this subsection
21 shall be the sum of the amount calculated under subdivision (a)
22 plus the amount calculated under this subdivision. The amount
23 calculated under this subdivision shall be equal to the difference
24 between the district's 1994-95 foundation allowance minus \$6,500.00
25 and the current year hold harmless school operating taxes per
26 pupil. If the result of the calculation under subdivision (a) is
27 negative, the negative amount shall be an offset against any state

1 payment calculated under this subdivision. If the result of a
2 calculation under this subdivision is negative, there shall not be
3 a state payment or a deduction under this subdivision. The taxable
4 values per membership pupil used in the calculations under this
5 subdivision are as adjusted by ad valorem property tax revenue
6 captured under tax increment financing acts divided by the
7 district's membership. For a receiving district, if school
8 operating taxes are to be levied on behalf of a dissolved district
9 that has been attached in whole or in part to the receiving
10 district to satisfy debt obligations of the dissolved district
11 under section 12 of the revised school code, MCL 380.12, ad valorem
12 property tax revenue captured under tax increment financing acts do
13 not include ad valorem property tax revenue captured within the
14 geographic boundaries of the dissolved district under tax increment
15 financing acts.

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

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

26 (5) Except as otherwise provided in this subsection, for a
27 district that is formed or reconfigured after June 1, 2000 by

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

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

18 (7) As used in this section:

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

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

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

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

16 (f) "Hold harmless millage" means, for a district with a 1994-
17 95 foundation allowance greater than \$6,500.00, the number of mills
18 by which the exemption from the levy of school operating taxes on a
19 homestead, qualified agricultural property, qualified forest
20 property, supportive housing property, industrial personal
21 property, commercial personal property, and property occupied by a
22 public school academy could be reduced as provided in section 1211
23 of the revised school code, MCL 380.1211, and the number of mills
24 of school operating taxes that could be levied on all property as
25 provided in section 1211(2) of the revised school code, MCL
26 380.1211, as certified by the department of treasury for the 1994
27 tax year. For a receiving district, if school operating taxes are

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

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

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

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

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

23 (k) "Receiving district" means a district to which all or part
24 of the territory of a dissolved district is attached under section
25 12 of the revised school code, MCL 380.12.

26 (l) "School operating taxes" means local ad valorem property
27 taxes levied under section 1211 of the revised school code, MCL

1 380.1211, and retained for school operating purposes as defined in
2 section 20.

3 (m) "Tax increment financing acts" means 1975 PA 197, MCL
4 125.1651 to 125.1681, the tax increment finance authority act, 1980
5 PA 450, MCL 125.1801 to 125.1830, the local development financing
6 act, 1986 PA 281, MCL 125.2151 to 125.2174, the brownfield
7 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
8 or the corridor improvement authority act, 2005 PA 280, MCL
9 125.2871 to 125.2899.

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

12 (i) For the number of mills by which the exemption from the
13 levy of school operating taxes on a homestead, qualified
14 agricultural property, qualified forest property, supportive
15 housing property, industrial personal property, commercial personal
16 property, and property occupied by a public school academy may be
17 reduced as provided in section 1211 of the revised school code, MCL
18 380.1211, the taxable value of homestead, qualified agricultural
19 property, qualified forest property, supportive housing property,
20 industrial personal property, commercial personal property, and
21 property occupied by a public school academy for the calendar year
22 ending in the current state fiscal year. For a receiving district,
23 if school operating taxes are to be levied on behalf of a dissolved
24 district that has been attached in whole or in part to the
25 receiving district to satisfy debt obligations of the dissolved
26 district under section 12 of the revised school code, MCL 380.12,
27 mills do not include mills within the geographic area of the

1 dissolved district.

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

13 Sec. 22b. (1) For discretionary nonmandated payments to
14 districts under this section, there is allocated for ~~2016-2017 an~~
15 ~~amount not to exceed \$3,841,000,000.00 from the state school aid~~
16 ~~fund and general fund appropriations in section 11 and an amount~~
17 ~~not to exceed \$72,000,000.00 from the community district education~~
18 ~~trust fund appropriation in section 11, and there is allocated for~~
19 ~~2017-2018 an amount not to exceed \$3,965,500,000.00~~
20 **\$3,947,000,000.00** 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 **AN AMOUNT NOT TO EXCEED \$3,818,000,000.00 FROM THE STATE SCHOOL AID**
25 **FUND AND GENERAL FUND APPROPRIATIONS IN SECTION 11 AND AN AMOUNT**
26 **NOT TO EXCEED \$72,000,000.00 FROM THE COMMUNITY DISTRICT EDUCATION**
27 **TRUST FUND APPROPRIATION IN SECTION 11.** Except for money allocated

1 from the community district trust fund, money allocated under this
2 section that is not expended in the state fiscal year for which it
3 was allocated, as determined by the department, may be used to
4 supplement the allocations under sections 22a, **22P**, and 51c in
5 order to fully fund those calculated allocations for the same
6 fiscal year.

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

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

23 (a) Comply with section 1280b of the revised school code, MCL
24 380.1280b.

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

27 (c) Furnish data and other information required by state and

1 federal law to the center and the department in the form and manner
2 specified by the center or the department, as applicable.

3 (d) Comply with section 1230g of the revised school code, MCL
4 380.1230g.

5 (e) Comply with section 21f.

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

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

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

24 (7) It is the intent of the legislature that all
25 constitutional obligations of this state have been fully funded
26 under sections 22a, 31d, 51a, 51c, and 152a. If a claim is made by
27 an entity receiving funds under this article that challenges the

1 legislative determination of the adequacy of this funding or
2 alleges that there exists an unfunded constitutional requirement,
3 the state budget director may escrow or allocate from the
4 discretionary funds for nonmandated payments under this section the
5 amount as may be necessary to satisfy the claim before making any
6 payments to districts under subsection (2). If funds are escrowed,
7 the escrowed funds are a work project appropriation and the funds
8 are carried forward into the following fiscal year. The purpose of
9 the work project is to provide for any payments that may be awarded
10 to districts as a result of litigation. The work project shall be
11 completed upon resolution of the litigation.

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

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

1 and shall exercise jurisdiction over the claim.

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

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

27 (12) PAYMENTS TO DISTRICTS OR PUBLIC SCHOOL ACADEMIES MUST NOT

1 BE MADE UNDER THIS SECTION FOR PUPILS ENROLLED AND COUNTED IN
2 MEMBERSHIP IN THOSE DISTRICTS OR PUBLIC SCHOOL ACADEMIES THAT HAVE
3 ENTERED INTO A PARTNERSHIP AGREEMENT WITH THE DEPARTMENT. PAYMENTS
4 FOR THOSE PUPILS MUST BE MADE UNDER SECTION 22P.

5 Sec. 22d. (1) From the appropriation in section 11, an amount
6 not to exceed ~~\$5,000,000.00~~ **\$6,000,000.00** is allocated for ~~2017-~~
7 ~~2018-2018-2019~~ for supplemental payments to rural districts under
8 this section.

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

13 (a) Operates grades K to 12.

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

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

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

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

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

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

10 (4) Subject to subsection (6), from the allocation in
11 subsection (1), there is allocated for ~~2017-2018-2018-2019~~ an
12 amount not to exceed ~~\$4,042,700.00~~ **\$5,042,700.00** for payments under
13 this subsection to districts that have ~~7.3~~ **7.7** or fewer pupils per
14 square mile as determined by the department.

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

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

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

24 (2) An entity that is the fiscal agent for no more than 5
25 consortia of intermediate districts that previously received
26 funding from the technology readiness infrastructure grant under
27 former section 22i for the purpose of establishing regional data

1 hubs that are part of the Michigan data hub network is eligible for
2 funding under this section.

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

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

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

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

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

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

26 (a) Creating an infrastructure that effectively manages the
27 movement of data between data systems used by intermediate

1 districts, districts, and other educational organizations in
2 Michigan based on common data standards to improve student
3 achievement.

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

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

10 (d) Promoting 100% district adoption of the Michigan data hub
11 network by September 30, ~~2018-2020~~.

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

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

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

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

24 (9) Not later than January 1 ~~, 2018,~~ **OF EACH FISCAL YEAR**, the
25 center shall prepare a summary report of information provided by
26 each entity that received funds under this section that includes
27 measurable outcomes based on the objectives described under this

1 section. The report shall include a summary of compiled data from
2 each entity to provide a means to evaluate the effectiveness of the
3 project. The center shall submit the report to the house and senate
4 appropriations subcommittees on state school aid and to the house
5 and senate fiscal agencies.

6 Sec. 22n. (1) From the appropriation in section 11, there is
7 allocated an amount not to exceed \$11,000,000.00 for ~~2017-2018~~
8 **2018-2019** for additional payments to districts for the higher
9 instructional costs of educating high school pupils.

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

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

19 **SEC. 22P. (1) FROM THE APPROPRIATION IN SECTION 11, THERE IS**
20 **ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$400,000,000.00 FOR**
21 **PAYMENTS TO ELIGIBLE DISTRICTS AND ELIGIBLE PUBLIC SCHOOL ACADEMIES**
22 **UNDER THIS SECTION. TO BE ELIGIBLE FOR PAYMENTS UNDER THIS SECTION,**
23 **A DISTRICT OR PUBLIC SCHOOL ACADEMY MUST MEET ALL OF THE FOLLOWING:**

24 (A) HAS A SIGNED PARTNERSHIP AGREEMENT WITH THE DEPARTMENT.

25 (B) IS NOT ELIGIBLE TO RECEIVE FUNDING UNDER SECTION 22B.

26 (C) AMENDS THE PARTNERSHIP AGREEMENT TO INCLUDE MEASURABLE
27 ACADEMIC OUTCOMES THAT WILL BE ACHIEVED AFTER 18 MONTHS AND AFTER

1 36 MONTHS FROM THE DATE THE AGREEMENT WAS ORIGINALLY SIGNED.
2 MEASURABLE ACADEMIC OUTCOMES UNDER THIS SUBDIVISION MUST INCLUDE
3 OUTCOMES THAT PUT PUPILS ON TRACK TO MEET OR EXCEED GRADE LEVEL
4 PROFICIENCY.

5 (D) AMENDS THE PARTNERSHIP AGREEMENT TO INCLUDE ACCOUNTABILITY
6 MEASURES TO BE IMPOSED IF THE DISTRICT OR PUBLIC SCHOOL ACADEMY
7 DOES NOT ACHIEVE THE MEASURABLE ACADEMIC OUTCOMES UNDER SUBDIVISION
8 (C) FOR A SCHOOL SUBJECT TO A PARTNERSHIP AGREEMENT. ACCOUNTABILITY
9 MEASURES UNDER THIS SUBDIVISION MAY INCLUDE EITHER THE CLOSURE OF
10 THE SCHOOL AT THE END OF THE CURRENT SCHOOL YEAR OR THE
11 RECONSTITUTION OF THE SCHOOL IN A FINAL ATTEMPT TO IMPROVE STUDENT
12 EDUCATIONAL PERFORMANCE OR TO AVOID INTERRUPTION OF THE EDUCATIONAL
13 PROCESS. FOR A PUBLIC SCHOOL ACADEMY THAT AMENDS A PARTNERSHIP
14 AGREEMENT UNDER THIS SUBDIVISION, THE AMENDED AGREEMENT MUST
15 INCLUDE A REQUIREMENT THAT IF RECONSTITUTION IS IMPOSED ON A SCHOOL
16 THAT IS OPERATED BY THE PUBLIC SCHOOL ACADEMY AND THAT IS SUBJECT
17 TO THE PARTNERSHIP AGREEMENT, THE SCHOOL SHALL BE RECONSTITUTED AS
18 DESCRIBED IN SECTION 507 OF THE REVISED SCHOOL CODE, MCL 380.507.
19 FOR A DISTRICT THAT AMENDS A PARTNERSHIP AGREEMENT UNDER THIS
20 SUBDIVISION, THE AMENDED AGREEMENT MUST INCLUDE A REQUIREMENT THAT
21 IF RECONSTITUTION IS IMPOSED ON A SCHOOL THAT IS OPERATED BY THE
22 DISTRICT AND THAT IS SUBJECT TO THE PARTNERSHIP AGREEMENT, ALL OF
23 THE FOLLOWING APPLY:

24 (i) THE BOARD OF THE DISTRICT OPERATING THE SCHOOL SHALL
25 APPOINT A LOCAL BUILDING GOVERNING BOARD FOR THE SCHOOL. ALL OF THE
26 FOLLOWING APPLY TO THE LOCAL BUILDING GOVERNING BOARD:

27 (A) THE LOCAL BUILDING GOVERNING BOARD SHALL BE COMPOSED OF 5

1 PEOPLE FROM THE LOCAL COMMUNITY WHO ARE NOT MEMBERS OF THE BOARD OF
2 THE DISTRICT AND WHO ARE APPOINTED BY THE BOARD OF THE DISTRICT.

3 (B) ONE MEMBER APPOINTED BY THE BOARD OF THE DISTRICT UNDER
4 SUB-SUBPARAGRAPH (A) SHALL BE CHOSEN FROM A LIST SUBMITTED TO THE
5 BOARD BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

6 (C) ONE MEMBER APPOINTED BY THE BOARD OF THE DISTRICT UNDER
7 SUB-SUBPARAGRAPH (A) SHALL BE CHOSEN FROM A LIST SUBMITTED TO THE
8 BOARD BY THE INTERMEDIATE DISTRICT THAT SIGNED THE PARTNERSHIP
9 AGREEMENT.

10 (D) THE LOCAL BUILDING GOVERNING BOARD SHALL POSSESS ALL OF
11 THE POWERS OF THE BOARD OF THE DISTRICT FOR THE ACADEMIC AFFAIRS
12 AND DAILY OPERATIONS OF THE SCHOOL, BUT THE DISTRICT SHALL RETAIN
13 RESPONSIBILITY FOR ADMINISTERING LUNCH PROGRAMS, SPECIAL EDUCATION,
14 PAYROLL, AND OTHER PRIMARY FUNCTIONS.

15 (E) THE LOCAL BUILDING GOVERNING BOARD SHALL DEVELOP AND
16 APPROVE A BUILDING-LEVEL BUDGET THAT SHALL BE REMITTED TO THE
17 DISTRICT FOR APPROVAL IN THE DISTRICT'S GENERAL BUDGETING PROCESS.

18 (F) THE LOCAL BUILDING GOVERNING BOARD SHALL HIRE OR ENTER
19 INTO A CONTRACT WITH A SCHOOL LEADER.

20 (G) THE LOCAL BUILDING GOVERNING BOARD SHALL EMPLOY OR
21 CONTRACT WITH PERSONNEL AS NECESSARY FOR THE OPERATION OF THE
22 SCHOOL, PRESCRIBE THEIR DUTIES, AND FIX THEIR COMPENSATION.

23 (ii) UPON APPOINTMENT OF A LOCAL BUILDING GOVERNING BOARD
24 UNDER SUBPARAGRAPH (i), ALL PROVISIONS OF A COLLECTIVE BARGAINING
25 AGREEMENT AS THEY APPLY TO TEACHERS AT THE SCHOOL SHALL BE
26 CANCELED.

27 (iii) THE RECONSTITUTION PLAN FOR THE SCHOOL SHALL REQUIRE THE

1 ADOPTION OF GOALS SIMILAR TO THE GOALS INCLUDED IN A PARTNERSHIP
2 AGREEMENT, WITH A LIMIT OF 5 YEARS TO ACHIEVE THE GOALS. IF THE
3 GOALS ARE NOT ACHIEVED WITHIN 5 YEARS, THE SUPERINTENDENT OF PUBLIC
4 INSTRUCTION SHALL EITHER IMPOSE A SECOND RECONSTITUTION PLAN ON THE
5 SCHOOL OR CLOSE THE SCHOOL.

6 (2) FOR AN ELIGIBLE DISTRICT OR ELIGIBLE PUBLIC SCHOOL
7 ACADEMY, THE AMOUNT OF FUNDING PAID TO THE ELIGIBLE DISTRICT OR
8 ELIGIBLE PUBLIC SCHOOL ACADEMY UNDER THIS SECTION SHALL BE
9 CALCULATED AND PAID IN THE SAME MANNER AS IF THE ELIGIBLE DISTRICT
10 OR ELIGIBLE PUBLIC SCHOOL ACADEMY RECEIVED THE FUNDING UNDER
11 SECTION 22B.

12 (3) FUNDS ALLOCATED UNDER THIS SECTION THAT ARE NOT EXPENDED
13 IN THE FISCAL YEAR FOR WHICH THEY ARE ALLOCATED, AS DETERMINED BY
14 THE DEPARTMENT, MAY BE USED TO SUPPLEMENT THE ALLOCATIONS IN
15 SECTION 22B.

16 Sec. 24. (1) From the appropriation in section 11, there is
17 allocated for 2017-2018 **AND FOR 2018-2019** an amount not to exceed
18 ~~\$8,000,000.00~~ **\$7,150,000.00** for payments to the educating district
19 or intermediate district for educating pupils assigned by a court
20 or the department of health and human services to reside in or to
21 attend a juvenile detention facility or child caring institution
22 licensed by the department of health and human services and
23 approved by the department to provide an on-grounds education
24 program. The amount of the payment under this section to a district
25 or intermediate district shall be calculated as prescribed under
26 subsection (2).

27 (2) The total amount allocated under this section shall be

1 allocated by paying to the educating district or intermediate
2 district an amount equal to the lesser of the district's or
3 intermediate district's added cost or the department's approved
4 per-pupil allocation for the district or intermediate district. For
5 the purposes of this subsection:

6 (a) "Added cost" means 100% of the added cost each fiscal year
7 for educating all pupils assigned by a court or the department of
8 health and human services to reside in or to attend a juvenile
9 detention facility or child caring institution licensed by the
10 department of health and human services or the department of
11 licensing and regulatory affairs and approved by the department to
12 provide an on-grounds education program. Added cost shall be
13 computed by deducting all other revenue received under this article
14 for pupils described in this section from total costs, as approved
15 by the department, in whole or in part, for educating those pupils
16 in the on-grounds education program or in a program approved by the
17 department that is located on property adjacent to a juvenile
18 detention facility or child caring institution. Costs reimbursed by
19 federal funds are not included.

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

26 (3) A district or intermediate district educating pupils
27 described in this section at a residential child caring institution

1 may operate, and receive funding under this section for, a
2 department-approved on-grounds educational program for those pupils
3 that is longer than 181 days, but not longer than 233 days, if the
4 child caring institution was licensed as a child caring institution
5 and offered in 1991-92 an on-grounds educational program that was
6 longer than 181 days but not longer than 233 days and that was
7 operated by a district or intermediate district.

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

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

1 human services to a district or intermediate district unless the
2 district or intermediate district consents to the transfer.

3 Sec. 24c. From the appropriation in section 11, there is
4 allocated an amount not to exceed ~~\$1,528,400.00 for 2017-2018~~
5 **\$1,545,400.00 FOR 2018-2019** for payments to districts for pupils
6 who are enrolled in a nationally administered community-based
7 education and youth mentoring program, known as the youth challenge
8 program, that is administered by the department of military and
9 veterans affairs. Both of the following apply to a district
10 receiving payments under this section:

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

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

18 Sec. 25f. (1) From the state school aid fund money
19 appropriated in section 11, there is allocated an amount not to
20 exceed ~~\$750,000.00~~ **\$1,600,000.00** for 2017-2018 **AND FOR 2018-2019**
21 for payments to strict discipline academies established under
22 sections 1311b to 1311m of the revised school code, MCL 380.1311b
23 to 380.1311m, as provided under this section.

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

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

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

27 (b) "Department's approved per-pupil allocation" for a strict

1 discipline academy shall be determined by dividing the total amount
2 allocated under this subsection for a fiscal year by the full-time
3 equated membership total for all pupils approved by the department
4 to be funded under this subsection for that fiscal year for the
5 strict discipline academy.

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

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

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

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

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

27 (3) If the funds allocated under this section are insufficient

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

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

5 Sec. 26a. From the funds appropriated in section 11, there is
6 allocated an amount not to exceed ~~\$17,000,000.00 each fiscal year~~
7 ~~for 2016-2017 and \$15,000,000.00 for 2017-2018~~ **AND THERE IS**
8 **ALLOCATED AN AMOUNT NOT TO EXCEED \$15,000,000.00 FOR 2018-2019** to
9 reimburse districts and intermediate districts pursuant to section
10 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692,
11 for taxes levied in ~~2016 and 2017~~ **2017 AND 2018**, as applicable. The
12 allocations shall be made not later than 60 days after the
13 department of treasury certifies to the department and to the state
14 budget director that the department of treasury has received all
15 necessary information to properly determine the amounts due to each
16 eligible recipient.

17 Sec. 26b. (1) From the appropriation in section 11, there is
18 allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
19 \$4,405,100.00 for payments to districts, intermediate districts,
20 and community college districts for the portion of the payment in
21 lieu of taxes obligation that is attributable to districts,
22 intermediate districts, and community college districts ~~pursuant to~~
23 **UNDER** section 2154 of the natural resources and environmental
24 protection act, 1994 PA 451, MCL 324.2154.

25 (2) If the amount appropriated under this section is not
26 sufficient to fully pay obligations under this section, payments
27 shall be prorated on an equal basis among all eligible districts,

1 intermediate districts, and community college districts.

2 Sec. 26c. (1) From the appropriation in section 11, there is
3 allocated an amount not to exceed ~~\$1,500,000.00~~ **\$1,600,000.00** for
4 2017-2018 **AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED**
5 **\$3,000,000.00 FOR 2018-2019** to the promise zone fund created in
6 subsection (3). The funds allocated under this section reflect the
7 amount of revenue from the collection of the state education tax
8 captured under section 17(2) of the Michigan promise zone authority
9 act, 2008 PA 549, MCL 390.1677.

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

21 (3) The promise zone fund is created as a separate account
22 within the state school aid fund to be used solely for the purposes
23 of the Michigan promise zone authority act, 2008 PA 549, MCL
24 390.1661 to 390.1679. All of the following apply to the promise
25 zone fund:

26 (a) The state treasurer shall direct the investment of the
27 promise zone fund. The state treasurer shall credit to the promise

1 zone fund interest and earnings from fund investments.

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

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

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

13 Sec. 31a. (1) From the state school aid fund money
14 appropriated in section 11, there is allocated for ~~2017-2018-2018-~~
15 **2019** an amount not to exceed \$510,207,300.00 for payments to
16 eligible districts and eligible public school academies for the
17 purposes of ensuring that pupils are proficient in English language
18 arts by the end of grade 3, that pupils are proficient in
19 mathematics by the end of grade 8, that pupils are attending school
20 regularly, that high school graduates are career and college ready,
21 and for the purposes under subsections (7) and (8).

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

1 (14) .

2 (3) For a district or public school academy to be eligible to
3 receive funding under this section, other than funding under
4 subsection (7) or (8), the district or public school academy, for
5 grades K to 3, shall comply with the requirements under section
6 1280f of the revised school code, MCL 380.1280f, and use resources
7 to address early literacy, and for at least grades 4 to 8 or, if
8 the district or public school academy does not operate all of
9 grades 4 to 8, for all of the grades it operates, must implement a
10 multi-tiered system of supports that is an evidence-based model
11 that uses data-driven problem solving to integrate academic and
12 behavioral instruction and that uses intervention delivered to all
13 pupils in varying intensities based on pupil needs. This multi-
14 tiered system of supports must provide at least all of the
15 following essential elements:

16 (a) Implements effective instruction for all learners.

17 (b) Intervenes early.

18 (c) Provides a multi-tiered model of instruction and
19 intervention that provides the following:

20 (i) A core curriculum and classroom interventions available to
21 all pupils that meet the needs of most pupils.

22 (ii) Targeted group interventions.

23 (iii) Intense individual interventions.

24 (d) Monitors pupil progress to inform instruction.

25 (e) Uses data to make instructional decisions.

26 (f) Uses assessments including universal screening,
27 diagnostics, and progress monitoring.

1 (g) Engages families and the community.

2 (h) Implements evidence-based, scientifically validated,
3 instruction and intervention.

4 (i) Implements instruction and intervention practices with
5 fidelity.

6 (j) Uses a collaborative problem-solving model.

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

25 (5) Except as otherwise provided in this section, a district
26 or public school academy receiving funding under this section shall
27 use that money only to provide instructional programs and direct

1 noninstructional services, including, but not limited to, medical,
2 mental health, or counseling services, for at-risk pupils; for
3 school health clinics; and for the purposes of subsection (6), (7),
4 or (8). In addition, a district that is a school district of the
5 first class or a district or public school academy in which at
6 least 50% of the pupils in membership were determined to be
7 economically disadvantaged in the immediately preceding state
8 fiscal year, as determined and reported as described in subsection
9 (4), may use not more than 20% of the funds it receives under this
10 section for school security. A district or public school academy
11 shall not use any of that money for administrative costs. The
12 instruction or direct noninstructional services provided under this
13 section may be conducted before or after regular school hours or by
14 adding extra school days to the school year. **FUNDS SPENT ON SCHOOL**
15 **SECURITY UNDER THIS SUBSECTION SHALL BE COUNTED TOWARD REQUIRED**
16 **SPENDING UNDER SUBSECTION (16) (B) .**

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

25 (7) From the funds allocated under subsection (1), there is
26 allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed
27 \$6,057,300.00 to support primary health care services provided to

1 children and adolescents up to age 21. These funds shall be
2 expended in a form and manner determined jointly by the department
3 and the department of health and human services. If any funds
4 allocated under this subsection are not used for the purposes of
5 this subsection for the fiscal year in which they are allocated,
6 those unused funds shall be used that fiscal year to avoid or
7 minimize any proration that would otherwise be required under
8 subsection (14) for that fiscal year.

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

22 (9) 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, in the form and manner prescribed by the
25 department, that includes a brief description of each program
26 conducted or services performed by the district or public school
27 academy using funds under this section, the amount of funds under

1 this section allocated to each of those programs or services, the
2 total number of at-risk pupils served by each of those programs or
3 services, and the data necessary for the department and the
4 department of health and human services to verify matching funds
5 for the temporary assistance for needy families program. In
6 prescribing the form and manner of the report, the department shall
7 ensure that districts are allowed to expend funds received under
8 this section on any activities that are permissible under this
9 section. If a district or public school academy does not comply
10 with this subsection, the department shall withhold an amount equal
11 to the August payment due under this section until the district or
12 public school academy complies with this subsection. If the
13 district or public school academy does not comply with this
14 subsection by the end of the state fiscal year, the withheld funds
15 shall be forfeited to the school aid fund.

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

22 (11) Subject to subsections (6), (7), and (8), a district or
23 public school academy may use up to 100% of the funds it receives
24 under this section to implement schoolwide reform in schools with
25 40% or more of their pupils identified as at-risk pupils by
26 providing instructional or noninstructional services consistent
27 with the school improvement plan.

1 (12) A district or public school academy that receives funds
2 under this section may use up to 3% of those funds to provide
3 research-based professional development to district and school
4 leadership and teachers that is aligned to professional learning
5 standards; is integrated into district, school building, and
6 classroom practices; and is solely related to the following:

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

10 (b) Implementing section 1280f of the revised school code, MCL
11 380.1280f, as required under subsection (3), with fidelity.

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

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

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

1 (16) Beginning in 2018-2019, if a district or public school
2 academy does not demonstrate to the satisfaction of the department
3 that at least 50% of at-risk pupils are proficient in English
4 language arts by the end of grade 3 as measured by the state
5 assessment for the immediately preceding school year and
6 demonstrate to the satisfaction of the department improvement over
7 each of the 3 immediately preceding school years in the percentage
8 of at-risk pupils that are career- and college-ready as determined
9 by proficiency on the English language arts, mathematics, and
10 science content area assessments on the grade 11 summative
11 assessment under section 1279g(2)(a) of the revised school code,
12 MCL 380.1279g, the district or public school academy shall ensure
13 all of the following:

14 (a) The district or public school academy shall determine the
15 proportion of total at-risk pupils that represents the number of
16 pupils in grade 3 that are not proficient in English language arts
17 by the end of grade 3, and the district or public school academy
18 shall expend that same proportion multiplied by 1/2 of its total
19 at-risk funds under this section on tutoring and other methods of
20 improving grade 3 English language arts proficiency.

21 (b) The district or public school academy shall determine the
22 proportion of total at-risk pupils that represent the number of
23 pupils in grade 11 that are not career- and college-ready as
24 measured by the student's score on the English language arts,
25 mathematics, and science content area assessments on the grade 11
26 summative assessment under section 1279g(2)(a) of the revised
27 school code, MCL 380.1279g, and the district or public school

1 academy shall expend that same proportion multiplied by 1/2 of its
2 total at-risk funds under this section on tutoring and other
3 activities to improve scores on the college entrance examination
4 portion of the Michigan merit examination.

5 (17) As used in subsection (16), "total at-risk pupils" means
6 the sum of the number of pupils in grade 3 that are ~~not proficient~~
7 ~~in English language arts by the end of third grade as measured on~~
8 ~~the state assessment~~ **AT RISK** and the number of pupils in grade 11
9 that are ~~not career and college ready as measured by the student's~~
10 ~~score on the English language arts, mathematics, and science~~
11 ~~content area assessments on the grade 11 summative assessment under~~
12 ~~section 1279g(2)(a) of the revised school code, MCL 380.1279g.~~ **AT**
13 **RISK.**

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

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

23 ~~—— (20) For the purpose of determining the number of economically~~
24 ~~disadvantaged pupils enrolled in a community district for 2017-~~
25 ~~2018, disadvantaged pupils who were enrolled in the education~~
26 ~~achievement system for 2016-2017 shall be considered to have been~~
27 ~~enrolled in the community district for 2016-2017.~~

1 (20) ~~(21)~~As used in this section:

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

4 (i) The pupil is economically disadvantaged.

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

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

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

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

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

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

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

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

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

25 (b) "Economically disadvantaged" means a pupil who has been
26 determined eligible for free or reduced-price meals as determined
27 under the Richard B. Russell national school lunch act, 42 USC 1751

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

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

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

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

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

1 computed by the department using the methods of calculation adopted
2 by the Michigan supreme court in the consolidated cases known as
3 ~~Durant v State of Michigan~~, ***Durant v State of Michigan***, 456 Mich
4 175 (1997).

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

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

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

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

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

27 Sec. 31f. (1) From the appropriations in section 11, there is

1 allocated an amount not to exceed \$4,500,000.00 ~~each fiscal year~~
2 ~~for 2016-2017 and for 2017-2018~~ **FOR 2018-2019** for the purpose of
3 making payments to districts to reimburse for the cost of providing
4 breakfast.

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

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

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

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

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

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

27 Sec. 31j. (1) From the general fund money appropriated in

1 section 11, there is allocated an amount not to exceed ~~\$375,000.00~~
2 **\$700,000.00** for ~~2017-2018-2018-2019~~ for a pilot project to support
3 districts in the purchase of locally grown fruits and vegetables as
4 described in this section.

5 (2) The department shall provide funding to districts in
6 prosperity regions 2, 4, **6, 8,** and 9 for the pilot project
7 described under this section. From the funding to districts in
8 subsection (1), funding retained by prosperity regions that
9 administer the project shall not exceed 10%, and funding retained
10 by the department for administration shall not exceed 6%. A
11 prosperity region may enter into a memorandum of understanding with
12 the department or another prosperity region, or both, to administer
13 the project. If the department administers the project for a
14 prosperity region, the department may retain up to 10% of that
15 prosperity region's funding for administration.

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

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

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

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

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

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

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

24 (7) A district that receives a grant for reimbursement under
25 this section shall use the grant to purchase whole or minimally
26 processed fruits, vegetables, and legumes that are grown in this
27 state and, if minimally processed, are also processed in this

1 state.

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

10 (9) The department shall give preference to districts that
11 propose educational activities that meet 1 or more of the
12 following: promote healthy food activities; have clear educational
13 objectives; involve parents or the community; ~~and connect to a~~
14 school's farm-to-school procurement activities; **AND MARKET AND**
15 **PROMOTE THE PROGRAM, LEADING TO INCREASED PUPIL KNOWLEDGE AND**
16 **CONSUMPTION OF MICHIGAN-GROWN PRODUCTS. APPLICATIONS WITH ROBUST**
17 **MARKETING AND PROMOTIONAL ACTIVITIES SHALL RECEIVE STRONGER**
18 **WEIGHTING AND CONSIDERATION.**

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

26 (11) As a condition of receiving a grant under this section, a
27 district shall provide or direct its vendors to provide to

1 prosperity region offices copies of monthly receipts that show the
2 quantity of different Michigan-grown fruits, vegetables, and
3 legumes purchased, the amount of money spent on each of these
4 products, ~~and~~ the name and Michigan location of the farm that grew
5 the products, **AND THE METHODS OR PLANS TO MARKET AND PROMOTE THE**
6 **PROGRAM**. The district shall also provide to the prosperity region
7 monthly lunch numbers and lunch participation rates, and calendars
8 or monthly menus noting when and how Michigan-grown products were
9 used in meals. The district and school food service director or
10 directors also shall agree to respond to brief online surveys and
11 to provide a report that shows the percentage relationship of
12 Michigan spending compared to total food spending. Not later than
13 March 1, ~~2018~~, **2019**, each prosperity region office, either on its
14 own or in conjunction with another prosperity region, shall submit
15 a report to the department on expected outcomes and related
16 measurements for economic development and children's nutrition and
17 readiness to learn based on progress so far. The report shall
18 include at least all of the following:

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

24 (i) The data used to determine the amount of this increase
25 shall be the total dollar amount of Michigan or local fruits,
26 vegetables, and legumes purchased by schools, along with the number
27 of different types of products purchased; school food purchasing

1 trends identified along with products that are of new and growing
2 interest among food service directors; the number of businesses
3 impacted; and the percentage of total food budget spent on
4 Michigan-grown fruits, vegetables, and legumes.

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

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

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

18 **ASSESSMENT OF CONSUMPTION AND PLATE WASTE.**

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

23 (12) The department shall compile the reports provided by
24 prosperity region offices under subsection (11) into 1 legislative
25 report. The department shall provide this report not later than
26 April 1, ~~2018~~**2019** to the house and senate subcommittees
27 responsible for school aid, the house and senate fiscal agencies,

1 and the state budget director.

2 Sec. 32d. (1) From the funds appropriated in section 11, there
3 is allocated to eligible intermediate districts and consortia of
4 intermediate districts for great start readiness programs an amount
5 not to exceed \$243,600,000.00 for ~~2017-2018.~~ **2018-2019.** Funds
6 allocated under this section for great start readiness programs
7 shall be used to provide part-day, school-day, or GSRP/Head Start
8 blended comprehensive free compensatory classroom programs designed
9 to improve the readiness and subsequent achievement of
10 educationally disadvantaged children who meet the participant
11 eligibility and prioritization guidelines as defined by the
12 department. For a child to be eligible to participate in a program
13 under this section, the child shall be at least 4, but less than 5,
14 years of age as of September 1 of the school year in which the
15 program is offered and shall meet those eligibility and
16 prioritization guidelines. A child who is not 4 years of age as of
17 September 1, but who will be 4 years of age not later than December
18 1, is eligible to participate if the child's parent or legal
19 guardian seeks a waiver from the September 1 eligibility date by
20 submitting a request for enrollment in a program to the responsible
21 intermediate district, if the program has capacity on or after
22 September 1 of the school year, and if the child meets eligibility
23 and prioritization guidelines.

24 (2) Funds allocated under subsection (1) shall be allocated to
25 intermediate districts or consortia of intermediate districts based
26 on the formula in section 39. An intermediate district or
27 consortium of intermediate districts receiving funding under this

1 section shall act as the fiduciary for the great start readiness
2 programs. In order to be eligible to receive funds allocated under
3 this subsection from an intermediate district or consortium of
4 intermediate districts, a district, a consortium of districts, or a
5 public or private for-profit or nonprofit legal entity or agency
6 shall comply with this section and section 39.

7 (3) In addition to the allocation under subsection (1), from
8 the general fund money appropriated under section 11, there is
9 allocated an amount not to exceed \$300,000.00 for ~~2017-2018-2018-~~
10 **2019** for a competitive grant to continue a longitudinal evaluation
11 of children who have participated in great start readiness
12 programs.

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

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

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

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

1 (d) Physical and dental health and developmental screening
2 services for all program participants.

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

6 (f) Active and continuous involvement of the parents or
7 guardians of the program participants.

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

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

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

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

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

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

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

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

27 (i) Teachers possessing proper training. A lead teacher must

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

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

1 courses or 60 clock hours of training per calendar year.

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

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

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

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

1 (9) An intermediate district or consortium of intermediate
2 districts may retain for administrative services provided by the
3 intermediate district or consortium of intermediate districts an
4 amount not to exceed 4% of the grant amount. Expenses incurred by
5 subrecipients engaged by the intermediate district or consortium of
6 intermediate districts for directly running portions of the program
7 shall be considered program costs or a contracted program fee for
8 service.

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

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

1 that children determined with higher need are enrolled before
2 children with lesser need. For purposes of this subdivision, all
3 age-eligible children served in foster care or who are experiencing
4 homelessness or who have individualized education plans
5 recommending placement in an inclusive preschool setting shall be
6 considered to live with families with household income equal to or
7 less than 250% of the federal poverty level regardless of actual
8 family income and shall be prioritized for enrollment within the
9 lowest quintile.

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

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

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

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

1 department.

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

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

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

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

25 (a) Ensure that a great start resource center or the
26 department provides each intermediate district or consortium
27 receiving a grant under this section with the contact information

1 for each licensed child care center located in the service area of
2 the intermediate district or consortium by March 1 of each year.

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

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

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

24 (16) A recipient of funds under this section shall report to
25 the ~~department~~**CENTER** in a form and manner prescribed by the
26 ~~department~~**CENTER** the number of children participating in the
27 program who meet the income eligibility criteria under subsection

1 (5)(b) and the total number of children participating in the
2 program. For children participating in the program who meet the
3 income eligibility criteria specified under subsection (5)(b), a
4 recipient shall also report whether or not a parent is available to
5 provide care based on employment status. For the purposes of this
6 subsection, "employment status" shall be defined by the department
7 of health and human services in a manner consistent with maximizing
8 the amount of spending that may be claimed for temporary assistance
9 for needy families maintenance of effort purposes.

10 (17) As used in this section:

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

14 (b) "Part-day program" means a program that operates at least
15 4 days per week, 30 weeks per year, for at least 3 hours of
16 teacher-child contact time per day but for fewer hours of teacher-
17 child contact time per day than a school-day program.

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

23 (18) An intermediate district or consortium of intermediate
24 districts receiving funds under this section shall establish and
25 charge tuition according to a sliding scale of tuition rates based
26 upon household income for children participating in an eligible
27 great start readiness program who live with families with a

1 household income that is more than 250% of the federal poverty
2 level to be used by all of its providers, as approved by the
3 department.

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

24 (20) The department shall implement a process to review and
25 approve age-appropriate comprehensive classroom level quality
26 assessments for GSRP grantees that support the early childhood
27 standards of quality for prekindergarten children adopted by the

1 state board. The department shall ~~complete the approval process and~~
2 make available to intermediate districts at least 2 ~~approved~~
3 classroom level quality assessments ~~no later than April 1,~~
4 ~~2018.~~ **THAT WERE APPROVED IN 2018.**

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

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

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

1 equitable funding statewide. In order to receive funding under this
2 section, each intermediate district shall provide an application to
3 the office of great start not later than September 15 of the
4 immediately preceding fiscal year indicating the activities planned
5 to be provided.

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

13 (a) Children born healthy.

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

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

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

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

25 (a) Physical health.

26 (b) Social-emotional health.

27 (c) Family supports and basic needs.

1 (d) Parent education.

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

4 (4) From the funds allocated in subsection (1), at least
5 \$2,500,000.00 shall be used for the purpose of providing home
6 visits to at-risk children and their families. The home visits
7 shall be conducted as part of a locally coordinated, family-
8 centered, evidence-based, data-driven home visit strategic plan
9 that is approved by the department. The goals of the home visits
10 funded under this subsection shall be to improve school readiness
11 using evidence-based methods, including a focus on developmentally
12 appropriate outcomes for early literacy, to ~~reduce the number of~~
13 ~~pupils retained in grade level, and to reduce the number of pupils~~
14 ~~requiring special education services.~~

15 **IMPROVE POSITIVE PARENTING**
16 **PRACTICES, AND TO IMPROVE FAMILY ECONOMIC SELF-SUFFICIENCY WHILE**
17 **REDUCING THE IMPACT OF HIGH-RISK FACTORS THROUGH COMMUNITY**
18 **RESOURCES AND REFERRALS.** The department shall coordinate the goals
19 of the home visit strategic plans approved under this subsection
20 with other state agency home visit programs in a way that
21 strengthens Michigan's home visiting infrastructure and maximizes
22 federal funds available for the purposes of at-risk family home
23 visits. The coordination among departments and agencies is intended
24 to avoid duplication of state services and spending, and should
25 emphasize efficient service delivery of home visiting programs.

26 (5) Not later than December 1 of each year, each intermediate
27 district shall provide a report to the department detailing the
activities actually provided during the immediately preceding

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

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

20 Sec. 32q. From the state school aid fund allocation under
21 section 11, there is allocated to an eligible intermediate district
22 an amount equal to \$175,000.00 ~~in 2017-2018~~ **FOR 2018-2019** for the
23 purpose of this section. An intermediate district receiving a grant
24 under this section shall partner with an early childhood
25 collaborative to conduct a pilot program as provided under this
26 section. It is the intent of the legislature that this is the
27 ~~second~~ **THIRD** of 3 years of funding, and that funding **FOR THE PILOT**

1 **PROGRAM** shall **NOT** continue in ~~2018-2019.~~**2019-2020**. Funding
2 allocated to an intermediate district shall be used in partnership
3 with a collaborative to conduct a pilot program to evaluate the
4 relative impact on vulnerable children of 1 versus 2 years of
5 preschool education. All of the following apply to the pilot
6 program funded under this section:

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

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

14 (c) In order to be eligible to receive the allocated funds,
15 the early learning collaborative, in partnership with the
16 intermediate district, shall provide the funding for all eligible
17 children included in the pilot program.

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

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

25 (f) A child participating in the pilot program shall meet the
26 participant eligibility and prioritization guidelines as defined by
27 the department.

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

4 (h) The early learning collaborative, in partnership with the
5 intermediate district, shall provide annual progress evaluations to
6 the office of great start.

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

15 Sec. 35a. (1) From the appropriations in section 11, there is
16 allocated for ~~2017-2018-2018-2019~~ for the purposes of this section
17 an amount not to exceed \$26,900,000.00 from the state school aid
18 fund and an amount not to exceed ~~\$2,500,000.00~~ **\$3,500,000.00** from
19 the general fund. **THE SUPERINTENDENT SHALL DESIGNATE STAFF OR**
20 **CONTRACTED EMPLOYEES FUNDED UNDER THIS SECTION AS CRITICAL**
21 **SHORTAGE. PROGRAMS FUNDED UNDER THIS SECTION ARE INTENDED TO ENSURE**
22 **THAT THIS STATE WILL BE IN THE TOP 10 MOST IMPROVED STATES IN GRADE**
23 **4 READING PROFICIENCY BY THE 2019 NATIONAL ASSESSMENT OF**
24 **EDUCATIONAL PROGRESS (NAEP) AND WILL BE IN THE TOP 10 STATES**
25 **OVERALL IN GRADE 4 READING PROFICIENCY BY 2025.**

26 (2) A district that receives funds under subsection (5) may
27 spend up to 5% of those funds for professional development for

educators in a department-approved research-based training program related to current state literacy standards for pupils in grades K to 3. The professional development shall also include training in the use of screening and diagnostic tools, progress monitoring, and intervention methods used to address barriers to learning and delays in learning that are diagnosed through the use of these tools.

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

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

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

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

(d) Comprehension - making meaning of text.

(4) From the allocations under subsection (1), there is

1 allocated an amount not to exceed ~~\$6,000,000.00~~ **\$7,000,000.00** for
2 ~~2017-2018-2018-2019~~ for the purpose of providing early literacy
3 coaches at intermediate districts to assist teachers in developing
4 and implementing instructional strategies for pupils in grades K to
5 3 so that pupils are reading at grade level by the end of grade 3.
6 All of the following apply to funding under this subsection:

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

11 (i) Current state literacy standards for pupils in grades K to
12 3.

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

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

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

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

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

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

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

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

11 (A) Implements effective instruction for all learners.

12 (B) Intervenes early.

13 (C) Provides a multi-tiered model of instruction and
14 intervention that provides the following: a core curriculum and
15 classroom interventions available to all pupils that meet the needs
16 of most pupils; targeted group interventions; and intense
17 individual interventions.

18 (D) Monitors pupil progress to inform instruction.

19 (E) Uses data to make instructional decisions.

20 (F) Uses assessments including universal screening,
21 diagnostics, and progress monitoring.

22 (G) Engages families and the community.

23 (H) Implements evidence-based, scientifically validated,
24 instruction and intervention.

25 (I) Implements instruction and intervention practices with
26 fidelity.

27 (J) Uses a collaborative problem-solving model.

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

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

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

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

13 (b) Funding allocated under this subsection shall be
14 distributed to eligible districts ~~by multiplying the number of~~
15 ~~full-time equivalent pupils in grade 1 in the district by~~
16 ~~\$210.00.~~ **ON AN EQUAL PER-FIRST-GRADE-PUPIL BASIS.**

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

21 (6) From the general fund money allocated in subsection (1),
22 the department shall allocate the amount of ~~\$2,500,000.00 for 2017-~~
23 ~~2018-~~ **\$3,000,000.00 FOR 2018-2019** to the Michigan Education Corps.
24 All of the following apply to funding under this subsection:

25 (a) By August 1 of the current fiscal year, the Michigan
26 Education Corps shall provide a report concerning its use of the
27 funding to the senate and house appropriations subcommittees on

1 state school aid, the senate and house fiscal agencies, and the
2 senate and house caucus policy offices on outcomes and performance
3 measures of the Michigan Education Corps, including, but not
4 limited to, the degree to which the Michigan Education Corps's
5 replication of the Michigan Reading Corps program is demonstrating
6 sufficient efficacy and impact. The report must include data
7 pertaining to at least all of the following:

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

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

17 (iii) Whether the literacy improvement of children
18 participating in the Michigan Reading Corps is consistent with
19 expectations. This portion of the report shall detail at least all
20 of the following:

21 (A) Growth rate by grade level, in comparison to targeted
22 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 Michigan Reading Corps on organizations

1 and stakeholders, including, but not limited to, school
2 administrators, internal coaches, and AmeriCorps members.

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

7 (c) The department may not reserve any portion of the
8 allocation provided under this subsection for an evaluation of the
9 Michigan Education Corps, the Michigan Education Corps' funding, or
10 the Michigan Education Corps' programming. The department shall
11 award the entire \$2,500,000.00 allocated under this subsection to
12 the Michigan Education Corps and shall not condition the awarding
13 of this funding on the implementation of an independent evaluation.

14 **(7) FROM THE GENERAL FUND MONEY ALLOCATED UNDER SUBSECTION**
15 **(1), THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$550,000.00 FOR**
16 **2018-2019 FOR A GRANT TO AN ELIGIBLE PROGRAM THAT HAS A GOAL TO**
17 **SLOW OR PREVENT THE K TO 4 SUMMER READING SLIDE AMONG ALL PUPILS**
18 **ENROLLED IN GRADES K TO 4, PARTICULARLY THOSE FROM ECONOMICALLY**
19 **DISADVANTAGED HOUSEHOLDS. FUNDS ALLOCATED UNDER THIS SUBSECTION ARE**
20 **GRANT FUNDS AND MUST BE DISTRIBUTED BY THE DEPARTMENT. A PROGRAM IS**
21 **ELIGIBLE IF IT MEETS AT LEAST ALL OF THE 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**

1 SURVEYS SPECIFIC TO EACH DISTRICT.

2 (C) INCORPORATES AT LEAST WEEKLY INTERACTIVE PARENTAL AND
3 FAMILY ENGAGEMENT DURING THE SUMMER.

4 (D) BUILDS ON PEDAGOGICAL AND LITERACY PRINCIPLES TO SCAFFOLD
5 FLUENCY TO IMPROVE READING COMPREHENSION WITH PUPIL EXERCISES.

6 (E) PROVIDES AT LEAST 4, AND UP TO 9, STUDENT-SELECTED NEW
7 BOOKS TO READ AND KEEP.

8 (F) COLLECTS, ANALYZES, AND REPORTS DETAILED DATA ON PARENTAL
9 ENGAGEMENT, BOOKS READ, AND SPRING-TO-FALL READING SCORES.

10 (G) FOLLOWS THE DEPARTMENT'S TOP 10 IN 10 GOALS AND
11 STRATEGIES, WITH AN EMPHASIS ON GOALS 4 AND 5.

12 (H) FOCUSES ON IN-HOME PROGRAM DELIVERY THROUGH WEEKLY
13 MAILINGS.

14 (I) PROVIDES SUMMARY DATA TO THE LEGISLATURE AND TO THE
15 DEPARTMENT FOR ALL PUPILS SERVED BY THE PROGRAM AFTER EACH SUMMER.

16 Sec. 39. (1) An eligible applicant receiving funds under
17 section 32d shall submit an application, in a form and manner
18 prescribed by the department, by a date specified by the department
19 in the immediately preceding state fiscal year. **THE APPLICATION**
20 **SHALL NOT REQUIRE AN ELIGIBLE APPLICANT TO AMEND THE APPLICANT'S**
21 **CURRENT ACCOUNTING CYCLE OR ADOPT THIS STATE'S FISCAL YEAR**
22 **ACCOUNTING CYCLE IN ACCOUNTING FOR FINANCIAL TRANSACTIONS UNDER**
23 **THIS SECTION.** The application shall include all of the following:

24 (a) For ~~2017-2018-2018-2019~~ calculations, the estimated total
25 number of children in the community who meet the criteria of
26 section 32d, as provided to the applicant by the department
27 utilizing the most recent population data available from the

1 American ~~community survey~~ **COMMUNITY SURVEY** conducted by the United
2 States Census Bureau. Beginning in 2018-2019, the department shall
3 ensure that it provides updated American ~~community survey~~ **COMMUNITY**
4 **SURVEY** population data at least once every 3 years.

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

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

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

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

19 (a) The sum of the number of children served in a school-day
20 program in the preceding school year multiplied by \$7,250.00 and
21 the number of children served in a GSRP/Head Start blended program
22 or a part-day program in the preceding school year multiplied by
23 \$3,625.00.

24 (b) The sum of the number of children the applicant has the
25 capacity to serve in ~~2017-2018~~ **2018-2019** in a school-day program
26 multiplied by \$7,250.00 and the number of children served in a
27 GSRP/Head Start blended program or a part-day program the applicant

1 has the capacity to serve in ~~2017-2018~~**2018-2019** multiplied by
2 \$3,625.00.

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

17 (5) For the purposes of subsection (4), for the ~~2017-2018~~
18 **2018-2019** program year, the department shall calculate a percentage
19 of children served by each intermediate district or consortium of
20 intermediate districts by dividing the number of children served in
21 the immediately preceding year by that intermediate district or
22 consortium by the total number of children within the intermediate
23 district or consortium of intermediate districts who meet the
24 criteria of section 32d as determined by the department utilizing
25 the most recent population data available from the American
26 ~~community survey~~**COMMUNITY SURVEY** conducted by the United States
27 Census Bureau. The department shall compare the resulting

1 percentage of eligible children served to a statewide percentage
2 benchmark to determine if the intermediate district or consortium
3 is eligible for additional funds under subsection (4). For ~~2017-~~
4 ~~2018, 2018-2019~~, the statewide percentage benchmark is 60%.

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

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

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

21 Sec. 39a. (1) From the federal funds appropriated in section
22 11, there is allocated ~~each fiscal year for 2016-2017 and for 2017-~~
23 ~~2018~~ **FOR 2018-2019** to districts, intermediate districts, and other
24 eligible entities all available federal funding, estimated at
25 ~~\$744,039,900.00 for 2016-2017 and \$731,600,000.00 for 2017-2018~~
26 **\$730,600,000.00** for the federal programs under the no child left
27 behind act of 2001, Public Law 107-110, or the every student

succeeds act, Public Law 114-95. These funds are allocated as follows:

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

(b) An amount estimated at ~~\$111,111,900.00 for 2016-2017 and~~ \$100,000,000.00 for ~~2017-2018~~ **2018-2019** for the purpose of preparing, training, and recruiting high-quality teachers and class size reduction, funded from DED-OESE, improving teacher quality funds.

(c) An amount estimated at ~~\$12,200,000.00 for 2016-2017 and~~ \$11,000,000.00 for ~~2017-2018~~ **2018-2019** for programs to teach English to limited English proficient (LEP) children, funded from DED-OESE, language acquisition state grant funds.

~~—— (d) An amount estimated at \$250,000.00 for 2016-2017 only for the Michigan charter school subgrant program, funded from DED-OESE, charter school funds.~~

(D) ~~(e)~~ An amount estimated at ~~\$3,000,000.00 for 2016-2017 and~~ \$2,800,000.00 for ~~2017-2018~~ **2018-2019** for rural and low income schools, funded from DED-OESE, rural and low income school funds.

(E) ~~(f)~~ An amount estimated at \$535,000,000.00 ~~each fiscal year~~ **FOR 2018-2019** to provide supplemental programs to enable educationally disadvantaged children to meet challenging academic standards, funded from DED-OESE, title I, disadvantaged children funds.

(F) ~~(g)~~ An amount estimated at ~~\$8,878,000.00 for 2016-2017 and~~

1 \$9,200,000.00 for ~~2017-2018~~ **2018-2019** for the purpose of
 2 identifying and serving migrant children, funded from DED-OESE,
 3 title I, migrant education funds.

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

9 (H) ~~(i)~~ An amount estimated at ~~\$18,000,000.00 each fiscal year~~
 10 **\$12,000,000.00 FOR 2018-2019** to help support local school
 11 improvement efforts, funded from DED-OESE, title I, local school
 12 improvement grants.

13 (I) ~~(j)~~ An amount estimated at \$15,400,000.00 ~~each fiscal year~~
 14 **FOR 2018-2019** to improve the academic achievement of students,
 15 funded from DED-OESE, title IV, student support and academic
 16 enrichment grants.

17 (J) **AN AMOUNT ESTIMATED AT \$5,000,000.00 FOR 2018-2019 FOR THE**
 18 **REMAINING BALANCE OF THE AMOUNT APPROPRIATED UNDER THE FORMER**
 19 **SECTION 32R, FOR FEDERAL FUNDING AWARDED TO THIS STATE UNDER**
 20 **SECTIONS 14005, 14006, AND 14013 OF TITLE XIV OF THE AMERICAN**
 21 **RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, FOR THE**
 22 **RACE TO THE TOP EARLY LEARNING CHALLENGE GRANT.**

23 (2) From the federal funds appropriated in section 11, there
 24 is allocated for ~~2016-2017 and for 2017-2018~~ **2018-2019** to
 25 districts, intermediate districts, and other eligible entities all
 26 available federal funding, estimated at ~~\$30,800,000.00 for 2016-~~
 27 ~~2017 and~~ \$30,000,000.00 for ~~2017-2018~~ **2018-2019** for the following

1 programs that are funded by federal grants:

2 (a) An amount estimated at ~~\$200,000.00 for 2016-2017 and~~
3 \$100,000.00 for ~~2017-2018-2018-2019~~ for acquired immunodeficiency
4 syndrome education grants, funded from HHS - Centers for Disease
5 Control and Prevention, AIDS funding.

6 (b) An amount estimated at ~~\$2,600,000.00 for 2016-2017 and~~
7 \$1,900,000.00 for ~~2017-2018-2018-2019~~ to provide services to
8 homeless children and youth, funded from DED-OVAE, homeless
9 children and youth funds.

10 (c) An amount estimated at \$4,000,000.00 ~~each fiscal year FOR~~
11 ~~2018-2019~~ to provide mental health, substance abuse, or violence
12 prevention services to students, funded from HHS-SAMHSA.

13 (d) An amount estimated at \$24,000,000.00 ~~each fiscal year FOR~~
14 ~~2018-2019~~ for providing career and technical education services to
15 pupils, funded from DED-OVAE, basic grants to states.

16 (3) All federal funds allocated under this section shall be
17 distributed in accordance with federal law and with flexibility
18 provisions outlined in Public Law 107-116, and in the education
19 flexibility partnership act of 1999, Public Law 106-25.

20 Notwithstanding section 17b, payments of federal funds to
21 districts, intermediate districts, and other eligible entities
22 under this section shall be paid on a schedule determined by the
23 department.

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

1 appropriate according to federal rules and guidelines.

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

10 (6) As used in this section:

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

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

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

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

18 (e) "HHS-SAMHSA" means the HHS Substance Abuse and Mental
19 Health Services Administration.

20 Sec. 41. (1) For a district or public school academy to be
21 eligible to receive funding under this section, the district or
22 public school academy must administer to English language learners
23 the English language proficiency assessment known as the "WIDA
24 ACCESS for English language learners" or the "WIDA Alternate
25 ACCESS". From the appropriation in section 11, there is allocated
26 an amount not to exceed \$6,000,000.00 for ~~2017-2018~~ **2018-2019** for
27 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 allocated under this section shall be distributed
4 to eligible districts and eligible public school academies based on
5 the number of full-time equivalent English language learners as
6 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),
19 payments shall be prorated on an equal percentage basis, with the
20 same percentage proration applied to both funding categories.

21 (4) Each district or public school academy receiving funds
22 under this section shall submit to the department by July 15 of
23 each fiscal year a report, not to exceed 10 pages, on the usage by
24 the district or public school academy of funds under this section,
25 in a form and manner determined by the department, which shall
26 include a brief description of each program conducted or services
27 performed by the district or public school academy using funds

under this section and the amount of funds under this section allocated to each of those programs or services. If a district or public school academy does not comply with this section, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this section by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

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

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

Sec. 51a. (1) From the appropriation in section 11, there is allocated an amount not to exceed ~~\$941,946,100.00 for 2016-2017 and there is allocated an amount not to exceed \$956,246,100.00~~ **\$959,446,100.00 for 2017-2018 AND THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$979,346,100.00 FOR 2018-2019** from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to

1 1419, estimated at \$370,000,000.00 each fiscal year ~~for 2016-2017~~
2 ~~and for 2017-2018~~ **AND FOR 2018-2019**, plus any carryover federal
3 funds from previous year appropriations. In addition, from the
4 general fund appropriation in section 11, there is allocated to the
5 department an amount not to exceed \$500,000.00 for **EACH FISCAL YEAR**
6 **FOR 2017-2018 AND FOR 2018-2019** for the purpose of subsection (16).
7 The allocations under this subsection are for the purpose of
8 reimbursing districts and intermediate districts for special
9 education programs, services, and special education personnel as
10 prescribed in article 3 of the revised school code, MCL 380.1701 to
11 ~~380.1766,~~ **380.1761**; net tuition payments made by intermediate
12 districts to the Michigan Schools for the Deaf and Blind; and
13 special education programs and services for pupils who are eligible
14 for special education programs and services according to statute or
15 rule. For meeting the costs of special education programs and
16 services not reimbursed under this article, a district or
17 intermediate district may use money in general funds or special
18 education funds, not otherwise restricted, or contributions from
19 districts to intermediate districts, tuition payments, gifts and
20 contributions from individuals or other entities, or federal funds
21 that may be available for this purpose, as determined by the
22 intermediate district plan prepared pursuant to article 3 of the
23 revised school code, MCL 380.1701 to ~~380.1766.~~ **380.1761.**
24 Notwithstanding section 17b, payments of federal funds to
25 districts, intermediate districts, and other eligible entities
26 under this section shall be paid on a schedule determined by the
27 department.

1 (2) From the funds allocated under subsection (1), there is
2 allocated the amount necessary, and estimated at ~~\$260,700,000.00~~
3 ~~for 2016-2017 and estimated at \$264,200,000.00~~ **\$266,400,000.00** for
4 2017-2018 **AND ESTIMATED AT \$272,100,000.00 FOR 2018-2019**, for
5 payments toward reimbursing districts and intermediate districts
6 for 28.6138% of total approved costs of special education,
7 excluding costs reimbursed under section 53a, and 70.4165% of total
8 approved costs of special education transportation. Allocations
9 under this subsection shall be made as follows:

10 (a) The initial amount allocated to a district under this
11 subsection toward fulfilling the specified percentages shall be
12 calculated by multiplying the district's special education pupil
13 membership, excluding pupils described in subsection (11), times
14 the foundation allowance under section 20 of the pupil's district
15 of residence plus the amount of the district's per-pupil allocation
16 under section 20m, not to exceed the basic foundation allowance
17 under section 20 for the current fiscal year, or, for a special
18 education pupil in membership in a district that is a public school
19 academy, times an amount equal to the amount per membership pupil
20 calculated under section 20(6). For an intermediate district, the
21 amount allocated under this subdivision toward fulfilling the
22 specified percentages shall be an amount per special education
23 membership pupil, excluding pupils described in subsection (11),
24 and shall be calculated in the same manner as for a district, using
25 the foundation allowance under section 20 of the pupil's district
26 of residence, not to exceed the basic foundation allowance under
27 section 20 for the current fiscal year, and that district's per-

1 pupil allocation under section 20m.

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

7 (3) From the funds allocated under subsection (1), there is
8 allocated ~~each fiscal year for 2016-2017 and for 2017-2018~~ an
9 amount not to exceed \$1,000,000.00 **AND THERE IS ALLOCATED AN AMOUNT**
10 **NOT TO EXCEED \$1,100,000.00 FOR 2018-2019** to make payments to
11 districts and intermediate districts under this subsection. If the
12 amount allocated to a district or intermediate district for a
13 fiscal year under subsection (2)(b) is less than the sum of the
14 amounts allocated to the district or intermediate district for
15 1996-97 under sections 52 and 58, there is allocated to the
16 district or intermediate district for the fiscal year an amount
17 equal to that difference, adjusted by applying the same proration
18 factor that was used in the distribution of funds under section 52
19 in 1996-97 as adjusted to the district's or intermediate district's
20 necessary costs of special education used in calculations for the
21 fiscal year. This adjustment is to reflect reductions in special
22 education program operations or services between 1996-97 and
23 subsequent fiscal years. Adjustments for reductions in special
24 education program operations or services shall be made in a manner
25 determined by the department and shall include adjustments for
26 program or service shifts.

27 (4) If the department determines that the sum of the amounts

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

19 (5) State funds shall be allocated on a total approved cost
20 basis. Federal funds shall be allocated under applicable federal
21 requirements, except that an amount not to exceed \$3,500,000.00 may
22 be allocated by the department each fiscal year for ~~2016-2017 and~~
23 ~~for 2017-2018~~ **AND FOR 2018-2019** to districts, intermediate
24 districts, or other eligible entities on a competitive grant basis
25 for programs, equipment, and services that the department
26 determines to be designed to benefit or improve special education
27 on a statewide scale.

1 (6) From the amount allocated in subsection (1), there is
2 allocated an amount not to exceed \$2,200,000.00 each fiscal year
3 for ~~2016-2017 and for 2017-2018~~ **AND FOR 2018-2019** to reimburse 100%
4 of the net increase in necessary costs incurred by a district or
5 intermediate district in implementing the revisions in the
6 administrative rules for special education that became effective on
7 July 1, 1987. As used in this subsection, "net increase in
8 necessary costs" means the necessary additional costs incurred
9 solely because of new or revised requirements in the administrative
10 rules minus cost savings permitted in implementing the revised
11 rules. Net increase in necessary costs shall be determined in a
12 manner specified by the department.

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

15 (a) "Total approved costs of special education" shall be
16 determined in a manner specified by the department and may include
17 indirect costs, but shall not exceed 115% of approved direct costs
18 for section 52 and section 53a programs. The total approved costs
19 include salary and other compensation for all approved special
20 education personnel for the program, including payments for social
21 security and Medicare and public school employee retirement system
22 contributions. The total approved costs do not include salaries or
23 other compensation paid to administrative personnel who are not
24 special education personnel as defined in section 6 of the revised
25 school code, MCL 380.6. Costs reimbursed by federal funds, other
26 than those federal funds included in the allocation made under this
27 article, are not included. Special education approved personnel not

1 utilized full time in the evaluation of students or in the delivery
2 of special education programs, ancillary, and other related
3 services shall be reimbursed under this section only for that
4 portion of time actually spent providing these programs and
5 services, with the exception of special education programs and
6 services provided to youth placed in child caring institutions or
7 juvenile detention programs approved by the department to provide
8 an on-grounds education program.

9 (b) Beginning with the 2004-2005 fiscal year, a district or
10 intermediate district that employed special education support
11 services staff to provide special education support services in
12 2003-2004 or in a subsequent fiscal year and that in a fiscal year
13 after 2003-2004 receives the same type of support services from
14 another district or intermediate district shall report the cost of
15 those support services for special education reimbursement purposes
16 under this article. This subdivision does not prohibit the transfer
17 of special education classroom teachers and special education
18 classroom aides if the pupils counted in membership associated with
19 those special education classroom teachers and special education
20 classroom aides are transferred and counted in membership in the
21 other district or intermediate district in conjunction with the
22 transfer of those teachers and aides.

23 (c) If the department determines before bookclosing for a
24 fiscal year that the amounts allocated for that fiscal year under
25 subsections (2), (3), (6), and (11) and sections 53a, 54, and 56
26 will exceed expenditures for that fiscal year under subsections
27 (2), (3), (6), and (11) and sections 53a, 54, and 56, then for a

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

16 (d) Reimbursement for ancillary and other related services, as
17 defined by R 340.1701c of the Michigan Administrative Code, shall
18 not be provided when those services are covered by and available
19 through private group health insurance carriers or federal
20 reimbursed program sources unless the department and district or
21 intermediate district agree otherwise and that agreement is
22 approved by the state budget director. Expenses, other than the
23 incidental expense of filing, shall not be borne by the parent. In
24 addition, the filing of claims shall not delay the education of a
25 pupil. A district or intermediate district shall be responsible for
26 payment of a deductible amount and for an advance payment required
27 until the time a claim is paid.

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

15 (8) A pupil who is enrolled in a full-time special education
16 program conducted or administered by an intermediate district or a
17 pupil who is enrolled in the Michigan schools for the deaf and
18 blind shall not be included in the membership count of a district,
19 but shall be counted in membership in the intermediate district of
20 residence.

21 (9) Special education personnel transferred from 1 district to
22 another to implement the revised school code shall be entitled to
23 the rights, benefits, and tenure to which the person would
24 otherwise be entitled had that person been employed by the
25 receiving district originally.

26 (10) If a district or intermediate district uses money
27 received under this section for a purpose other than the purpose or

1 purposes for which the money is allocated, the department may
2 require the district or intermediate district to refund the amount
3 of money received. Money that is refunded shall be deposited in the
4 state treasury to the credit of the state school aid fund.

5 (11) From the funds allocated in subsection (1), there is
6 allocated the amount necessary, ~~estimated at \$3,500,000.00 for~~
7 ~~2016-2017, and estimated at \$3,600,000.00~~ **\$3,300,000.00** for 2017-
8 **2018, AND ESTIMATED AT \$3,400,000.00 FOR 2018-2019**, to pay the
9 foundation allowances for pupils described in this subsection. The
10 allocation to a district under this subsection shall be calculated
11 by multiplying the number of pupils described in this subsection
12 who are counted in membership in the district times the sum of the
13 foundation allowance under section 20 of the pupil's district of
14 residence plus the amount of the district's per-pupil allocation
15 under section 20m, not to exceed the basic foundation allowance
16 under section 20 for the current fiscal year, or, for a pupil
17 described in this subsection who is counted in membership in a
18 district that is a public school academy, times an amount equal to
19 the amount per membership pupil under section 20(6) or, for a pupil
20 described in this subsection who is counted in membership in the
21 education achievement system, times an amount equal to the amount
22 per membership pupil under section 20(7). The allocation to an
23 intermediate district under this subsection shall be calculated in
24 the same manner as for a district, using the foundation allowance
25 under section 20 of the pupil's district of residence, not to
26 exceed the basic foundation allowance under section 20 for the
27 current fiscal year, and that district's per-pupil allocation under

1 section 20m. This subsection applies to all of the following
2 pupils:

3 (a) Pupils described in section 53a.

4 (b) Pupils counted in membership in an intermediate district
5 who are not special education pupils and are served by the
6 intermediate district in a juvenile detention or child caring
7 facility.

8 (c) Pupils with an emotional impairment counted in membership
9 by an intermediate district and provided educational services by
10 the department of health and human services.

11 (12) If it is determined that funds allocated under subsection
12 (2) or (11) or under section 51c will not be expended, funds up to
13 the amount necessary and available may be used to supplement the
14 allocations under subsection (2) or (11) or under section 51c in
15 order to fully fund those allocations. After payments under
16 subsections (2) and (11) and section 51c, the remaining
17 expenditures from the allocation in subsection (1) shall be made in
18 the following order:

19 (a) 100% of the reimbursement required under section 53a.

20 (b) 100% of the reimbursement required under subsection (6).

21 (c) 100% of the payment required under section 54.

22 (d) 100% of the payment required under subsection (3).

23 (e) 100% of the payments under section 56.

24 (13) The allocations under subsections (2), (3), and (11)
25 shall be allocations to intermediate districts only and shall not
26 be allocations to districts, but instead shall be calculations used
27 only to determine the state payments under section 22b.

1 (14) If a public school academy that is not a cyber school, as
2 defined in section 551 of the revised school code, MCL 380.551,
3 enrolls under this section a pupil who resides outside of the
4 intermediate district in which the public school academy is located
5 and who is eligible for special education programs and services
6 according to statute or rule, or who is a child with disabilities,
7 as defined under the individuals with disabilities education act,
8 Public Law 108-446, the intermediate district in which the public
9 school academy is located and the public school academy shall enter
10 into a written agreement with the intermediate district in which
11 the pupil resides for the purpose of providing the pupil with a
12 free appropriate public education, and the written agreement shall
13 include at least an agreement on the responsibility for the payment
14 of the added costs of special education programs and services for
15 the pupil. If the public school academy that enrolls the pupil does
16 not enter into an agreement under this subsection, the public
17 school academy shall not charge the pupil's resident intermediate
18 district or the intermediate district in which the public school
19 academy is located the added costs of special education programs
20 and services for the pupil, and the public school academy is not
21 eligible for any payouts based on the funding formula outlined in
22 the resident or nonresident intermediate district's plan. If a
23 pupil is not enrolled in a public school academy under this
24 subsection, the provision of special education programs and
25 services and the payment of the added costs of special education
26 programs and services for a pupil described in this subsection are
27 the responsibility of the district and intermediate district in

1 which the pupil resides.

2 (15) For the purpose of receiving its federal allocation under
3 part B of the individuals with disabilities education act, Public
4 Law 108-446, a public school academy that is a cyber school, as
5 defined in section 551 of the revised school code, MCL 380.551, and
6 is in compliance with section 553a of the revised school code, MCL
7 380.553a, shall directly receive the federal allocation under part
8 B of the individuals with disabilities education act, Public Law
9 108-446, from the intermediate district in which the cyber school
10 is located, as the subrecipient. If the intermediate district does
11 not distribute the funds described in this subsection to the cyber
12 school by the part B application due date of July 1, the department
13 may distribute the funds described in this subsection directly to
14 the cyber school according to the formula prescribed in 34 CFR
15 300.705 and 34 CFR 300.816.

16 (16) For a public school academy that is a cyber school, as
17 defined in section 551 of the revised school code, MCL 380.551, and
18 is in compliance with section 553a of the revised school code, MCL
19 380.553a, that enrolls a pupil under this section, the intermediate
20 district in which the cyber school is located shall ensure that the
21 cyber school complies with sections 1701a, 1703, 1704, 1751, 1752,
22 1756, and 1757 of the revised school code, MCL 380.1701a, 380.1703,
23 380.1704, 380.1751, 380.1752, 380.1756, and 380.1757; applicable
24 rules; and the individuals with disabilities education act, Public
25 Law 108-446. From the general fund appropriation under subsection
26 (1), the department shall provide appropriate administrative
27 funding to the intermediate district in which that cyber school is

1 located for the purpose of ensuring that compliance.

2 (17) For the purposes of this section, the department or the
3 center shall only require a district or intermediate district to
4 report information that is not already available from the financial
5 information database maintained by the center.

6 Sec. 51c. As required by the court in the consolidated cases
7 known as ~~Durant v State of Michigan~~, **Durant v State of Michigan**,
8 456 Mich 175 (1997), from the allocation under section 51a(1),
9 there is allocated each fiscal year ~~for 2016-2017 and for 2017-2018~~
10 **AND FOR 2018-2019** the amount necessary, estimated at
11 ~~\$624,600,000.00 for 2016-2017 and \$635,300,000.00~~ **\$636,600,000.00**
12 for 2017-2018 **AND \$650,600,000.00 FOR 2018-2019**, for payments to
13 reimburse districts for 28.6138% of total approved costs of special
14 education excluding costs reimbursed under section 53a, and
15 70.4165% of total approved costs of special education
16 transportation. Funds allocated under this section that are not
17 expended in the state fiscal year for which they were allocated, as
18 determined by the department, may be used to supplement the
19 allocations under sections 22a and 22b in order to fully fund those
20 calculated allocations for the same fiscal year.

21 Sec. 51d. (1) From the federal funds appropriated in section
22 11, there is allocated ~~each fiscal year for 2016-2017 and for 2017-~~
23 ~~2018,~~ **FOR 2018-2019** all available federal funding, estimated at
24 \$61,000,000.00, ~~each fiscal year,~~ for special education programs
25 and services that are funded by federal grants. All federal funds
26 allocated under this section shall be distributed in accordance
27 with federal law. Notwithstanding section 17b, payments of federal

1 funds to districts, intermediate districts, and other eligible
2 entities under this section shall be paid on a schedule determined
3 by the department.

4 (2) From the federal funds allocated under subsection (1), the
5 following amounts are allocated ~~each fiscal year for 2016-2017 and~~
6 ~~for 2017-2018:~~ **FOR 2018-2019:**

7 (a) An amount estimated at \$14,000,000.00 ~~each fiscal year for~~
8 handicapped infants and toddlers, funded from DED-OSERS,
9 handicapped infants and toddlers funds.

10 (b) An amount estimated at \$12,000,000.00 ~~each fiscal year for~~
11 preschool grants (Public Law 94-142), funded from DED-OSERS,
12 handicapped preschool incentive funds.

13 (c) An amount estimated at \$35,000,000.00 ~~each fiscal year for~~
14 special education programs funded by DED-OSERS, handicapped
15 program, individuals with disabilities act funds.

16 (3) As used in this section, "DED-OSERS" means the United
17 States Department of Education Office of Special Education and
18 Rehabilitative Services.

19 Sec. 53a. (1) For districts, reimbursement for pupils
20 described in subsection (2) shall be 100% of the total approved
21 costs of operating special education programs and services approved
22 by the department and included in the intermediate district plan
23 adopted pursuant to article 3 of the revised school code, MCL
24 380.1701 to ~~380.1766,~~ **380.1761**, minus the district's foundation
25 allowance calculated under section 20 and minus the district's per-
26 pupil allocation under section 20m. For intermediate districts,
27 reimbursement for pupils described in subsection (2) shall be

1 calculated in the same manner as for a district, using the
2 foundation allowance under section 20 of the pupil's district of
3 residence, not to exceed the basic foundation allowance under
4 section 20 for the current fiscal year, and that district's per-
5 pupil allocation under section 20m.

6 (2) Reimbursement under subsection (1) is for the following
7 special education pupils:

8 (a) Pupils assigned to a district or intermediate district
9 through the community placement program of the courts or a state
10 agency, if the pupil was a resident of another intermediate
11 district at the time the pupil came under the jurisdiction of the
12 court or a state agency.

13 (b) Pupils who are residents of institutions operated by the
14 department of health and human services.

15 (c) Pupils who are former residents of department of community
16 health institutions for the developmentally disabled who are placed
17 in community settings other than the pupil's home.

18 (d) Pupils enrolled in a department-approved on-grounds
19 educational program longer than 180 days, but not longer than 233
20 days, at a residential child care institution, if the child care
21 institution offered in 1991-92 an on-grounds educational program
22 longer than 180 days but not longer than 233 days.

23 (e) Pupils placed in a district by a parent for the purpose of
24 seeking a suitable home, if the parent does not reside in the same
25 intermediate district as the district in which the pupil is placed.

26 (3) Only those costs that are clearly and directly
27 attributable to educational programs for pupils described in

1 subsection (2), and that would not have been incurred if the pupils
2 were not being educated in a district or intermediate district, are
3 reimbursable under this section.

4 (4) The costs of transportation shall be funded under this
5 section and shall not be reimbursed under section 58.

6 (5) Not more than \$10,500,000.00 of the allocation for ~~2017-~~
7 ~~2018-2018-2019~~ in section 51a(1) shall be allocated under this
8 section.

9 Sec. 54. Each intermediate district shall receive an amount
10 per-pupil for each pupil in attendance at the Michigan schools for
11 the deaf and blind. The amount shall be proportionate to the total
12 instructional cost at each school. Not more than \$1,688,000.00 of
13 the allocation for ~~2017-2018-2018-2019~~ in section 51a(1) shall be
14 allocated under this section.

15 Sec. 54b. (1) From the general fund appropriation in section
16 11, there is allocated an amount not to exceed \$1,600,000.00 for
17 ~~2017-2018-2018-2019~~ to continue the implementation of the
18 recommendations of the special education reform task force
19 published in January 2016.

20 (2) ~~Except as provided in subsection (3), the~~ **THE** department
21 shall use funds allocated under this section for the purpose of
22 piloting statewide implementation of the Michigan Integrated
23 Behavior and Learning Support Initiative (MiBLSI), a nationally
24 recognized program that includes positive behavioral intervention
25 and supports and provides a statewide structure to support local
26 initiatives for an integrated behavior and reading program. With
27 the assistance of the intermediate districts involved in MiBLSI,

1 the department shall identify a number of intermediate districts to
2 participate in the pilot that is sufficient to ensure that MiBLSI
3 can be implemented statewide with fidelity and sustainability. In
4 addition, the department shall identify an intermediate district to
5 act as a fiscal agent for these funds.

6 ~~—— (3) In addition to the purpose under subsection (2), the~~
7 ~~department shall use funds allocated under this section for the~~
8 ~~purpose of providing training to intermediate districts and~~
9 ~~districts related to the safe implementation of emergency~~
10 ~~restraints and seclusion. The department shall develop and~~
11 ~~implement a training program that is based on the state board's~~
12 ~~adopted standards and on any other legislation enacted by the~~
13 ~~legislature regarding the emergency use of seclusion and restraint.~~

14 SEC. 54C. (1) FROM THE GENERAL FUND APPROPRIATION IN SECTION
15 11, THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 FOR
16 2018-2019 TO CONTINUE THE IMPLEMENTATION OF THE RECOMMENDATIONS OF
17 THE SPECIAL EDUCATION REFORM TASK FORCE PUBLISHED IN JANUARY 2016,
18 TO INCREASE ACCESS TO SERVICES AND RESOURCES FOR PUPILS IN SPECIAL
19 EDUCATION AND THEIR PARENTS OR GUARDIANS, AND TO STRENGTHEN
20 MEDIATION SERVICES AVAILABLE TO PUPILS IN SPECIAL EDUCATION AND
21 THEIR PARENTS OR GUARDIANS.

22 (2) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), THERE IS
23 ALLOCATED AN AMOUNT NOT TO EXCEED \$205,000.00 FOR THE PURPOSE OF
24 ENHANCING THE CAPACITY OF MICHIGAN'S PARENT TRAINING INFORMATION
25 CENTER TO INCREASE DIRECT ADVOCACY EFFORTS, WORK INVOLVING
26 TRANSITION ISSUES, AND AWARENESS OF THE ORGANIZATION.

27 (3) FROM THE AMOUNT ALLOCATED IN SUBSECTION (1), THERE IS

1 ALLOCATED AN AMOUNT NOT TO EXCEED \$295,000.00 FOR THE PURPOSE OF
2 IMPROVING MEDIATION SERVICES OFFERED THROUGH THE MICHIGAN SPECIAL
3 EDUCATION MEDIATION PROGRAM BY INCREASING AWARENESS OF MEDIATION,
4 REFRAMING THE PURPOSE OF MEDIATION, STRENGTHENING MEDIATOR
5 KNOWLEDGE ABOUT SPECIAL EDUCATION, AND MAKING MEDIATION MORE
6 ACCESSIBLE.

7 SEC. 54D. (1) FROM THE APPROPRIATIONS IN SECTION 11, THERE IS
8 ALLOCATED AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR 2018-2019 TO
9 INTERMEDIATE DISTRICTS FOR THE PURPOSE OF PROVIDING STATE EARLY ON
10 SERVICES PILOT PROGRAMS FOR CHILDREN FROM BIRTH TO 3 YEARS OF AGE
11 WITH A DEVELOPMENTAL DELAY OR A DISABILITY, OR BOTH, AND THEIR
12 FAMILIES, AS DESCRIBED IN THE EARLY ON MICHIGAN STATE PLAN, AS
13 APPROVED BY THE DEPARTMENT.

14 (2) TO BE ELIGIBLE TO RECEIVE GRANT FUNDING UNDER THIS
15 SECTION, EACH INTERMEDIATE DISTRICT SHALL APPLY IN A FORM AND
16 MANNER DETERMINED BY THE DEPARTMENT.

17 (3) THE GRANT FUNDING ALLOCATED UNDER THIS SECTION SHALL BE
18 USED TO INCREASE EARLY ON SERVICES AND RESOURCES AVAILABLE TO
19 CHILDREN THAT DEMONSTRATE DEVELOPMENTAL DELAYS TO HELP PREPARE THEM
20 FOR SUCCESS AS THEY ENTER SCHOOL. STATE EARLY ON SERVICES INCLUDE
21 EVALUATING AND PROVIDING EARLY INTERVENTION SERVICES FOR ELIGIBLE
22 INFANTS AND TODDLERS AND THEIR FAMILIES TO ADDRESS DEVELOPMENTAL
23 DELAYS, INCLUDING THOSE AFFECTING PHYSICAL, COGNITIVE,
24 COMMUNICATION, ADAPTIVE, SOCIAL, OR EMOTIONAL DEVELOPMENT. GRANT
25 FUNDS MUST NOT BE USED TO SUPPLANT EXISTING SERVICES THAT ARE
26 CURRENTLY BEING PROVIDED.

27 (4) THE FUNDS ALLOCATED UNDER SUBSECTION (1) SHALL BE

1 DISTRIBUTED TO INTERMEDIATE DISTRICTS ACCORDING TO THE DEPARTMENT'S
2 EARLY ON FUNDING FORMULA UTILIZED TO DISTRIBUTE THE FEDERAL AWARD
3 TO MICHIGAN UNDER PART C OF THE INDIVIDUALS WITH DISABILITIES
4 EDUCATION ACT. FUNDS RECEIVED UNDER THIS SECTION MUST NOT SUPPLANT
5 EXISTING FUNDS OR RESOURCES ALLOCATED FOR EARLY ON EARLY
6 INTERVENTION SERVICES. AN INTERMEDIATE DISTRICT RECEIVING FUNDS
7 UNDER THIS SECTION SHALL MAXIMIZE THE CAPTURE OF MEDICAID FUNDS TO
8 SUPPORT EARLY ON EARLY INTERVENTION SERVICES TO THE EXTENT
9 POSSIBLE.

10 (5) EACH INTERMEDIATE DISTRICT THAT RECEIVES FUNDS UNDER THIS
11 SECTION SHALL REPORT DATA AND OTHER INFORMATION TO THE DEPARTMENT
12 IN A FORM, MANNER, AND FREQUENCY PRESCRIBED BY THE DEPARTMENT TO
13 ALLOW FOR MONITORING AND EVALUATION OF THE PILOT PROJECTS AND TO
14 ENSURE THAT THE CHILDREN DESCRIBED IN SUBSECTION (1) RECEIVED
15 APPROPRIATE LEVELS AND TYPES OF SERVICES DELIVERED BY QUALIFIED
16 PERSONNEL, BASED ON THE INDIVIDUAL NEEDS OF THE CHILDREN AND THEIR
17 FAMILIES.

18 Sec. 55. (1) From the money appropriated in section 11, there
19 is allocated an amount not to exceed ~~\$150,000.00 for 2017-2018 to~~
20 ~~Michigan State University, Department of Epidemiology, for a study~~
21 ~~of \$250,000.00 FOR 2018-2019 TO~~ the Conductive Learning Center
22 located at Aquinas College. This funding ~~shall~~ **MUST** be used to
23 ~~develop and implement an evaluation of the effectiveness of~~
24 ~~conductive education for children with cerebral palsy. The~~
25 ~~evaluation shall be multidimensional and shall include a control~~
26 ~~group of children with cerebral palsy not enrolled in conductive~~
27 ~~education. It should include an assessment of the motor system~~

~~itself as well as the impact of conductive education on each of the following.~~

~~—— (a) The acquisition of skills permitting complex motor functions.~~

~~—— (b) The performance of tasks essential to daily living.~~

~~—— (c) The attitudes and feelings of both children and parents.~~

~~—— (d) The long term need for special education for children with cerebral palsy.~~

~~—— (2) This funding is for the third of 3 years of funding for~~

~~this purpose.~~ **SUPPORT THE OPERATIONAL COSTS OF THE CONDUCTIVE**

EDUCATION MODEL TAUGHT AT THE CONDUCTIVE LEARNING CENTER TO

MAXIMIZE THE INDEPENDENCE AND MOBILITY OF CHILDREN AND ADULTS WITH

NEUROMOTOR DISABILITIES. THE CONDUCTIVE EDUCATION MODEL FUNDED

UNDER THIS SECTION MUST BE BASED ON THE CONCEPT OF NEUROPLASTICITY

AND THE ABILITY OF PEOPLE TO LEARN AND IMPROVE WHEN THEY ARE

MOTIVATED, REGARDLESS OF THE SEVERITY OF THEIR DISABILITY.

**(2) NOTWITHSTANDING SECTION 17B, THE DEPARTMENT SHALL
DISTRIBUTE THE FUNDING ALLOCATED UNDER THIS SECTION TO THE
CONDUCTIVE LEARNING CENTER NOT LATER THAN DECEMBER 1, 2018.**

Sec. 56. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district.

(b) "Millage levied" means the millage levied for special education pursuant to part 30 of the revised school code, MCL 380.1711 to ~~380.1743,~~ **380.1741**, including a levy for debt service

1 obligations.

2 (c) "Taxable value" means the total taxable value of the
3 districts constituent to an intermediate district, except that if a
4 district has elected not to come under part 30 of the revised
5 school code, MCL 380.1711 to ~~380.1743~~, **380.1741**, membership and
6 taxable value of the district shall not be included in the
7 membership and taxable value of the intermediate district.

8 (2) From the allocation under section 51a(1), there is
9 allocated an amount not to exceed \$37,758,100.00 ~~each fiscal year~~
10 ~~for 2016-2017 and for 2017-2018~~ **AND AN AMOUNT NOT TO EXCEED**
11 **\$42,258,100.00 FOR 2018-2019** to reimburse intermediate districts
12 levying millages for special education pursuant to part 30 of the
13 revised school code, MCL 380.1711 to ~~380.1743~~. **380.1741**. The
14 purpose, use, and expenditure of the reimbursement shall be limited
15 as if the funds were generated by these millages and governed by
16 the intermediate district plan adopted pursuant to article 3 of the
17 revised school code, MCL 380.1701 to ~~380.1766~~. **380.1761**. As a
18 condition of receiving funds under this section, an intermediate
19 district distributing any portion of special education millage
20 funds to its constituent districts shall submit for departmental
21 approval and implement a distribution plan.

22 ~~—— (3) Reimbursement for those millages levied in 2015-2016 shall~~
23 ~~be made in 2016-2017 at an amount per 2015-2016 membership pupil~~
24 ~~computed by subtracting from \$180,900.00 the 2015-2016 taxable~~
25 ~~value behind each membership pupil and multiplying the resulting~~
26 ~~difference by the 2015-2016 millage levied.~~

27 (3) ~~(4)~~ Reimbursement for those millages levied in 2016-2017

1 shall be made in 2017-2018 at an amount per 2016-2017 membership
2 pupil computed by subtracting from ~~\$183,200.00~~ **\$183,900.00** the
3 2016-2017 taxable value behind each membership pupil and
4 multiplying the resulting difference by the 2016-2017 millage
5 levied, and then subtracting from that amount the 2016-2017 local
6 community stabilization share revenue for special education
7 purposes behind each membership pupil for reimbursement of personal
8 property exemption loss under the local community stabilization
9 authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

10 **(4) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,**
11 **REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2017-2018 SHALL BE MADE**
12 **IN 2018-2019 AT AN AMOUNT PER 2017-2018 MEMBERSHIP PUPIL COMPUTED**
13 **BY SUBTRACTING FROM \$196,000.00 THE 2017-2018 TAXABLE VALUE BEHIND**
14 **EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING DIFFERENCE BY**
15 **THE 2017-2018 MILLAGE LEVIED, AND THEN SUBTRACTING FROM THAT AMOUNT**
16 **THE 2017-2018 LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR**
17 **SPECIAL EDUCATION PURPOSES BEHIND EACH MEMBERSHIP PUPIL FOR**
18 **REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION LOSS UNDER THE LOCAL**
19 **COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO**
20 **123.1362. REIMBURSEMENT IN 2018-2019 FOR AN INTERMEDIATE DISTRICT**
21 **WHOSE 2017-2018 ALLOCATION WAS AFFECTED BY THE OPERATION OF**
22 **SUBSECTION (5) SHALL BE AN AMOUNT EQUAL TO 102.5% OF THE 2017-2018**
23 **ALLOCATION TO THAT INTERMEDIATE DISTRICT.**

24 (5) The amount paid to a single intermediate district under
25 this section shall not exceed 62.9% of the total amount allocated
26 under subsection (2).

27 (6) The amount paid to a single intermediate district under

1 this section shall not be less than 75% of the amount allocated to
2 the intermediate district under this section for the immediately
3 preceding fiscal year.

4 Sec. 61a. (1) From the appropriation in section 11, there is
5 allocated an amount not to exceed \$36,611,300.00 for ~~2017-2018~~
6 **2018-2019** to reimburse on an added cost basis districts, except for
7 a district that served as the fiscal agent for a vocational
8 education consortium in the 1993-94 school year and that has a
9 foundation allowance as calculated under section 20 greater than
10 the minimum foundation allowance under that section, and secondary
11 area vocational-technical education centers for secondary-level
12 career and technical education programs according to rules approved
13 by the superintendent. Applications for participation in the
14 programs shall be submitted in the form prescribed by the
15 department. The department shall determine the added cost for each
16 career and technical education program area. The allocation of
17 added cost funds shall be prioritized based on the capital and
18 program expenditures needed to operate the career and technical
19 education programs provided; the number of pupils enrolled; the
20 advancement of pupils through the instructional program; the
21 existence of an articulation agreement with at least 1
22 postsecondary institution that provides pupils with opportunities
23 to earn postsecondary credit during the pupil's participation in
24 the career and technical education program and transfers those
25 credits to the postsecondary institution upon completion of the
26 career and technical education program; and the program rank in
27 student placement, job openings, and wages, and shall not exceed

1 75% of the added cost of any program. Notwithstanding any rule or
2 department determination to the contrary, when determining a
3 district's allocation or the formula for making allocations under
4 this section, the department shall include the participation of
5 pupils in grade 9 in all of those determinations and in all
6 portions of the formula. With the approval of the department, the
7 board of a district maintaining a secondary career and technical
8 education program may offer the program for the period from the
9 close of the school year until September 1. The program shall use
10 existing facilities and shall be operated as prescribed by rules
11 promulgated by the superintendent.

12 (2) Except for a district that served as the fiscal agent for
13 a vocational education consortium in the 1993-94 school year,
14 districts and intermediate districts shall be reimbursed for local
15 career and technical education administration, shared time career
16 and technical education administration, and career education
17 planning district career and technical education administration.
18 The definition of what constitutes administration and reimbursement
19 shall be pursuant to guidelines adopted by the superintendent. Not
20 more than \$800,000.00 of the allocation in subsection (1) shall be
21 distributed under this subsection.

22 (3) A career and technical education program funded under this
23 section may provide an opportunity for participants who are
24 eligible to be funded under section 107 to enroll in the career and
25 technical education program funded under this section if the
26 participation does not occur during regular school hours.

27 (4) In addition to the money allocated under subsections (1),

(5), and (6), from the general fund money appropriated in section 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed ~~\$79,000.00~~ **\$150,000.00** to an eligible Michigan-approved 501(c)(3) organization for the purposes of teaching or training restaurant management and culinary arts for career and professional development. The department shall oversee funds distributed to an eligible grantee under this section. As used in this subsection, "eligible Michigan-approved 501(c)(3) organization" means an organization that is exempt from taxation under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, that provides the ProStart curriculum and training to state-approved career and technical education programs with classification of instructional programs (CIP) codes in the 12.05xx category, and that administers national certification for the purpose of restaurant management and culinary arts for career and professional development.

~~—— (5) In addition to the funds allocated under subsections (1), (4), and (6), from the funds appropriated in section 11, there is allocated for 2017-2018 an amount not to exceed \$1,000,000.00 for competitive grants to intermediate districts to hire career and technical education counselors. All of the following apply to this funding:~~

~~—— (a) An intermediate district seeking a grant under this subsection shall apply to the department in a form and manner specified by the department.~~

~~—— (b) The department shall award grants under this subsection on a competitive basis to no more than 3 intermediate districts but shall give priority to the intermediate district that has the~~

~~greatest number of pupils enrolled in its constituent districts and shall ensure that grants are equitably distributed to the various geographic areas of this state and to urban and rural areas.~~

~~—— (c) To be eligible for funding under this subsection, an intermediate district shall do all of the following:~~

~~—— (i) Catalog all available K-12 and other workforce development programs and services, including job search, job training, pre-employment certifications, career awareness programs, career and technical education programs, and other related programs and services offered by districts or intermediate districts, postsecondary institutions, and other private or public service organizations.~~

~~—— (ii) Develop an outreach program that educates students about career and technical education options and connects students to the services cataloged under subparagraph (i).~~

~~—— (iii) Track student placement and report on student placement to the house and senate appropriations subcommittees on school aid no later than June 30, 2018 in the form and manner prescribed by the department.~~

~~—— (6) In addition to the funds allocated under subsections (1), (4), and (5), there is allocated an amount not to exceed \$160,000.00 for 2017-2018 to eligible districts under this subsection for the purpose of career and technical education counselors. To be eligible to receive funding under this subsection, an eligible district must be a constituent district of an intermediate district that is located in prosperity region 6 and borders prosperity regions 5, 7, and 9, and must have at least~~

~~1,600 pupils in membership in 2017-2018. A grant to an eligible district under this subsection shall be \$80,000.00.~~

Sec. 61b. (1) From the appropriation in section 11, there is allocated an amount not to exceed \$8,000,000.00 ~~each fiscal year for 2016-2017 and 2017-2018~~ **FOR 2018-2019** for CTE early/middle college and CTE dual enrollment programs authorized under this section and for planning grants for the development or expansion of CTE early/middle college programs. The purpose of these programs is to increase the number of Michigan residents with high-quality degrees or credentials, and to increase the number of students who are college and career ready upon high school graduation.

(2) From the funds allocated under subsection (1), an amount as determined under this subsection shall be allocated to each intermediate district serving as a fiscal agent for state-approved CTE early/middle college and CTE dual enrollment programs in each of the prosperity regions and subregions identified by the department. An intermediate district shall not use more than 5% of the funds allocated under this subsection for administrative costs for serving as the fiscal agent.

(3) To be an eligible fiscal agent, an intermediate district must agree to do all of the following in a form and manner determined by the department:

(a) Distribute funds to eligible CTE early/middle college and CTE dual enrollment programs in a prosperity region or subregion as described in this section.

(b) Collaborate with the ~~talent district career council~~ **CAREER AND EDUCATIONAL ADVISORY COUNCIL** that is located in the prosperity

1 region or subregion to develop a regional strategic plan under
2 subsection (4) that aligns CTE programs and services into an
3 efficient and effective delivery system for high school students.

4 (c) Implement a regional process to rank career clusters in
5 the prosperity region or subregion as described under subsection
6 (4). Regional processes shall be approved by the department before
7 the ranking of career clusters.

8 (d) Report CTE early/middle college and CTE dual enrollment
9 program and student data and information as prescribed by the
10 department **AND THE CENTER**.

11 (4) A regional strategic plan must be approved by the ~~talent~~
12 ~~district-career~~ **AND EDUCATIONAL ADVISORY** council before submission
13 to the department. A regional strategic plan shall include, but not
14 be limited to, the following:

15 (a) An identification of regional employer need based on a
16 ranking of all career clusters in the prosperity region or
17 subregion ranked by 10-year job openings projections and median
18 wage for each standard occupational code in each career cluster as
19 obtained from the United States Bureau of Labor Statistics.
20 Standard occupational codes within high-ranking clusters also may
21 be further ranked by median wage. The rankings shall be reviewed by
22 the ~~talent-district-career~~ **AND EDUCATIONAL ADVISORY** council located
23 in the prosperity region or subregion and modified if necessary to
24 accurately reflect employer demand for talent in the prosperity
25 region or subregion. A ~~talent-district-career~~ **AND EDUCATIONAL**
26 **ADVISORY** council shall document that it has conducted this review
27 and certify that it is accurate. These career cluster rankings

1 shall be determined and updated once every 4 years.

2 (b) An identification of educational entities in the
3 prosperity region or subregion that will provide eligible CTE
4 early/middle college and CTE dual enrollment programs including
5 districts, intermediate districts, postsecondary institutions, and
6 noncredit occupational training programs leading to an industry-
7 recognized credential.

8 (c) A strategy to inform parents and students of CTE
9 early/middle college and CTE dual enrollment programs in the
10 prosperity region or subregion.

11 (d) Any other requirements as defined by the department.

12 (5) An eligible CTE program is a program that meets all of the
13 following:

14 (a) Has been identified in the highest 5 career cluster
15 rankings in any of the 10 regional strategic plans jointly approved
16 by the Michigan talent investment agency in the department of
17 talent and economic development and the department.

18 (b) Has a coherent sequence of courses that will allow a
19 student to earn a high school diploma and achieve at least 1 of the
20 following in a specific career cluster:

21 (i) An associate degree.

22 (ii) An industry-recognized technical certification approved
23 by the Michigan talent investment agency in the department of
24 talent and economic development.

25 (iii) Up to 60 transferable college credits.

26 (iv) Participation in a registered apprenticeship.

27 (c) Is aligned with the Michigan merit curriculum.

1 (d) Has an articulation agreement with at least 1
2 postsecondary institution that provides students with opportunities
3 to receive postsecondary credits during the student's participation
4 in the CTE early/middle college or CTE dual enrollment program and
5 transfers those credits to the postsecondary institution upon
6 completion of the CTE early/middle college or CTE dual enrollment
7 program.

8 (e) Provides instruction that is supervised, directed, or
9 coordinated by an appropriately certificated CTE teacher or, for
10 concurrent enrollment courses, a postsecondary faculty member.

11 (f) Provides for highly integrated student support services
12 that include at least the following:

13 (i) Teachers as academic advisors.

14 (ii) Supervised course selection.

15 (iii) Monitoring of student progress and completion.

16 (iv) Career planning services provided by a local one-stop
17 service center as described in the Michigan works one-stop service
18 center system act, 2006 PA 491, MCL 408.111 to 408.135, or by a
19 high school counselor or advisor.

20 (g) Has courses that are taught on a college campus, are
21 college courses offered at the high school and taught by college
22 faculty, or are courses taught in combination with online
23 instruction.

24 (6) Funds to eligible CTE early/middle college and CTE dual
25 enrollment programs shall be distributed as follows:

26 (a) The department shall determine statewide average CTE costs
27 per pupil for each CIP code program by calculating statewide

1 average costs for each CIP code program for the 3 most recent
2 fiscal years.

3 (b) Distribution to each eligible CTE early/middle college or
4 CTE dual enrollment program shall be the product of 50% of CTE
5 costs per pupil times the current year pupil enrollment of each
6 eligible CTE early/middle college or CTE dual enrollment program.

7 (7) In order to receive funds under this section, a CTE
8 early/middle college or CTE dual enrollment program shall furnish
9 to the intermediate district that is the fiscal agent identified in
10 subsection ~~(1)~~, **(2)**, in a form and manner determined by the
11 department, all information needed to administer this program and
12 meet federal reporting requirements; shall allow the department or
13 the department's designee to review all records related to the
14 program for which it receives funds; and shall reimburse the state
15 for all disallowances found in the review, as determined by the
16 department.

17 (8) There is allocated from the funds under subsection (1) an
18 amount not to exceed \$500,000.00 for ~~2017-2018~~ **2018-2019** for grants
19 to intermediate districts or consortia of intermediate districts
20 for the purpose of planning for new or expanded early middle
21 college programs. Applications for grants shall be submitted in a
22 form and manner determined by the department. The amount of a grant
23 under this subsection shall not exceed \$50,000.00. To be eligible
24 for a grant under this subsection, an intermediate district or
25 consortia of intermediate districts must provide matching funds
26 equal to the grant received under this subsection. Notwithstanding
27 section 17b, payments under this subsection may be made as

1 determined by the department.

2 (9) Funds distributed under this section may be used to fund
3 program expenditures that would otherwise be paid from foundation
4 allowances. A program receiving funding under section 61a may
5 receive funding under this section for allowable costs that exceed
6 the reimbursement the program received under section 61a. The
7 combined payments received by a program under section 61a and this
8 section shall not exceed the total allowable costs of the program.
9 A program provider shall not use more than 5% of the funds
10 allocated under this section to the program for administrative
11 costs.

12 (10) If the allocation under subsection (1) is insufficient to
13 fully fund payments as otherwise calculated under this section, the
14 department shall prorate payments under this section on an equal
15 percentage basis.

16 (11) If pupils enrolled in a career cluster in an eligible CTE
17 early/middle college or CTE dual enrollment program qualify to be
18 reimbursed under this section, those pupils continue to qualify for
19 reimbursement until graduation, even if the career cluster is no
20 longer identified as being in the highest 5 career cluster
21 rankings.

22 (12) As used in this section:

23 (a) "Allowable costs" means those costs directly attributable
24 to the program as jointly determined by the Michigan talent
25 investment agency and the department.

26 **(B) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN**
27 **ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED**

1 IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR,
2 AND PARENT REPRESENTATIVES.

3 (C) ~~(b)~~—"CIP" means classification of instructional programs.

4 (D) ~~(c)~~—"CTE" means career and technical education programs.

5 (E) ~~(d)~~—"CTE dual enrollment program" means a 4-year high
6 school program of postsecondary courses offered by eligible
7 postsecondary educational institutions that leads to an industry-
8 recognized certification or degree.

9 (F) ~~(e)~~—"Early/middle college program" means a 5-year high
10 school program.

11 (G) ~~(f)~~—"Eligible postsecondary educational institution" means
12 that term as defined in section 3 of the career and technical
13 preparation act, 2000 PA 258, MCL 388.1903.

14 ~~—(g) "Talent district career council" means an advisory council~~
15 ~~to the local workforce development boards located in a prosperity~~
16 ~~region consisting of educational, employer, labor, and parent~~
17 ~~representatives.~~

18 Sec. 61c. (1) From the general fund appropriation in section
19 11, there is allocated for ~~2017-2018-2018-2019~~ an amount not to
20 exceed ~~\$7,000,000.00~~ **\$5,000,000.00** to **ELIGIBLE** career education
21 planning districts for the CTE skilled trades initiative described
22 in subsections (2) to (5). **TO BE ELIGIBLE TO RECEIVE FUNDING UNDER**
23 **THIS SECTION, A CEPD MUST BE LOCATED IN AN INTERMEDIATE DISTRICT**
24 **THAT DID NOT LEVY A VOCATIONAL EDUCATION MILLAGE IN 2018.**

25 (2) ~~To be eligible to receive~~ funding under subsection (1),
26 each **ELIGIBLE** CEPD shall apply in a form and manner determined by
27 the department. Funding to each **ELIGIBLE** CEPD shall be equal to the

1 quotient of the allocation under subsection (1) and the sum of the
2 number of career education planning districts applying for funding
3 under subsection (1) **THAT ARE LOCATED IN AN INTERMEDIATE DISTRICT**
4 **THAT DID NOT LEVY A VOCATIONAL EDUCATION MILLAGE IN 2018.**

5 (3) ~~The~~ **AT LEAST 50% OF THE** funding allocated to each **ELIGIBLE**
6 CEPD shall be used to update equipment in current CTE programs that
7 have been identified in the highest 5 career cluster rankings in
8 any of the 10 regional strategic plans jointly approved by the
9 Michigan talent investment agency in the department of talent and
10 economic development and the department, for training on new
11 equipment, for professional development relating to computer
12 science or coding, or for new and emerging certified CTE programs
13 to allow CEPD administrators to provide programming in communities
14 that will enhance economic development. The funding for equipment
15 should be used to support and enhance community areas that have
16 sustained job growth, and act as a commitment to build a more
17 qualified and skilled workforce. In addition, each CEPD is
18 encouraged to explore the option of leasing equipment from local
19 private industry to encourage the use of the most advanced
20 equipment.

21 (4) The allocation of funds at the local level shall be
22 determined by CEPD administrators using data from the state,
23 region, and local sources to make well-informed decisions on
24 program equipment improvements. Grants awarded by CEPD
25 administrators for capital infrastructure shall be used to ensure
26 that CTE programs can deliver educational programs in high-wage,
27 high-skill, and high-demand occupations. Each CEPD shall continue

1 to ensure that program advisory boards make recommendations on
2 needed improvements for equipment that support job growth and job
3 skill development and retention for both the present and the
4 future.

5 (5) Not later than September 15 of each fiscal year, each CEPD
6 receiving funding ~~under subsection (1)~~ shall annually report to the
7 department, the senate and house appropriations subcommittees on
8 state school aid, and the senate and house fiscal agencies and
9 legislature on equipment purchased under subsection (1). In
10 addition, the report shall identify growth data on program
11 involvement, retention, and development of student skills.

12 ~~—— (6) In addition to the funds allocated under subsection (1),
13 from the general fund appropriation in section 11, there is
14 allocated for 2017-2018 an amount not to exceed \$500,000.00 to
15 districts for a competitive grant to mechatronics programs that
16 operated in 2016-2017 for updating mechatronics program equipment.~~

17 ~~—— (7) In addition to the funds allocated under subsections (1)
18 and (6), from the general fund appropriation in section 11, there
19 is allocated for 2017-2018 an amount not to exceed \$5,000,000.00
20 for grants to districts and intermediate districts or consortia of
21 districts and intermediate districts for the CTE equipment and
22 innovation competitive grant program described in subsections (8)
23 to (10).~~

24 ~~—— (8) To be eligible to receive a competitive grant under
25 subsection (7), an applicant shall apply in a form and manner
26 determined by the department. The amount of a grant awarded from
27 the allocation under subsection (7) shall be at least \$100,000.00~~

~~but shall not exceed \$1,000,000.00 and shall be used for the purchase or lease of equipment from private industry partners and for related capacity building activities. A grant application for a grant awarded from the allocation under subsection (7) shall include at least all of the following information:~~

~~—— (a) A description of how the proposed capital infrastructure initiative will provide increased career opportunities for students and adult learners in high wage, high skill, and high demand occupations.~~

~~—— (b) Demonstrated evidence of employer demand for the initiative and related CTE training, including documentation of industry involvement in the initiative that will allow for work-based learning opportunities, apprenticeships, teacher externships, or a combination of these.~~

~~—— (c) A budget for the initiative, including demonstrated commitment of local or regional partners to sustain the initiative beyond the initial grant funding.~~

~~—— (d) A description of how the initiative aligns with other CTE and community college programs and how the equipment will be utilized by initiative partners.~~

~~—— (e) Other information as requested by the department and the department of talent and economic development.~~

~~—— (9) The department shall evaluate grant applications under subsection (8) in collaboration with the department of talent and economic development. A member of the governor's talent investment board may serve in an advisory capacity in the evaluation process as determined by the department of talent and economic development.~~

~~1 (10) Not later than December 15 of each fiscal year, each~~
~~2 grant recipient receiving funding under subsection (7) shall~~
~~3 annually report to the department, the department of talent and~~
~~4 economic development, the house and senate appropriations~~
~~5 subcommittees on state school aid, the house and senate fiscal~~
~~6 agencies, and the state budget director on equipment purchased~~
~~7 under subsection (7) in the immediately preceding school year. The~~
~~8 report shall identify growth data on program involvement,~~
~~9 retention, and development of student and adult learner skills.~~

10 (6) ~~(11)~~ As used in this section:

11 (a) "CEPD" means a career education planning district
 12 described in this section.

13 (b) "CTE" means career and technical education.

14 Sec. 62. (1) For the purposes of this section:

15 (a) "Membership" means for a particular fiscal year the total
 16 membership for the immediately preceding fiscal year of the
 17 intermediate district and the districts constituent to the
 18 intermediate district or the total membership for the immediately
 19 preceding fiscal year of the area vocational-technical program.

20 (b) "Millage levied" means the millage levied for area
 21 vocational-technical education pursuant to sections 681 to 690 of
 22 the revised school code, MCL 380.681 to 380.690, including a levy
 23 for debt service obligations incurred as the result of borrowing
 24 for capital outlay projects and in meeting capital projects fund
 25 requirements of area vocational-technical education.

26 (c) "Taxable value" means the total taxable value of the
 27 districts constituent to an intermediate district or area

1 vocational-technical education program, except that if a district
2 has elected not to come under sections 681 to 690 of the revised
3 school code, MCL 380.681 to 380.690, the membership and taxable
4 value of that district shall not be included in the membership and
5 taxable value of the intermediate district. However, the membership
6 and taxable value of a district that has elected not to come under
7 sections 681 to 690 of the revised school code, MCL 380.681 to
8 380.690, shall be included in the membership and taxable value of
9 the intermediate district if the district meets both of the
10 following:

11 (i) The district operates the area vocational-technical
12 education program pursuant to a contract with the intermediate
13 district.

14 (ii) The district contributes an annual amount to the
15 operation of the program that is commensurate with the revenue that
16 would have been raised for operation of the program if millage were
17 levied in the district for the program under sections 681 to 690 of
18 the revised school code, MCL 380.681 to 380.690.

19 (2) From the appropriation in section 11, there is allocated
20 an amount not to exceed \$9,190,000.00 each fiscal year ~~for 2016-~~
21 ~~2017-and-for 2017-2018~~ **AND FOR 2018-2019** to reimburse intermediate
22 districts and area vocational-technical education programs
23 established under section 690(3) of the revised school code, MCL
24 380.690, levying millages for area vocational-technical education
25 pursuant to sections 681 to 690 of the revised school code, MCL
26 380.681 to 380.690. The purpose, use, and expenditure of the
27 reimbursement shall be limited as if the funds were generated by

1 those millages.

2 ~~—— (3) Reimbursement for the millages levied in 2015-2016 shall~~
3 ~~be made in 2016-2017 at an amount per 2015-2016 membership pupil~~
4 ~~computed by subtracting from \$198,100.00 the 2015-2016 taxable~~
5 ~~value behind each membership pupil and multiplying the resulting~~
6 ~~difference by the 2015-2016 millage levied.~~

7 (3) ~~(4)~~ Reimbursement for those millages levied in 2016-2017
8 shall be made in 2017-2018 at an amount per 2016-2017 membership
9 pupil computed by subtracting from ~~\$199,000.00~~ **\$200,400.00** the
10 2016-2017 taxable value behind each membership pupil and
11 multiplying the resulting difference by the 2016-2017 millage
12 levied, and then subtracting from that amount the 2016-2017 local
13 community stabilization share revenue for area vocational technical
14 education behind each membership pupil for reimbursement of
15 personal property exemption loss under the local community
16 stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362.

17 **(4) REIMBURSEMENT FOR THOSE MILLAGES LEVIED IN 2017-2018 SHALL**
18 **BE MADE IN 2018-2019 AT AN AMOUNT PER 2017-2018 MEMBERSHIP PUPIL**
19 **COMPUTED BY SUBTRACTING FROM \$205,600.00 THE 2017-2018 TAXABLE**
20 **VALUE BEHIND EACH MEMBERSHIP PUPIL AND MULTIPLYING THE RESULTING**
21 **DIFFERENCE BY THE 2017-2018 MILLAGE LEVIED, AND THEN SUBTRACTING**
22 **FROM THAT AMOUNT THE 2017-2018 LOCAL COMMUNITY STABILIZATION SHARE**
23 **REVENUE FOR AREA VOCATIONAL TECHNICAL EDUCATION BEHIND EACH**
24 **MEMBERSHIP PUPIL FOR REIMBURSEMENT OF PERSONAL PROPERTY EXEMPTION**
25 **LOSS UNDER THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA**
26 **86, MCL 123.1341 TO 123.1362.**

27 (5) The amount paid to a single intermediate district under

1 this section shall not exceed 38.4% of the total amount allocated
2 under subsection (2).

3 (6) The amount paid to a single intermediate district under
4 this section shall not be less than 75% of the amount allocated to
5 the intermediate district under this section for the immediately
6 preceding fiscal year.

7 Sec. 64b. (1) From the appropriation in section 11, there is
8 allocated an amount not to exceed \$1,750,000.00 for ~~2017-2018-2018-~~
9 **2019** for supplemental payments to districts that support the
10 attendance of district pupils in grades 9 to 12 under the
11 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
12 388.524, or under the career and technical preparation act, 2000 PA
13 258, MCL 388.1901 to 388.1913, consistent with section 21b, or that
14 support the attendance of district pupils in a concurrent
15 enrollment program if the district meets the requirements under
16 subsection (3). Programs funded under this section are intended to
17 increase the number of pupils who are college- and career-ready
18 upon high school graduation.

19 (2) To be eligible for payments under this section for
20 supporting the attendance of district pupils under the
21 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
22 388.524, or under the career and technical preparation act, 2000 PA
23 258, MCL 388.1901 to 388.1913, a district shall do all of the
24 following:

25 (a) Provide information to all high school pupils on
26 postsecondary enrollment options, including enrollment eligibility,
27 the institutions and types of courses that are eligible for

1 participation, the decision-making process for granting academic
2 credit, and an explanation of eligible charges that will be paid by
3 the district.

4 (b) Enter into a written agreement with a postsecondary
5 institution before the enrollment of district pupils.

6 (c) Agree to pay all eligible charges pursuant to section 21b.

7 (d) Award high school credit for the postsecondary course if
8 the pupil successfully completes the course.

9 (3) To be eligible for payments under this section for pupils
10 enrolled in a concurrent enrollment program, a district shall do
11 all of the following:

12 (a) Provide information to all high school pupils on
13 postsecondary enrollment options, including enrollment eligibility,
14 the institutions and types of courses that are eligible for
15 participation, the decision-making process for granting academic
16 credit, and an explanation of eligible charges that will be paid by
17 the district.

18 (b) Enter into a written agreement with a postsecondary
19 institution establishing the concurrent enrollment program before
20 the enrollment of district pupils in a postsecondary course through
21 the postsecondary institution.

22 (c) Ensure that the course is taught by either a high school
23 teacher or postsecondary faculty pursuant to standards established
24 by the postsecondary institution with which the district has
25 entered into a written agreement to operate the concurrent
26 enrollment program.

27 (d) Ensure that the written agreement provides that the

1 postsecondary institution agrees not to charge the pupil for any
2 cost of the program.

3 (e) Ensure that the course is taught in the local district or
4 intermediate district.

5 (f) Ensure that the pupil is awarded both high school and
6 college credit at a community college or state public university in
7 this state upon successful completion of the course as outlined in
8 the agreement with the postsecondary institution.

9 (4) Funds shall be awarded to eligible districts under this
10 section in the following manner:

11 (a) A payment of \$10.00 per credit, for up to 3 credits, for a
12 credit-bearing course in which a pupil enrolls during the current
13 school year, as described under either subsection (2) or (3).

14 (b) An additional payment of \$30.00 per-pupil per course
15 identified in subdivision (a), if the pupil successfully completes,
16 and is awarded both high school and postsecondary credit for, the
17 course during the current school year.

18 (5) A district requesting payment under this section shall
19 submit an application to the department in the form and manner
20 prescribed by the department. Notwithstanding section 17b, payments
21 under this section shall be made on a schedule determined by the
22 department.

23 Sec. 65. (1) From the general fund money appropriated under
24 section 11, there is allocated an amount not to exceed ~~\$340,000.00~~
25 ~~for 2017-2018~~ **\$500,000.00 FOR 2018-2019** for a pre-college
26 engineering K-12 educational program that is focused on the
27 development of a diverse future Michigan workforce, that serves

1 multiple communities within southeast Michigan, that enrolls pupils
2 from multiple districts, and that received funds appropriated for
3 this purpose in the appropriations act that provided the Michigan
4 strategic fund budget for 2014-2015.

5 (2) To be eligible for funding under this section, a program
6 must have the ability to expose pupils to, and motivate and prepare
7 pupils for, science, technology, engineering, and mathematics
8 careers and postsecondary education with special attention given to
9 groups of pupils who are at-risk and underrepresented in technical
10 professions and careers.

11 Sec. 67. (1) From the general fund amount appropriated in
12 section 11, there is allocated an amount not to exceed
13 \$3,000,000.00 for ~~2017-2018~~ **2018-2019** for college access programs.
14 The programs funded under this section are intended to inform
15 students of college and career options and to provide resources
16 intended to increase the number of pupils who are adequately
17 prepared with the information needed to make informed decisions on
18 college and career. The funds appropriated under this section are
19 intended to be used to increase the number of Michigan residents
20 with high-quality degrees or credentials. Funds appropriated under
21 this section shall not be used to supplant funding for counselors
22 already funded by districts.

23 (2) The talent investment agency of the department of talent
24 and economic development shall administer funds allocated under
25 this section in collaboration with the Michigan college access
26 network. These funds may be used for any of the following purposes:

27 (a) Michigan college access network operations, programming,

1 and services to local college access networks.

2 (b) Local college access networks, which are community-based
3 college access/success partnerships committed to increasing the
4 college participation and completion rates within geographically
5 defined communities through a coordinated strategy.

6 (c) The Michigan college advising program, a program intended
7 to place trained, recently graduated college advisors in high
8 schools that serve significant numbers of low-income and first-
9 generation college-going pupils. State funds used for this purpose
10 may not exceed 33% of the total funds available under this
11 subsection.

12 (d) Subgrants of up to \$5,000.00 to districts with
13 comprehensive high schools that establish a college access team and
14 implement specific strategies to create a college-going culture in
15 a high school in a form and manner approved by the Michigan college
16 access network and the Michigan talent investment agency.

17 (e) The Michigan college access portal, an online one-stop
18 portal to help pupils and families plan and apply for college.

19 (f) Public awareness and outreach campaigns to encourage low-
20 income and first-generation college-going pupils to take necessary
21 steps toward college and to assist pupils and families in
22 completing a timely and accurate free application for federal
23 student aid.

24 (g) Subgrants to postsecondary institutions to recruit, hire,
25 and train college student mentors and college advisors to assist
26 high school pupils in navigating the postsecondary planning and
27 enrollment process.

1 (3) For the purposes of this section, "college" means any
2 postsecondary educational opportunity that leads to a career,
3 including, but not limited to, a postsecondary degree, industry-
4 recognized technical certification, or registered apprenticeship.

5 Sec. 74. (1) From the amount appropriated in section 11, there
6 is allocated an amount not to exceed ~~\$3,730,300.00 for 2017-2018~~
7 **\$3,754,900.00 FOR 2018-2019** for the purposes of this section.

8 (2) From the allocation in subsection (1), there is allocated
9 for each fiscal year the amount necessary for payments to state
10 supported colleges or universities and intermediate districts
11 providing school bus driver safety instruction pursuant to section
12 51 of the pupil transportation act, 1990 PA 187, MCL 257.1851. The
13 payments shall be in an amount determined by the department not to
14 exceed the actual cost of instruction and driver compensation for
15 each public or nonpublic school bus driver attending a course of
16 instruction. For the purpose of computing compensation, the hourly
17 rate allowed each school bus driver shall not exceed the hourly
18 rate received for driving a school bus. Reimbursement compensating
19 the driver during the course of instruction shall be made by the
20 department to the college or university or intermediate district
21 providing the course of instruction.

22 (3) From the allocation in subsection (1), there is allocated
23 for ~~2017-2018~~**2018-2019** the amount necessary to pay the reasonable
24 costs of nonspecial education auxiliary services transportation
25 provided pursuant to section 1323 of the revised school code, MCL
26 380.1323. Districts funded under this subsection shall not receive
27 funding under any other section of this article for nonspecial

1 education auxiliary services transportation.

2 (4) From the funds allocated in subsection (1), there is
3 allocated an amount not to exceed ~~\$1,705,300.00 for 2017-2018~~
4 **\$1,729,900.00 FOR 2018-2019** for reimbursement to districts and
5 intermediate districts for costs associated with the inspection of
6 school buses and pupil transportation vehicles by the department of
7 state police as required under section 715a of the Michigan vehicle
8 code, 1949 PA 300, MCL 257.715a, and section 39 of the pupil
9 transportation act, 1990 PA 187, MCL 257.1839. The department of
10 state police shall prepare a statement of costs attributable to
11 each district for which bus inspections are provided and submit it
12 to the department and to an intermediate district serving as
13 fiduciary in a time and manner determined jointly by the department
14 and the department of state police. Upon review and approval of the
15 statement of cost, the department shall forward to the designated
16 intermediate district serving as fiduciary the amount of the
17 reimbursement on behalf of each district and intermediate district
18 for costs detailed on the statement within 45 days after receipt of
19 the statement. The designated intermediate district shall make
20 payment in the amount specified on the statement to the department
21 of state police within 45 days after receipt of the statement. The
22 total reimbursement of costs under this subsection shall not exceed
23 the amount allocated under this subsection. Notwithstanding section
24 17b, payments to eligible entities under this subsection shall be
25 paid on a schedule prescribed by the department.

26 Sec. 81. (1) From the appropriation in section 11, there is
27 allocated for ~~2017-2018-2018-2019~~ to the intermediate districts the

1 sum necessary, but not to exceed ~~\$67,108,000.00~~ **\$67,780,000.00** 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 ~~100%~~ **101%** of the amount
5 allocated to the intermediate district under this section for ~~2016-~~
6 ~~2017-~~ **2017-2018**. Funding provided under this section shall be used
7 to comply with requirements of this article and the revised school
8 code that are applicable to intermediate districts, and for which
9 funding is not provided elsewhere in this article, and to provide
10 technical assistance to districts as authorized by the intermediate
11 school board.

12 (3) Intermediate districts receiving funds under this section,
13 shall collaborate with the department to develop expanded
14 professional development opportunities for teachers to update and
15 expand their knowledge and skills needed to support the Michigan
16 merit curriculum.

17 (4) From the allocation in subsection (1), there is allocated
18 to an intermediate district, formed by the consolidation or
19 annexation of 2 or more intermediate districts or the attachment of
20 a total intermediate district to another intermediate school
21 district or the annexation of all of the constituent K-12 districts
22 of a previously existing intermediate school district which has
23 disorganized, an additional allotment of \$3,500.00 each fiscal year
24 for each intermediate district included in the new intermediate
25 district for 3 years following consolidation, annexation, or
26 attachment.

27 (5) In order to receive funding under this section, an

1 intermediate district shall do all of the following:

2 (a) Demonstrate to the satisfaction of the department that the
3 intermediate district employs at least 1 person who is trained in
4 pupil accounting and auditing procedures, rules, and regulations.

5 (b) Demonstrate to the satisfaction of the department that the
6 intermediate district employs at least 1 person who is trained in
7 rules, regulations, and district reporting procedures for the
8 individual-level student data that serves as the basis for the
9 calculation of the district and high school graduation and dropout
10 rates.

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

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

16 (e) Comply with section 1230g of the revised school code, MCL
17 380.1230g.

18 ~~—— (f) Comply with section 761 of the revised school code, MCL~~
19 ~~380.761.~~

20 Sec. 94. (1) From the general fund appropriation in section
21 11, there is allocated to the department for 2017-2018 an amount
22 not to exceed \$750,000.00 **AND THERE IS ALLOCATED TO THE DEPARTMENT**
23 **FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$1,500,000.00** for efforts to
24 increase the number of pupils who participate and succeed in
25 advanced placement and international baccalaureate programs, **AND,**
26 **BEGINNING IN 2018-2019, TO SUPPORT THE COLLEGE-LEVEL EXAMINATION**
27 **PROGRAM (CLEP) .**

1 (2) From the funds allocated under this section, the
2 department shall award funds to cover all or part of the costs of
3 advanced placement test fees or international baccalaureate test
4 fees and international baccalaureate registration fees for low-
5 income pupils who take an advanced placement or an international
6 baccalaureate test, **AND, BEGINNING IN 2018-2019, CLEP FEES FOR LOW-**
7 **INCOME PUPILS WHO TAKE A CLEP TEST.** ~~Payments shall not exceed~~
8 ~~\$20.00 per test completed or \$150.00 per international~~
9 ~~baccalaureate registration fees per pupil registered.~~

10 (3) The department shall only award funds under this section
11 if the department determines that all of the following criteria are
12 met:

13 (a) Each pupil for whom payment is made meets eligibility
14 requirements of the federal advanced placement test fee program
15 under section 1701 of the no child left behind act of 2001, Public
16 Law 107-110, or under a corresponding provision of the every
17 student succeeds act, Public Law 114-95.

18 (b) The tests are administered by the college board, the
19 international baccalaureate organization, or another test provider
20 approved by the department.

21 (c) The pupil for whom payment is made pays at least \$5.00
22 toward the cost of each test for which payment is made.

23 (4) The department shall establish procedures for awarding
24 funds under this section.

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

27 Sec. 94a. (1) There is created within the state budget office

1 in the department of technology, management, and budget the center
2 for educational performance and information. The center shall do
3 all of the following:

4 (a) Coordinate the collection of all data required by state
5 and federal law from districts, intermediate districts, and
6 postsecondary institutions.

7 (b) Create, maintain, and enhance this state's P-20
8 longitudinal data system and ensure that it meets the requirements
9 of subsection (4).

10 (c) Collect data in the most efficient manner possible in
11 order to reduce the administrative burden on reporting entities,
12 including, but not limited to, electronic transcript services.

13 (d) Create, maintain, and enhance this state's web-based
14 educational portal to provide information to school leaders,
15 teachers, researchers, and the public in compliance with all
16 federal and state privacy laws. Data shall include, but are not
17 limited to, all of the following:

18 (i) Data sets that link teachers to student information,
19 allowing districts to assess individual teacher impact on student
20 performance and consider student growth factors in teacher and
21 principal evaluation systems.

22 (ii) Data access or, if practical, data sets, provided for
23 regional data hubs that, in combination with local data, can
24 improve teaching and learning in the classroom.

25 (iii) Research-ready data sets for researchers to perform
26 research that advances this state's educational performance.

27 (e) Provide data in a useful manner to allow state and local

1 policymakers to make informed policy decisions.

2 (f) Provide public reports to the citizens of this state to
3 allow them to assess allocation of resources and the return on
4 their investment in the education system of this state.

5 (g) Other functions as assigned by the state budget director.

6 (2) Each state department, officer, or agency that collects
7 information from districts, intermediate districts, or
8 postsecondary institutions as required under state or federal law
9 shall make arrangements with the center to ensure that the state
10 department, officer, or agency is in compliance with subsection
11 (1). This subsection does not apply to information collected by the
12 department of treasury under the uniform budgeting and accounting
13 act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal
14 finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond
15 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
16 388.1939; or section 1351a of the revised school code, MCL
17 380.1351a.

18 (3) The center may enter into any interlocal agreements
19 necessary to fulfill its functions.

20 (4) The center shall ensure that the P-20 longitudinal data
21 system required under subsection (1)(b) meets all of the following:

22 (a) Includes data at the individual student level from
23 preschool through postsecondary education and into the workforce.

24 (b) Supports interoperability by using standard data
25 structures, data formats, and data definitions to ensure linkage
26 and connectivity in a manner that facilitates the exchange of data
27 among agencies and institutions within the state and between

1 states.

2 (c) Enables the matching of individual teacher and student
3 records so that an individual student may be matched with those
4 teachers providing instruction to that student.

5 (d) Enables the matching of individual teachers with
6 information about their certification and the institutions that
7 prepared and recommended those teachers for state certification.

8 (e) Enables data to be easily generated for continuous
9 improvement and decision-making, including timely reporting to
10 parents, teachers, and school leaders on student achievement.

11 (f) Ensures the reasonable quality, validity, and reliability
12 of data contained in the system.

13 (g) Provides this state with the ability to meet federal and
14 state reporting requirements.

15 (h) For data elements related to preschool through grade 12
16 and postsecondary, meets all of the following:

17 (i) Contains a unique statewide student identifier that does
18 not permit a student to be individually identified by users of the
19 system, except as allowed by federal and state law.

20 (ii) Contains student-level enrollment, demographic, and
21 program participation information.

22 (iii) Contains student-level information about the points at
23 which students exit, transfer in, transfer out, drop out, or
24 complete education programs.

25 (iv) Has the capacity to communicate with higher education
26 data systems.

27 (i) For data elements related to preschool through grade 12

1 only, meets all of the following:

2 (i) Contains yearly test records of individual students for
3 assessments approved by DED-OESE for accountability purposes under
4 section 1111(b) of the elementary and secondary education act of
5 1965, 20 USC 6311, including information on individual students not
6 tested, by grade and subject.

7 (ii) Contains student-level transcript information, including
8 information on courses completed and grades earned.

9 (iii) Contains student-level college readiness test scores.

10 (j) For data elements related to postsecondary education only:

11 (i) Contains data that provide information regarding the
12 extent to which individual students transition successfully from
13 secondary school to postsecondary education, including, but not
14 limited to, all of the following:

15 (A) Enrollment in remedial coursework.

16 (B) Completion of 1 year's worth of college credit applicable
17 to a degree within 2 years of enrollment.

18 (ii) Contains data that provide other information determined
19 necessary to address alignment and adequate preparation for success
20 in postsecondary education.

21 (5) From the general fund appropriation in section 11, there
22 is allocated an amount not to exceed ~~\$10,173,200.00 for 2016-2017~~
23 ~~and an amount not to exceed \$16,216,000.00 for 2017-2018-2018-2019~~
24 to the department of technology, management, and budget to support
25 the operations of the center. In addition, from the federal funds
26 appropriated in section 11 there is allocated for ~~each fiscal year~~
27 ~~for 2016-2017 and for 2017-2018-2018-2019~~ the amount necessary,

1 estimated at \$193,500.00, to support the operations of the center
2 and to establish a P-20 longitudinal data system necessary for
3 state and federal reporting purposes. The center shall cooperate
4 with the department to ensure that this state is in compliance with
5 federal law and is maximizing opportunities for increased federal
6 funding to improve education in this state.

7 (6) From the funds allocated in subsection (5), the center may
8 use an amount determined by the center for competitive grants for
9 ~~2017-2018-2018-2019~~ to support collaborative efforts on the P-20
10 longitudinal data system. All of the following apply to grants
11 awarded under this subsection:

12 (a) The center shall award competitive grants to eligible
13 intermediate districts or a consortium of intermediate districts
14 based on criteria established by the center.

15 (b) Activities funded under the grant shall support the P-20
16 longitudinal data system portal and may include portal hosting,
17 hardware and software acquisition, maintenance, enhancements, user
18 support and related materials, and professional learning tools and
19 activities aimed at improving the utility of the P-20 longitudinal
20 data system.

21 (c) An applicant that received a grant under this subsection
22 for the immediately preceding fiscal year shall receive priority
23 for funding under this section. However, after 3 fiscal years of
24 continuous funding, an applicant is required to compete openly with
25 new applicants.

26 (7) Funds allocated under this section that are not expended
27 in the fiscal year in which they were allocated may be carried

1 forward to a subsequent fiscal year and are appropriated for the
2 purposes for which the funds were originally allocated.

3 (8) The center may bill departments as necessary in order to
4 fulfill reporting requirements of state and federal law. The center
5 may also enter into agreements to supply custom data, analysis, and
6 reporting to other principal executive departments, state agencies,
7 local units of government, and other individuals and organizations.
8 The center may receive and expend funds in addition to those
9 authorized in subsection (5) to cover the costs associated with
10 salaries, benefits, supplies, materials, and equipment necessary to
11 provide such data, analysis, and reporting services.

12 (9) As used in this section:

13 (a) "DED-OESE" means the United States Department of Education
14 Office of Elementary and Secondary Education.

15 (b) "State education agency" means the department.

16 Sec. 95b. (1) From the general fund appropriation under
17 section 11, there is allocated to the department an amount not to
18 exceed \$2,500,000.00 for ~~2017-2018~~**2018-2019** for the department to
19 adopt a model value-added growth and projection analytics system
20 and to incorporate that model into its reporting requirements under
21 the every student succeeds act, Public Law 114-95. The adopted
22 model shall do at least all of the following:

23 (a) Utilize existing assessments and any future assessments
24 that are suitable for measuring student growth.

25 (b) Report student growth measures at the district, school,
26 teacher, and subgroup levels.

27 (c) Recognize the growth of tested students, including those

1 who may have missing assessment data.

2 (d) Include all available prior standardized assessment data
3 that meet inclusion criteria across grades, subjects, and state and
4 local assessments.

5 (e) Allow student growth results to be disaggregated.

6 (f) Provide individual student projections showing the
7 probability of a student reaching specific performance levels on
8 future assessments.

9 (g) Demonstrate any prior success with this state's
10 assessments through the Michigan council of educator effectiveness
11 teacher evaluation pilot.

12 (h) Demonstrate prior statewide implementation in at least 2
13 other states for at least 10 years.

14 (i) Have a native roster verification system built into the
15 value-added reporting platform that has been implemented statewide
16 in at least 2 other states.

17 (j) Have a "Help/Contact Us" ticketing system built into the
18 value-added reporting platform.

19 (2) The department shall provide internet-based electronic
20 student growth and projection reporting based on the model adopted
21 under subsection (1) to educators at the school, district, and
22 state levels. The model shall include role-based permissions that
23 allow educators to access information about the performance of the
24 students within their immediate responsibility in accordance with
25 applicable privacy laws.

26 (3) The model adopted under subsection (1) must not be a
27 mandatory part of teacher evaluation or educator pay-for-

1 performance systems.

2 SEC. 95C. (1) THE DEPARTMENT SHALL CREATE THE MICHIGAN TEACHER
3 COUNCIL WITHIN THE DEPARTMENT FOR THE FOLLOWING PURPOSES:

4 (A) PROVIDE FEEDBACK TO THE SUPERINTENDENT OF PUBLIC
5 INSTRUCTION, THE STATE BOARD, AND THE LEGISLATURE ON INITIATIVES
6 THAT IT CONSIDERS CRITICAL TO THE DEVELOPMENT OF ATTRACTING,
7 PREPARING, AND RETAINING TEACHERS.

8 (B) PROVIDE GUIDANCE ON BEST PRACTICES FOR DEVELOPING THE
9 PROFESSION OF TEACHING, INCLUDING, BUT NOT LIMITED TO, EFFECTIVE
10 PREPARATION AND COMPENSATION, AND FOR CREATING THE BEST TEACHER
11 INFRASTRUCTURE TO SERVE THIS STATE.

12 (C) PROVIDE ADVICE TO THE GOVERNOR AND THE LEGISLATURE ON
13 SUBJECTS REGARDING PUBLIC EDUCATION, INCLUDING, BUT NOT LIMITED TO,
14 BUILDING A MODEL FOR TEACHER COMPENSATION, REWARDING TEACHERS FOR
15 EXEMPLARY SERVICE, MAKING THE TEACHING PROFESSION AN ATTRACTIVE
16 OPTION FOR PROSPECTIVE EDUCATORS, AND INSTITUTING PRACTICES THAT
17 HELP RETAIN QUALITY TEACHERS IN THE CLASSROOM.

18 (2) THE MICHIGAN TEACHER COUNCIL SHALL CONSIST OF THE
19 FOLLOWING MEMBERS:

20 (A) TWO MEMBERS WHO ARE PARTICIPATING IN A HIGHER EDUCATION
21 TEACHER PREPARATION PROGRAM, APPOINTED BY THE GOVERNOR.

22 (B) FOUR MEMBERS WHO ARE PUBLIC SCHOOL TEACHERS IN THIS STATE
23 APPOINTED AS FOLLOWS:

24 (i) ONE MEMBER APPOINTED BY THE MAJORITY LEADER OF THE SENATE.

25 (ii) ONE MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF
26 REPRESENTATIVES.

27 (iii) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE

1 SENATE.

2 (iv) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE HOUSE
3 OF REPRESENTATIVES.

4 (C) ONE MEMBER APPOINTED BY THE SUPERINTENDENT OF PUBLIC
5 INSTRUCTION NOMINATED BY THE MICHIGAN EDUCATION ASSOCIATION.

6 (D) ONE MEMBER APPOINTED BY THE SUPERINTENDENT OF PUBLIC
7 INSTRUCTION NOMINATED BY THE AMERICAN FEDERATION OF TEACHERS.

8 (E) THREE MEMBERS APPOINTED BY THE STATE BOARD AS FOLLOWS:

9 (i) ONE MEMBER WHO IS A REPRESENTATIVE OF A SCHOOL MANAGEMENT
10 ORGANIZATION.

11 (ii) ONE MEMBER WHO IS A REPRESENTATIVE OF A NONPROFIT
12 ORGANIZATION THAT ENGAGES IN TEACHER AND EDUCATION RESEARCH.

13 (iii) ONE MEMBER WHO IS A SUPERINTENDENT OF A SCHOOL DISTRICT.

14 (3) MEMBERS SHALL BE APPOINTED TO THE COUNCIL WITHIN 90 DAYS
15 AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
16 SECTION AND SHALL SERVE FOR 4 YEARS OR UNTIL A SUCCESSOR IS
17 APPOINTED. VACANCIES SHALL BE FILLED IN THE SAME MANNER AS THE
18 ORIGINAL APPOINTMENT.

19 (4) AT THE FIRST MEETING, THE COUNCIL SHALL ELECT A
20 CHAIRPERSON. THE COUNCIL SHALL MEET AT LEAST QUARTERLY AND MORE
21 FREQUENTLY IF CALLED FOR BY THE CHAIRPERSON OR A MAJORITY OF THE
22 MEMBERS. A MAJORITY OF THE MEMBERS IS REQUIRED FOR A QUORUM. ALL
23 MEETINGS SHALL BE HELD IN COMPLIANCE WITH THE OPEN MEETINGS ACT,
24 1976 PA 267, MCL 15.261 TO 15.275. ALL WRITINGS PREPARED, OWNED,
25 USED, AND IN THE POSSESSION OF THE COUNCIL ARE SUBJECT TO THE
26 FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.
27 MEMBERS SHALL NOT BE COMPENSATED FOR THEIR SERVICE, BUT MAY BE

1 REIMBURSED FOR THEIR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE
2 PERFORMANCE OF THEIR DUTIES ON THE COUNCIL.

3 Sec. 98. (1) From the general fund money appropriated in
4 section 11, there is allocated an amount not to exceed
5 \$7,387,500.00 for ~~2017-2018-2018-2019~~ for the purposes described in
6 this section. The Michigan Virtual University shall provide a
7 report to the legislature not later than November 1 ~~, 2017-~~**OF EACH**
8 **YEAR** that includes its mission, its plans, and proposed benchmarks
9 it must meet, which shall include a plan to achieve a ~~50% increase~~
10 ~~in documented improvement in each requirement of the Michigan~~
11 ~~Virtual Learning Research Institute and Michigan Virtual School,~~
12 ~~and all other-~~**THE** organizational priorities identified in this
13 section, in order to receive full funding for ~~2018-2019-~~**2019-2020.**
14 Not later than March 1 ~~, 2018,~~**OF EACH YEAR,** the Michigan Virtual
15 University shall provide an update to the house and senate
16 appropriations subcommittees on school aid to show the progress
17 being made to meet the benchmarks identified.

18 (2) The Michigan Virtual University shall operate the Michigan
19 Virtual Learning Research Institute. The Michigan Virtual Learning
20 Research Institute shall do all of the following:

21 (a) Support and accelerate innovation in education through the
22 following activities:

23 (i) Test, evaluate, and recommend as appropriate new
24 technology-based instructional tools and resources.

25 (ii) Research, design, and recommend virtual education
26 delivery models for use by pupils and teachers that include age-
27 appropriate multimedia instructional content.

1 (iii) Research, develop, and recommend annually to the
2 department criteria by which cyber schools and virtual course
3 providers should be monitored and evaluated to ensure a quality
4 education for their pupils.

5 (iv) Based on pupil completion and performance data reported
6 to the department or the center for educational performance and
7 information from cyber schools and other virtual course providers
8 operating in this state, analyze the effectiveness of virtual
9 learning delivery models in preparing pupils to be college- and
10 career-ready and publish a report that highlights enrollment
11 totals, completion rates, and the overall impact on pupils. The
12 report shall be submitted to the house and senate appropriations
13 subcommittees on state school aid, the state budget director, the
14 house and senate fiscal agencies, the department, districts, and
15 intermediate districts not later than March 31 ~~, 2018~~. **OF EACH YEAR.**

16 (v) Provide an extensive professional development program to
17 at least 30,000 educational personnel, including teachers, school
18 administrators, and school board members, that focuses on the
19 effective integration of virtual learning into curricula and
20 instruction. The Michigan Virtual Learning Research Institute is
21 encouraged to work with the MiSTEM advisory council created under
22 section 99s to coordinate professional development of teachers in
23 applicable fields. In addition, the Michigan Virtual Learning
24 Research Institute and external stakeholders are encouraged to
25 coordinate with the department for professional development in this
26 state. Not later than December 1 ~~, 2018~~, **OF EACH YEAR**, the Michigan
27 Virtual Learning Research Institute shall submit a report to the

1 house and senate appropriations subcommittees on state school aid,
2 the state budget director, the house and senate fiscal agencies,
3 and the department on the number ~~and percentage~~ of teachers, school
4 administrators, and school board members who have received
5 professional development services from the Michigan Virtual
6 University. The report shall also identify barriers and other
7 opportunities to encourage the adoption of virtual learning in the
8 public education system.

9 (vi) Identify and share best practices for planning,
10 implementing, and evaluating virtual and blended education delivery
11 models with intermediate districts, districts, and public school
12 academies to accelerate the adoption of innovative education
13 delivery models statewide.

14 (b) Provide leadership for this state's system of virtual
15 learning education by doing the following activities:

16 (i) Develop and report policy recommendations to the governor
17 and the legislature that accelerate the expansion of effective
18 virtual learning in this state's schools.

19 (ii) Provide a clearinghouse for research reports, academic
20 studies, evaluations, and other information related to virtual
21 learning.

22 (iii) Promote and distribute the most current instructional
23 design standards and guidelines for virtual teaching.

24 (iv) In collaboration with the department and interested
25 colleges and universities in this state, support implementation and
26 improvements related to effective virtual learning instruction.

27 (v) Pursue public/private partnerships that include districts

1 to study and implement competency-based technology-rich virtual
2 learning models.

3 (vi) Create a statewide network of school-based mentors
4 serving as liaisons between pupils, virtual instructors, parents,
5 and school staff, as provided by the department or the center, and
6 provide mentors with research-based training and technical
7 assistance designed to help more pupils be successful virtual
8 learners.

9 (vii) Convene focus groups and conduct annual surveys of
10 teachers, administrators, pupils, parents, and others to identify
11 barriers and opportunities related to virtual learning.

12 (viii) Produce an annual consumer awareness report for schools
13 and parents about effective virtual education providers and
14 education delivery models, performance data, cost structures, and
15 research trends.

16 (ix) ~~Research and establish~~ **PROVIDE** an internet-based platform
17 that educators can use to create student-centric learning tools and
18 resources **FOR SHARING IN THE STATE'S OPEN EDUCATIONAL RESOURCE**
19 **REPOSITORY** and facilitate a user network that assists educators in
20 using the **CONTENT CREATION** platform **AND STATE REPOSITORY FOR OPEN**
21 **EDUCATIONAL RESOURCES**. As part of this initiative, the Michigan
22 Virtual University shall work collaboratively with districts and
23 intermediate districts to establish a plan to make available
24 virtual resources that align to Michigan's K-12 curriculum
25 standards for use by students, educators, and parents.

26 (x) Create and maintain a public statewide catalog of virtual
27 learning courses being offered by all public schools and community

1 colleges in this state. The Michigan Virtual Learning Research
2 Institute shall identify and develop a list of nationally
3 recognized best practices for virtual learning and use this list to
4 support reviews of virtual course vendors, courses, and
5 instructional practices. The Michigan Virtual Learning Research
6 Institute shall also provide a mechanism for intermediate districts
7 to use the identified best practices to review content offered by
8 constituent districts. The Michigan Virtual Learning Research
9 Institute shall review the virtual course offerings of the Michigan
10 Virtual University, and make the results from these reviews
11 available to the public as part of the statewide catalog. The
12 Michigan Virtual Learning Research Institute shall ensure that the
13 statewide catalog is made available to the public on the Michigan
14 Virtual University website and shall allow the ability to link it
15 to each district's website as provided for in section 21f. The
16 statewide catalog shall also contain all of the following:

17 (A) The number of enrollments in each virtual course in the
18 immediately preceding school year.

19 (B) The number of enrollments that earned 60% or more of the
20 total course points for each virtual course in the immediately
21 preceding school year.

22 (C) The ~~completion~~**PASS** rate for each virtual course.

23 (xi) ~~Develop prototype and pilot~~**SUPPORT** registration, payment
24 services, and transcript functionality ~~to~~**FOR** the statewide catalog
25 and train key stakeholders on how to use new features.

26 (xii) Collaborate with key stakeholders to examine district
27 level accountability and teacher effectiveness issues related to

1 virtual learning under section 21f and make findings and
2 recommendations publicly available.

3 (xiii) Provide a report on the activities of the Michigan
4 Virtual Learning Research Institute.

5 (3) To further enhance its expertise and leadership in virtual
6 learning, the Michigan Virtual University shall continue to operate
7 the Michigan Virtual School as a statewide laboratory and quality
8 model of instruction by implementing virtual and blended learning
9 solutions for Michigan schools in accordance with the following
10 parameters:

11 (a) The Michigan Virtual School must maintain its
12 accreditation status from recognized national and international
13 accrediting entities.

14 (b) The Michigan Virtual University shall use no more than
15 \$1,000,000.00 of the amount allocated under this section to
16 subsidize the cost paid by districts for virtual courses.

17 (c) In providing educators responsible for the teaching of
18 virtual courses as provided for in this section, the Michigan
19 Virtual School shall follow the requirements to request and assess,
20 and the department of state police shall provide, a criminal
21 history check and criminal records check under sections 1230 and
22 1230a of the revised school code, MCL 380.1230 and 380.1230a, in
23 the same manner as if the Michigan Virtual School were a school
24 district under those sections.

25 (4) From the funds allocated under subsection (1), the
26 Michigan Virtual University shall allocate up to \$500,000.00 to
27 support the expansion of new online and blended educator

1 professional development programs.

2 (5) If the course offerings are included in the statewide
3 catalog of virtual courses under subsection (2)(b)(x), the Michigan
4 Virtual School operated by the Michigan Virtual University may
5 offer virtual course offerings, including, but not limited to, all
6 of the following:

7 (a) Information technology courses.

8 (b) College level equivalent courses, as defined in section
9 1471 of the revised school code, MCL 380.1471.

10 (c) Courses and dual enrollment opportunities.

11 (d) Programs and services for at-risk pupils.

12 (e) High school equivalency test preparation courses for
13 adjudicated youth.

14 (f) Special interest courses.

15 (g) Professional development programs for teachers, school
16 administrators, other school employees, and school board members.

17 (6) If a home-schooled or nonpublic school student is a
18 resident of a district that subscribes to services provided by the
19 Michigan Virtual School, the student may use the services provided
20 by the Michigan Virtual School to the district without charge to
21 the student beyond what is charged to a district pupil using the
22 same services.

23 (7) Not later than December 1 of each fiscal year, the
24 Michigan Virtual University shall provide a report to the house and
25 senate appropriations subcommittees on state school aid, the state
26 budget director, the house and senate fiscal agencies, and the
27 department that includes at least all of the following information

1 related to the Michigan Virtual School for the preceding state
2 fiscal year:

3 (a) A list of the districts served by the Michigan Virtual
4 School.

5 (b) A list of virtual course titles available to districts.

6 (c) The total number of virtual course enrollments and
7 information on registrations and completions by course.

8 (d) The overall course completion rate percentage.

9 (8) In addition to the information listed in subsection (7),
10 the report under subsection (7) shall also include a plan to serve
11 at least 600 schools with courses from the Michigan Virtual School
12 or with content available through the internet-based platform
13 identified in subsection (2)(b)(ix).

14 (9) The governor may appoint an advisory group for the
15 Michigan Virtual Learning Research Institute established under
16 subsection (2). The members of the advisory group shall serve at
17 the pleasure of the governor and shall serve without compensation.
18 The purpose of the advisory group is to make recommendations to the
19 governor, the legislature, and the president and board of the
20 Michigan Virtual University that will accelerate innovation in this
21 state's education system in a manner that will prepare elementary
22 and secondary students to be career and college ready and that will
23 promote the goal of increasing the percentage of citizens of this
24 state with high-quality degrees and credentials to at least 60% by
25 2025.

26 (10) Not later than November 1 ~~, 2017,~~ **OF EACH YEAR,** the
27 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 detailed
3 budget for ~~the 2017-2018~~ **THAT** fiscal year that includes a breakdown
4 on its projected costs to deliver virtual educational services to
5 districts and a summary of the anticipated fees to be paid by
6 districts for those services. Not later than March 1 each year, the
7 Michigan Virtual University shall submit to the house and senate
8 appropriations subcommittees on state school aid, the state budget
9 director, and the house and senate fiscal agencies a breakdown on
10 its actual costs to deliver virtual educational services to
11 districts and a summary of the actual fees paid by districts for
12 those services based on audited financial statements for the
13 immediately preceding fiscal year.

14 (11) As used in this section:

15 (a) "Blended learning" means a hybrid instructional delivery
16 model where pupils are provided content, instruction, and
17 assessment, in part at a supervised educational facility away from
18 home where the pupil and a teacher with a valid Michigan teaching
19 certificate are in the same physical location and in part through
20 internet-connected learning environments with some degree of pupil
21 control over time, location, and pace of instruction.

22 (b) "Cyber school" means a full-time instructional program of
23 virtual courses for pupils that may or may not require attendance
24 at a physical school location.

25 (c) "Virtual course" means a course of study that is capable
26 of generating a credit or a grade and that is provided in an
27 interactive learning environment in which the majority of the

1 curriculum is delivered using the internet and in which pupils are
2 separated from their instructor or teacher of record by time or
3 location, or both.

4 Sec. 99h. (1) From the state school aid fund appropriation in
5 section 11, there is allocated an amount not to exceed
6 \$2,500,000.00 for ~~2017-2018-2018-2019~~ for competitive grants to
7 districts **AND INTERMEDIATE DISTRICTS**, and from the general fund
8 appropriation in section 11, there is allocated an amount not to
9 exceed \$300,000.00 for ~~2017-2018-2018-2019~~ for competitive grants
10 to nonpublic schools ~~—~~that provide pupils in grades K to 12 with
11 expanded opportunities to improve mathematics, science, and
12 technology skills by participating in events hosted by a science
13 and technology development program known as FIRST (for inspiration
14 and recognition of science and technology) Robotics, including JR
15 FIRST Lego League, FIRST Lego League, FIRST tech challenge, and
16 FIRST Robotics competition, **OR EVENTS HOSTED BY THE ROBOTICS**
17 **EDUCATION AND COMPETITION (REC) FOUNDATION**. Programs funded under
18 this section are intended to increase the number of pupils
19 demonstrating proficiency in science and mathematics on the state
20 assessments and to increase the number of pupils who are college-
21 and career-ready upon high school graduation. Notwithstanding
22 section 17b, grant payments to districts, ~~and nonpublic schools,~~
23 **AND INTERMEDIATE DISTRICTS** under this section shall be paid on a
24 schedule determined by the department. The department shall set
25 maximum grant awards for each different level of competition in a
26 manner that both maximizes the number of teams that will be able to
27 receive funds and expands the geographical distribution of teams.

1 (2) A district, ~~or nonpublic school~~, **OR INTERMEDIATE DISTRICT**
2 applying for a grant under this section shall submit an application
3 in a form and manner determined by the department. To be eligible
4 for a grant, a district, ~~or nonpublic school~~, **OR INTERMEDIATE**
5 **DISTRICT** shall demonstrate in its application that the district, ~~or~~
6 nonpublic school, **OR INTERMEDIATE DISTRICT** has established a
7 partnership for the purposes of the ~~FIRST Robotics~~ **ROBOTICS** program
8 with at least 1 sponsor, business entity, higher education
9 institution, or technical school, shall submit a spending plan, and
10 shall pay at least 25% of the cost of the ~~FIRST Robotics~~ **ROBOTICS**
11 program.

12 (3) The department shall distribute the grant funding under
13 this section for the following purposes:

14 (a) Grants to districts, ~~or nonpublic schools~~, **OR INTERMEDIATE**
15 **DISTRICTS** to pay for stipends not to exceed \$1,500.00 for 1 coach
16 per team.

17 (b) Grants to districts, ~~or nonpublic schools~~, **OR INTERMEDIATE**
18 **DISTRICTS** for event registrations, materials, travel costs, and
19 other expenses associated with the preparation for and attendance
20 at ~~FIRST Robotics~~ **ROBOTICS** events and competitions. Each grant
21 recipient shall provide a local match from other private or local
22 funds for the funds received under this subdivision equal to at
23 least 50% of the costs of participating in an event.

24 (c) Grants to districts, ~~or nonpublic schools~~, **OR INTERMEDIATE**
25 **DISTRICTS** for awards to teams that advance to the state and world
26 championship competitions. The department shall determine an equal
27 amount per team for those teams that advance to the state

1 championship and a second equal award amount to those teams that
2 advance to the world championship.

3 (4) A nonpublic school that receives a grant under this
4 section may use the funds for either ~~FIRST Robotics~~ **ROBOTICS** or
5 Science Olympiad programs.

6 (5) To be eligible to receive funds under this section, a
7 nonpublic school must be a nonpublic school registered with the
8 department and must meet all applicable state reporting
9 requirements for nonpublic schools.

10 Sec. 99r. (1) From the general fund appropriation under
11 section 11, there is allocated for ~~2016-2017 an amount not to~~
12 ~~exceed \$75,000.00, and there is allocated for 2017-2018-2018-2019~~
13 ~~an amount not to exceed \$250,000.00,~~ **\$400,000.00 TO THE DEPARTMENT**
14 **OF TECHNOLOGY, MANAGEMENT, AND BUDGET** to support the ~~creation~~
15 **FUNCTIONS** of the **EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT FOR THE**
16 **MiSTEM** network.

17 ~~—— (2) From the general fund allocation under this section, there~~
18 ~~is allocated for 2016-2017 an amount not to exceed \$75,000.00 to~~
19 ~~the department of technology, management, and budget to support the~~
20 ~~functions of a transitional executive director and executive~~
21 ~~assistant for the MiSTEM network. The department of technology,~~
22 ~~management, and budget shall work with the Michigan Mathematics and~~
23 ~~Science Centers Network and the MiSTEM council to hire the~~
24 ~~transitional executive director and executive assistant. The~~
25 ~~transitional executive director and executive assistant shall work~~
26 ~~with the president and executive director of the Michigan~~
27 ~~Mathematics and Science Centers Network and the chairperson and~~

~~vice chairperson of the MiSTEM council. The transitional executive director and executive assistant shall do all of the following:~~

~~—— (a) Develop a plan for the creation of MiSTEM network regions that does all of the following:~~

~~—— (i) Creates a structured relationship between the MiSTEM council, MiSTEM network executive director and executive assistant, and MiSTEM network region staff that ensures services to all regions and local communities in each region.~~

~~—— (ii) Empowers the MiSTEM network regions in a manner that creates a robust statewide STEM culture, empowers STEM teachers, integrates business and education into the MiSTEM network, and ensures high quality and equitable distribution of STEM experiences for pupils.~~

~~—— (iii) Identifies region boundaries throughout the state and identifies fiscal agents within those regions.~~

~~—— (iv) Identifies MiSTEM state and regional goals and objectives and processes by which goals and objectives shall be measured.~~

~~—— (v) Includes processes by which the MiSTEM network regions apply for MiSTEM grants, provide feedback on grant funded programming, share best practices, and create regional master plans.~~

~~—— (vi) Creates a marketing campaign, including, at least, an online presence which includes dashboards of outcomes for the MiSTEM network.~~

~~—— (b) Form a committee for the purpose of identifying each MiSTEM network region and selecting a fiscal agent and determining staffing for that region. Fiscal agents shall be an intermediate~~

~~district within the region, a university within the region, or another organization that served as fiscal agent within the Michigan Mathematics and Science Centers Network. Agencies interested in serving as the region's fiscal agent shall be included on this committee. The committee shall also include representatives of the general education leadership network and the governor's talent investment board, in addition to the math and science centers and MiSTEM council. The committee shall identify necessary staffing levels and locations of staff and determine processes by which the entire region will receive and share services. All fiscal agents for the Michigan Mathematics and Science Centers Network are required to maintain current levels of effort for the MiSTEM network as for the Michigan Mathematics and Science Centers Network.~~

~~—— (c) Establish a system to distribute and monitor MiSTEM grants during the creation of the MiSTEM network. The monitoring of the grants shall include conducting reviews of recipients and the experiences and feedback of pupils.~~

~~—— (d) Report to the governor and the legislature on the development of the MiSTEM network.~~

~~—— (e) Submit the plan developed under subdivision (a) to the governor and the legislature on or before December 1, 2017.~~

~~(2) (3) From the general fund allocation under this section, there is allocated for 2017-2018 an amount not to exceed \$250,000.00 to support a permanent executive director and an executive assistant for the MiSTEM network. After the creation of the MiSTEM network region, the transitional executive director~~

1 ~~funded under subsection (2) may be appointed as the permanent~~
2 ~~executive director, or a new permanent executive director may be~~
3 ~~hired.~~ The permanent executive director and executive assistant **FOR**
4 **THE MISTEM NETWORK** shall do all of the following:

5 (a) Serve as a liaison among and between the department, the
6 department of technology, management, and budget, the MiSTEM
7 advisory council, **THE MICHIGAN MATHEMATICS AND SCIENCE CENTERS**
8 **NETWORK, THE GOVERNOR'S TALENT INVESTMENT BOARD, THE GENERAL**
9 **EDUCATION LEADERSHIP NETWORK,** and the ~~regional-MiSTEM centers~~
10 **REGIONS** in a manner that creates a robust statewide STEM culture,
11 that empowers STEM teachers, that integrates business and education
12 into the STEM network, and that ensures high-quality STEM
13 experiences for pupils.

14 (b) Coordinate the implementation of a marketing campaign,
15 including, but not limited to, a website that includes dashboards
16 of outcomes, to build STEM awareness and communicate STEM needs and
17 opportunities to pupils, parents, educators, and the business
18 community.

19 (c) ~~Award~~ **WORK WITH THE DEPARTMENT AND THE MISTEM ADVISORY**
20 **COUNCIL TO COORDINATE, AWARD,** and monitor MiSTEM state and federal
21 grants to the MiSTEM network regions and conduct reviews of grant
22 recipients, including, but not limited to, pupil experience and
23 feedback.

24 (d) Report to the governor, the legislature, **THE DEPARTMENT,**
25 and the MiSTEM advisory council annually on the activities and
26 performance of the MiSTEM network regions.

27 (e) Coordinate recurring discussions and work with regional

1 staff to ensure that a network or loop of feedback and best
 2 practices are shared, including funding, programming, professional
 3 learning opportunities, discussion of MiSTEM strategic vision, and
 4 regional objectives.

5 (f) Coordinate major grant application efforts with the MiSTEM
 6 advisory council to assist regional staff with grant applications
 7 on a local level. The MiSTEM advisory council shall leverage
 8 private and nonprofit relationships to coordinate and align private
 9 funds in addition to funds appropriated under this section.

10 (g) Train state and regional staff in the STEMworks rating
 11 system, **IN COLLABORATION WITH THE MISTEM ADVISORY COUNCIL AND THE**
 12 **DEPARTMENT.**

13 ~~—— (h) Hire all MiSTEM network staff no later than July 1, 2018.~~

14 **(H) COLLABORATE WITH THE MISTEM NETWORK TO HIRE MISTEM NETWORK**
 15 **REGION STAFF.**

16 Sec. 99s. (1) From the funds appropriated under section 11,
 17 there is allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
 18 ~~\$6,234,300.00~~ **\$7,434,300.00** from the state school aid fund
 19 appropriation and an amount not to exceed ~~\$1,600,000.00~~ **\$250,000.00**
 20 from the general fund appropriation for Michigan science,
 21 technology, engineering, and mathematics (MiSTEM) programs. In
 22 addition, from the federal funds appropriated in section 11, there
 23 is allocated for ~~2017-2018-2018-2019~~ an amount estimated at
 24 ~~\$4,700,000.00~~ **\$3,500,000.00** from DED-OESE, title II, mathematics
 25 and science partnership grants. Programs funded under this section
 26 are intended to increase the number of pupils demonstrating
 27 proficiency in science and mathematics on the state assessments and

1 to increase the number of pupils who are college- and career-ready
2 upon high school graduation. Notwithstanding section 17b, payments
3 under this section shall be paid on a schedule determined by the
4 department.

5 (2) From the general fund allocation in subsection (1), there
6 is allocated an amount not to exceed ~~\$50,000.00~~ **\$100,000.00** to the
7 department for administrative, training, and travel costs related
8 to the MiSTEM advisory council. All of the following apply to the
9 MiSTEM advisory council funded under this subsection:

10 (a) The MiSTEM advisory council is created. The MiSTEM
11 advisory council shall provide to the governor, legislature,
12 department of talent and economic development, and department
13 recommendations designed to improve and promote innovation in STEM
14 education and to prepare students for careers in science,
15 technology, engineering, and mathematics.

16 (b) The MiSTEM advisory council created under subdivision (a)
17 shall consist of the following members:

18 (i) The governor shall appoint 11 voting members who are
19 representative of business sectors that are important to Michigan's
20 economy and rely on a STEM-educated workforce, nonprofit
21 organizations and associations that promote STEM education, K-12
22 and postsecondary education entities involved in STEM-related
23 career education, or other sectors as considered appropriate by the
24 governor. Each of these members shall serve at the pleasure of the
25 governor and for a term determined by the governor.

26 (ii) The senate majority leader shall appoint 2 members of the
27 senate to serve as nonvoting, ex-officio members of the MiSTEM

1 advisory council, including 1 majority party member and 1 minority
2 party member.

3 (iii) The speaker of the house of representatives shall
4 appoint 2 members of the house of representatives to serve as
5 nonvoting, ex-officio members of the MiSTEM advisory council,
6 including 1 majority party member and 1 minority party member.

7 (c) Each member of the MiSTEM advisory council shall serve
8 without compensation.

9 (d) The MiSTEM advisory council annually shall review and make
10 recommendations to the governor, the legislature, and the
11 department concerning changes to the statewide strategy adopted by
12 the council for delivering STEM education-related opportunities to
13 pupils. The MiSTEM advisory council shall use funds received under
14 this subsection to ensure that its members or their designees are
15 trained in the Change the Equation STEMworks rating system program
16 for the purpose of rating STEM programs.

17 (e) The MiSTEM advisory council shall make specific funding
18 recommendations for the funds allocated under subsection (3) by
19 December 15 of each fiscal year. ~~The amount of each grant~~
20 ~~recommended shall not exceed \$100,000.00.~~ Each specific funding
21 recommendation shall be for a program approved by the MiSTEM
22 advisory council. To be eligible for MiSTEM advisory council
23 approval, a program must satisfy all of the following:

24 (i) Align with this state's academic standards.

25 (ii) Have STEMworks certification.

26 (iii) Provide project-based experiential learning, student
27 programming, or educator professional learning experiences.

1 (iv) Focus predominantly on classroom-based STEM experiences
2 or professional learning experiences.

3 (f) The MiSTEM advisory council shall approve programs that
4 **REPRESENT ALL NETWORK REGIONS AND** include a diverse array of
5 options for students and educators and at least 1 program in each
6 of the following areas:

7 (i) Robotics.

8 (ii) Computer science or coding.

9 (iii) Engineering or bioscience.

10 (g) The MiSTEM advisory council is encouraged to work with the
11 ~~MiSTEM Network regions~~ **NETWORK** to develop locally and regionally
12 developed programs and professional development experiences for the
13 programs on the list of approved programs.

14 (h) If the MiSTEM advisory council is unable to make specific
15 funding recommendations by December 15 of a fiscal year, the
16 ~~department of technology, management, and budget~~ shall award and
17 ~~the department shall~~ distribute the funds allocated under
18 subsection (3) on a competitive grant basis that at least follows
19 the statewide STEM strategy plan and rating system recommended by
20 the MiSTEM advisory council. Each grant ~~shall not exceed~~
21 ~~\$100,000.00 and~~ must provide STEM education-related opportunities
22 for pupils.

23 (i) The MiSTEM advisory council shall work with the executive
24 director of the MiSTEM network funded under section 99r to
25 implement the statewide STEM strategy adopted by the MiSTEM
26 advisory council.

27 (3) From the state school aid fund money allocated under

subsection (1), there is allocated for ~~2017-2018-2018-2019~~ an amount not to exceed \$2,850,000.00 for the purpose of funding programs under this section for ~~2017-2018, 2018-2019~~, as recommended by the MiSTEM advisory council.

~~———— (4) From the state school aid fund allocation under subsection (1), there is allocated for 2017-2018 an amount not to exceed \$3,299,300.00 to support the activities and programs of mathematics and science centers. In addition, from the federal funds allocated under subsection (1), there is allocated for 2017-2018 an amount estimated at \$4,700,000.00 from DED OESE, title II, mathematics and science partnership grants, for the purposes of this subsection. All of the following apply to the programs and funding under this subsection:~~

~~———— (a) Within a service area designated locally, approved by the department, and consistent with the comprehensive master plan for mathematics and science centers developed by the department and approved by the state board, an established mathematics and science center shall provide 2 or more of the following 6 basic services, as described in the master plan, to constituent districts and communities: leadership, pupil services, curriculum support, community involvement, professional development, and resource clearinghouse services.~~

~~———— (b) The department shall not award a state grant under this subsection to more than 1 mathematics and science center located in a designated region as prescribed in the 2007 master plan unless each of the grants serves a distinct target population or provides a service that does not duplicate another program in the designated~~

1 ~~region.~~

2 ~~—— (c) As part of the technical assistance process, the~~
3 ~~department shall provide minimum standard guidelines that may be~~
4 ~~used by the mathematics and science center for providing fair~~
5 ~~access for qualified pupils and professional staff as prescribed in~~
6 ~~this subsection.~~

7 ~~—— (d) Allocations under this subsection to support the~~
8 ~~activities and programs of mathematics and science centers shall be~~
9 ~~continuing support grants to all 33 established mathematics and~~
10 ~~science centers. For 2017-2018, each established mathematics and~~
11 ~~science center shall receive state funding in an amount equal to~~
12 ~~100% of the amount it was allocated under former section 99 for~~
13 ~~2014-2015. If a center declines state funding or a center closes,~~
14 ~~the remaining money available under this subsection shall be~~
15 ~~distributed to the remaining centers, as determined by the~~
16 ~~department.~~

17 ~~—— (e) From the funds allocated under this subsection, the~~
18 ~~department shall distribute for 2017-2018 an amount not to exceed~~
19 ~~\$750,000.00 in a form and manner determined by the department to~~
20 ~~those centers able to provide curriculum and professional~~
21 ~~development support to assist districts in implementing the~~
22 ~~Michigan merit curriculum components for mathematics and science.~~
23 ~~Funding under this subdivision is in addition to funding allocated~~
24 ~~under subdivision (d).~~

25 ~~—— (f) It is the intent of the legislature that the funding~~
26 ~~allocated under this subsection represents the final year of~~
27 ~~funding for mathematics and science centers and that mathematics~~

1 ~~and science centers shall not be funded in 2018-2019.~~

2 ~~—— (5) From the funds allocated under subsection (1), there is~~
3 ~~allocated an amount not to exceed \$85,000.00 to the Michigan~~
4 ~~Mathematics and Science Centers Network to reimburse intermediate~~
5 ~~school districts for transition costs incurred as the centers~~
6 ~~transition to MiSTEM network regions.~~

7 (4) ~~(6)~~ From the ~~general~~ **SCHOOL AID** fund allocation under
8 subsection (1), there is allocated an amount not to exceed

9 ~~\$1,400,000.00 to~~ **\$3,834,300.00 FOR 2018-2019 TO SUPPORT THE**

10 **ACTIVITIES AND PROGRAMS OF** the MiSTEM network regions. ~~For 2017-~~

11 ~~2018, each established MiSTEM network region shall receive funding~~
12 ~~under this subsection in an amount equal to 50% of the state~~

13 ~~funding amount allocated for 2017-2018 to the mathematics and~~

14 ~~science centers located within that region to allow the MiSTEM~~

15 ~~network region to begin operating by April 1, 2018. For former~~

16 ~~mathematics and science centers with territory in more than 1~~

17 ~~MiSTEM network region, the amount allocated shall be divided~~

18 ~~proportionally.~~ **IN ADDITION, FROM THE FEDERAL FUNDS ALLOCATED UNDER**

19 **SUBSECTION (1), THERE IS ALLOCATED FOR 2018-2019 AN AMOUNT**

20 **ESTIMATED AT \$3,500,000.00 FROM DED-OESE, TITLE II, MATHEMATICS AND**

21 **SCIENCE PARTNERSHIP GRANTS, FOR THE PURPOSES OF THIS SUBSECTION.**

22 **BEGINNING IN 2018-2019, THE FISCAL AGENT FOR EACH MISTEM NETWORK**

23 **REGION SHALL RECEIVE \$200,000.00 FOR THE BASE OPERATIONS OF EACH**

24 **REGION. THE REMAINING FUNDS WILL BE DISTRIBUTED TO EACH FISCAL**

25 **AGENT IN AN EQUAL AMOUNT PER PUPIL, BASED ON THE NUMBER OF K TO 12**

26 **PUPILS ENROLLED IN DISTRICTS WITHIN EACH REGION IN THE PRIOR FISCAL**

27 **YEAR.**

1 (5) ~~(7)~~—A MiSTEM network region shall do all of the following:

2 (a) Collaborate with the ~~talent district~~ career **AND**
3 **EDUCATIONAL ADVISORY** council that is located in the ~~prosperity~~
4 **MISTEM** region to develop a regional strategic plan for STEM
5 education that creates a robust regional STEM culture, that
6 empowers STEM teachers, that integrates business and education into
7 the STEM network, and that ensures high-quality STEM experiences
8 for pupils. At a minimum, a regional STEM strategic plan should do
9 all of the following:

10 (i) Identify regional employer need for STEM.

11 (ii) Identify processes for regional employers and educators
12 to create guided pathways for STEM careers that include internships
13 or externships, apprenticeships, and other experiential engagements
14 for pupils.

15 (iii) Identify educator professional development
16 opportunities, including internships or externships and
17 apprenticeships, that integrate this state's science ~~content~~
18 standards into high-quality STEM experiences that engage pupils.

19 (b) Facilitate regional STEM events such as educator and
20 employer networking and STEM career fairs to raise STEM awareness.

21 (c) Contribute to the MiSTEM website and engage in other
22 MiSTEM network functions to further the mission of STEM in this
23 state in coordination with the MiSTEM advisory council and its
24 executive director.

25 (d) Facilitate application and implementation of state and
26 federal funds under this subsection and any other grants or funds
27 for the MiSTEM network region.

1 (e) Work with districts to provide STEM programming and
2 professional development.

3 (f) Coordinate recurring discussions and work with the ~~talent~~
4 ~~district-career~~ **AND EDUCATIONAL ADVISORY** council to ensure that
5 feedback and best practices are being shared, including funding,
6 program, professional learning opportunities, and regional
7 strategic plans.

8 (6) FROM THE SCHOOL AID FUNDS ALLOCATED UNDER SUBSECTION (1),
9 THE DEPARTMENT SHALL DISTRIBUTE FOR 2018-2019 AN AMOUNT NOT TO
10 EXCEED \$750,000.00, IN A FORM AND MANNER DETERMINED BY THE
11 DEPARTMENT, TO THOSE NETWORK REGIONS ABLE TO PROVIDE CURRICULUM AND
12 PROFESSIONAL DEVELOPMENT SUPPORT TO ASSIST DISTRICTS IN
13 IMPLEMENTING THE MICHIGAN MERIT CURRICULUM COMPONENTS FOR
14 MATHEMATICS AND SCIENCE.

15 (7) ~~(8)~~—In order to receive state or federal funds under
16 subsection (4) or (6), a grant recipient shall allow access for the
17 department or the department's designee to audit all records
18 related to the program for which it receives those funds. The grant
19 recipient shall reimburse the state for all disallowances found in
20 the audit.

21 (8) ~~(9)~~—In order to receive state funds under subsection (4)
22 or (6), a grant recipient shall provide at least a 10% local match
23 from local public or private resources for the funds received under
24 this subsection.

25 (9) ~~(10)~~—Not later than July 1, 2019 and July 1 of each year
26 thereafter, a MiSTEM network region that receives funds under
27 subsection ~~(6)~~—(4) shall report to the executive director of the

MiSTEM network in a form and manner prescribed by the executive director on performance measures developed by the MiSTEM network regions and approved by the executive director. The performance measures shall be designed to ensure that the activities of the MiSTEM network are improving student academic outcomes.

(10) ~~(11)~~ Not more than 5% of a MiSTEM network region grant under subsection (4) OR (6) may be retained by a fiscal agent for serving as the fiscal agent of a MiSTEM network region.

(11) ~~(12)~~ As used in this section:

(A) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR, AND PARENT REPRESENTATIVES.

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

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

(D) ~~(c)~~ "STEM" means science, technology, engineering, and mathematics delivered in an integrated fashion using cross-disciplinary learning experiences that can include language arts, performing and fine arts, and career and technical education.

~~(d) "Talent district career council" means an advisory council to the local workforce development boards located in a prosperity region consisting of educational, employer, labor, and parent representatives.~~

(12) ~~(13)~~ From the general fund allocation under subsection (1), there is allocated an amount not to exceed \$150,000.00 for ~~2017-2018-2018-2019~~ 2018-2019 for a grant to the Van Andel Education

1 Institute for the purposes of advancing and promoting science
2 education and increasing the number of students who choose to
3 pursue careers in science or science-related fields. Funds
4 allocated under this subsection shall be used to provide
5 professional development for science teachers in using student-
6 driven, inquiry-based instruction.

7 ~~—— (14) Not later than January 1, 2019, the executive director of~~
8 ~~the MiSTEM centers network shall report to the house and senate~~
9 ~~appropriations subcommittees on school aid and the house and senate~~
10 ~~fiscal agencies on the number of male and female MiSTEM center~~
11 ~~program participants and the steps, if any, that the MiSTEM centers~~
12 ~~are taking to reduce any disparity between the number of male and~~
13 ~~female participants.~~

14 Sec. 99t. (1) From the general fund appropriation under
15 section 11, there is allocated an amount not to exceed
16 ~~\$1,100,000.00 for 2017-2018~~ **\$1,500,000.00 FOR 2018-2019** to purchase
17 statewide access to an online algebra tool that meets all of the
18 following:

19 (a) Provides students statewide with complete access to videos
20 aligned with state standards including study guides and workbooks
21 that are aligned with the videos.

22 (b) Provides students statewide with access to a personalized
23 online algebra learning tool including adaptive diagnostics.

24 (c) Provides students statewide with dynamic algebra practice
25 assessments that emulate the state assessment with immediate
26 feedback and help solving problems.

27 (d) Provides students statewide with online access to algebra

1 help 24 hours a day and 7 days a week from study experts, teachers,
2 and peers on a moderated social networking platform.

3 (e) Provides an online algebra professional development
4 network for teachers.

5 (f) Is already provided under a statewide contract in at least
6 1 other state that has a population of at least 18,000,000 but not
7 more than 19,000,000 according to the most recent decennial census
8 and is offered in that state in partnership with a public
9 university.

10 (2) The department shall purchase the online algebra tool that
11 was chosen under this section in 2016-2017.

12 (3) A grantee receiving funding under this section shall
13 comply with the requirements of section 19b.

14 Sec. 99u. (1) From the general fund appropriation under
15 section 11, there is allocated for ~~2017-2018-2018-2019~~ an amount
16 not to exceed \$1,000,000.00 to purchase statewide access to an
17 online mathematics tool that meets all of the following:

18 (a) Provides students statewide with complete access to
19 mathematics support aligned with state standards through a program
20 that has all of the following elements:

21 (i) Student motivation.

22 (ii) Valid and reliable assessments.

23 (iii) Personalized learning pathways.

24 (iv) Highly qualified, live teachers available all day and all
25 year.

26 (v) Twenty-four-hour reporting.

27 (vi) Content built for rigorous mathematics.

1 (b) Has a record of improving student mathematics scores in at
2 least 5 other states.

3 (2) A grantee that receives funding under this section shall
4 comply with the requirements of section 19b.

5 (3) IN ADDITION TO THE FUNDS ALLOCATED UNDER SUBSECTION (1),
6 FROM THE GENERAL FUND APPROPRIATION IN SECTION 11, THERE IS
7 ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$100.00 FOR A
8 SOFTWARE-BASED SOLUTION DESIGNED TO TEACH SPANISH LANGUAGE LITERACY
9 TO STUDENTS IN PRE-KINDERGARTEN THROUGH FIRST GRADE. A PROGRAM
10 FUNDED UNDER THIS SUBSECTION SHALL BE A GRANT TO A PROVIDER THAT
11 PROMOTES BILINGUALISM AND BILITERACY, AND IS BASED ON RESEARCH THAT
12 SHOWS HOW STUDENTS WHO BECOME PROFICIENT READERS IN THEIR FIRST
13 LANGUAGE HAVE AN EASIER TIME MAKING THE TRANSITION TO READING
14 PROFICIENCY IN A SECOND LANGUAGE. A PROVIDER OF PROGRAMMING UNDER
15 SUBSECTION (1) IS AN ELIGIBLE PROVIDER OF PROGRAMMING UNDER THIS
16 SUBSECTION.

17 SEC. 99V. FROM THE GENERAL FUND APPROPRIATION IN SECTION 11,
18 THERE IS ALLOCATED AN AMOUNT NOT TO EXCEED \$25,000.00 FOR 2018-2019
19 FOR A GRANT TO A PROVIDER THAT DEVELOPS AND SCALES EFFECTIVE
20 INNOVATIONS TO SUPPORT EDUCATORS, ADMINISTRATORS, AND POLICYMAKERS
21 IN CREATING SEAMLESS TRANSITIONS THROUGHOUT THE K-14 SYSTEM FOR ALL
22 STUDENTS, ESPECIALLY THE UNDERSERVED. A GRANTEE MUST HAVE EXPERTISE
23 IN K-12 SERVICES, ONLINE COURSE PROGRAMS, DIGITAL PLATFORM
24 SERVICES, LEADERSHIP NETWORKS, AND HIGHER EDUCATION, AND WORK TO
25 DEVELOP A MATHEMATICS PATHWAYS ALIGNMENT. A GRANTEE THAT RECEIVES A
26 GRANT UNDER THIS SECTION SHALL FACILITATE A 2-DAY MATH WORKSHOP
27 WITH HIGH SCHOOL AND COLLEGE FACULTY FOCUSED ON SHARING INFORMATION

1 ABOUT HIGH-IMPACT PRACTICES, DEFINING THE PROBLEM OR PROBLEMS, AND
2 USING DATA AND PLANNING STRATEGIES TO ADDRESS THOSE PROBLEMS. IN
3 ADDITION, THE GRANTEE SHALL USE FUNDS TO CONDUCT 3 VIRTUAL CHECK-
4 INS DURING WHICH THE WORKING GROUPS WILL REPORT ON PROGRESS AND
5 IDENTIFY CHALLENGES AND QUESTIONS, WITH THE GRANTEE PROVIDING
6 GUIDANCE AND RESOURCES AS APPROPRIATE. FUNDS ALLOCATED UNDER THIS
7 SECTION ARE GRANT FUNDS AND MUST BE DISTRIBUTED BY THE DEPARTMENT.

8 Sec. 102d. (1) From the funds appropriated in section 11,
9 there is allocated an amount not to exceed \$1,500,000.00 for ~~2017-~~
10 ~~2018-2018-2019~~ for reimbursements to districts, intermediate
11 districts, and authorizing bodies of public school academies for
12 the licensing of school data analytical tools as described under
13 this section. The reimbursement is for districts, intermediate
14 districts, and authorizing bodies of public school academies that
15 choose to use a school data analytical tool to assist the district,
16 intermediate district, or authorizing body of a public school
17 academy and that enter into a licensing agreement for a school data
18 analytical tool with 1 of the vendors approved by the department of
19 technology, management, and budget under subsection (2). Funds
20 allocated under this section are intended to provide districts,
21 intermediate districts, and authorizing bodies of public school
22 academies with financial forecasting and transparency reporting
23 tools to help improve the financial health of districts and to
24 improve communication with the public, resulting in increased fund
25 balances for districts and intermediate districts.

26 (2) ~~Not later than October 15, 2017, the department of~~
27 ~~technology, management, and budget shall review vendors for school~~

~~data analytical tools and provide districts, intermediate districts, and authorizing bodies of public school academies with a list of up to 2 approved vendors that districts, intermediate districts, and authorizing bodies of public school academies may use to be eligible for a reimbursement paid under this section. In addition, a~~ **A** vendor approved under this section for ~~2016-2017~~ **2017-2018** is ~~considered to be~~ approved for use by a district, intermediate district, or authorizing body of a public school academy and for reimbursement for ~~2017-2018~~. ~~An approved school data analytical tool supplied by the vendor must meet at least all of the following:~~ **2018-2019.**

~~—— (a) Analyzes financial data.~~

~~—— (b) Analyzes academic data.~~

~~—— (c) Provides early warning indicators of financial stress.~~

~~—— (d) Has the capability to provide peer district comparisons of both financial and academic data.~~

~~—— (e) Has the capability to provide financial projections for at least 3 subsequent fiscal years.~~

(3) Funds allocated under this section shall be paid to districts, intermediate districts, and authorizing bodies of public school academies as a reimbursement for already having a licensing agreement or for entering into a licensing agreement not later than December 1, ~~2017-2018~~ with a vendor approved under subsection (2) to implement a school data analytical tool. Reimbursement will be prorated for the portion of the state fiscal year not covered by the licensing agreement. However, a licensing agreement that takes effect after October 1, ~~2017-2018~~ and before December 1, ~~2017-2018~~

1 will not be prorated if the term of the agreement is at least 1
2 year. Reimbursement under this section shall be made as follows:

3 (a) All districts, intermediate districts, and authorizing
4 bodies of public school academies seeking reimbursement shall
5 submit requests not later than December 1, ~~2017~~2018 indicating the
6 cost paid for the financial data analytical tool.

7 (b) The department shall determine the sum of the funding
8 requests under subdivision (a) and, if there are sufficient funds,
9 shall pay 1/2 of the costs submitted under subdivision (a). If
10 there are insufficient funds to pay 1/2 of the costs submitted
11 under (a), then reimbursement shall be made on an equal percentage
12 basis.

13 (c) Funds remaining after the calculation and payment under
14 subdivision (b) shall be distributed on an equal per-pupil basis,
15 with an intermediate district's pupils considered to be the sum of
16 the pupil memberships of the constituent districts for which the
17 intermediate district is purchasing the financial data analytical
18 tool, and with an authorizing body's pupils considered to be the
19 sum of the pupil memberships of the public school academies
20 authorized by the authorizing body for which the authorizing body
21 is purchasing the financial data analytical tool.

22 (d) The reimbursement to a district, intermediate district, or
23 authorizing body of a public school academy shall not be greater
24 than the amount paid for a data analytics application.

25 (e) A district, intermediate district, or authorizing body of
26 a public school academy shall not be reimbursed for the purchase of
27 more than 1 software application.

1 (4) If an intermediate district purchases both a school data
2 analytical tool specifically for intermediate district finances and
3 a school data analytical tool for those constituent districts that
4 opt in, the intermediate district shall be reimbursed for both
5 purchases under this section.

6 (5) If an intermediate district makes available to 1 or more
7 of its constituent districts a school data analytical tool funded
8 under this section, that constituent district shall not be
9 reimbursed under this section for the purchase of that school data
10 analytical tool if the constituent district has opted in for that
11 tool.

12 (6) If an authorizing body of a public school academy makes
13 available to 1 or more public school academies a school data
14 analytical tool funded under this section, the public school
15 academy shall not be reimbursed under this section for the purchase
16 of a school data analytical tool if the public school academy opted
17 in for that tool.

18 (7) Notwithstanding section 17b, payments under this section
19 shall be made on a schedule determined by the department.

20 Sec. 104. (1) In order to receive state aid under this
21 article, a district shall comply with sections 1249, 1278a, 1278b,
22 1279, 1279g, and 1280b of the revised school code, MCL 380.1249,
23 380.1278a, 380.1278b, 380.1279, 380.1279g, and 380.1280b, and 1970
24 PA 38, MCL 388.1081 to 388.1086. Subject to subsection (2), from
25 the state school aid fund money appropriated in section 11, there
26 is allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
27 ~~\$34,709,400.00~~ **\$38,009,400.00** for payments on behalf of districts

1 for costs associated with complying with those provisions of law.
2 In addition, from the federal funds appropriated in section 11,
3 there is allocated for ~~2017-2018~~**2018-2019** an amount estimated at
4 \$6,250,000.00, funded from DED-OESE, title VI, state assessment
5 funds, and from DED-OSERS, section 504 of part B of the individuals
6 with disabilities education act, Public Law 94-142, plus any
7 carryover federal funds from previous year appropriations, for the
8 purposes of complying with the federal no child left behind act of
9 2001, Public Law 107-110, or the every student succeeds act, Public
10 Law 114-95.

11 (2) The results of each test administered as part of the
12 Michigan student test of educational progress (M-STEP), including
13 tests administered to high school students, shall include an item
14 analysis that lists all items that are counted for individual pupil
15 scores and the percentage of pupils choosing each possible
16 response. The department shall work with the center to identify the
17 number of students enrolled at the time assessments are given by
18 each district. In calculating the percentage of pupils assessed for
19 a district's scorecard, the department shall use only the number of
20 pupils enrolled in the district at the time the district
21 administers the assessments and shall exclude pupils who enroll in
22 the district after the district administers the assessments.

23 (3) All federal funds allocated under this section shall be
24 distributed in accordance with federal law and with flexibility
25 provisions outlined in Public Law 107-116, and in the education
26 flexibility partnership act of 1999, Public Law 106-25.

27 (4) From the funds allocated in subsection (1), there is

1 allocated an amount not to exceed ~~\$1,000,000.00 for 2017-2018~~
2 **\$2,000,000.00 FOR 2018-2019** to an intermediate district described
3 in this subsection to implement a Michigan kindergarten entry
4 observation tool in ~~2017-2018.~~ **2018-2019**. The funding under this
5 subsection is allocated to an intermediate district in prosperity
6 region 9 with at least 3,000 kindergarten pupils enrolled in its
7 constituent districts to continue participation in the Maryland-
8 Ohio pilot and cover the costs of implementing the ~~pilot~~
9 observation tool, including a contract with a university for
10 implementation of the ~~pilot~~-observation tool **ALSO REFERRED TO AS**
11 **THE KINDERGARTEN READINESS ASSESSMENT**. The intermediate district
12 shall continue implementation of the ~~2016-2017 pilot study with~~
13 ~~existing participating intermediate districts during the 2017-2018~~
14 ~~school year.~~ The Michigan **KINDERGARTEN ENTRY OBSERVATION (MKEO) AND**
15 **THE** kindergarten entry ~~observation~~-**READINESS ASSESSMENT** shall be
16 conducted in all kindergarten classrooms in districts located in
17 prosperity regions ~~4, 5, and 9~~ **2, 3, 4, 5, 6, 7, 8, AND 9** beginning
18 in August ~~2018.~~ **2019**. A constituent district of an intermediate
19 district located within **THESE** prosperity ~~region 4, 5, or 9~~ **REGIONS**
20 shall administer the Maryland-Ohio tool within each kindergarten
21 classroom to either the full census of kindergarten pupils or a
22 representative sample of not less than 35% of the enrolled
23 kindergarten pupils in each classroom. The intermediate district
24 receiving the funding allocated under this subsection shall work
25 with other intermediate districts to implement the Michigan
26 kindergarten entry observation, engage with the office of great
27 start and the department, and provide a report to the legislature

1 on the demonstrated readiness of kindergarten pupils within the
2 participating intermediate districts. That intermediate district
3 may share this funding with the other affected intermediate
4 districts and districts. ~~Allowable costs under this subsection~~
5 ~~include those incurred in July, August, and September 2017 as well~~
6 ~~as those incurred in 2017-2018.~~ As used in this subsection,
7 "kindergarten" may include a classroom for young 5-year-olds,
8 commonly referred to as "young 5s" or "developmental kindergarten".
9 The department shall approve the language and literacy domain
10 within the Maryland-Ohio tool, also referred to as the
11 "Kindergarten Readiness Assessment", for use by districts as an
12 initial assessment that may be delivered to all kindergarten
13 students to assist with identifying any possible area of concern
14 for a student in English language arts.

15 ~~— (5) The department shall continue to make the kindergarten~~
16 ~~entry assessment developed by the department and field tested in~~
17 ~~2015-2016 available to districts in 2017-2018.~~

18 (5) ~~(6)~~—The department may recommend, but may not require,
19 districts to allow pupils to use an external keyboard with tablet
20 devices for online M-STEP testing, including, but not limited to,
21 open-ended test items such as constructed response or equation
22 builder items.

23 (6) ~~(7)~~—Notwithstanding section 17b, payments on behalf of
24 districts, intermediate districts, and other eligible entities
25 under this section shall be paid on a schedule determined by the
26 department.

27 (7) ~~(8)~~—From the allocation in subsection (1), there is

1 allocated an amount not to exceed ~~\$3,200,000.00~~ **\$500,000.00** for the
2 development or selection of an online reporting tool to provide
3 student-level assessment data in a secure environment to educators,
4 parents, and pupils immediately after assessments are scored. The
5 department and the center shall ensure that any data collected by
6 the online reporting tool do not provide individually identifiable
7 student data to the federal government.

8 (8) ~~(9)~~ As used in this section:

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

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

12 (c) "DED-OSERS" means the DED Office of Special Education and
13 Rehabilitative Services.

14 Sec. 104c. (1) In order to receive state aid under this
15 article, a district shall administer the state assessments
16 described in this section.

17 (2) For the purposes of this section, the department shall
18 develop ~~for use in the spring of 2015-2016~~ **AND ADMINISTER** the
19 Michigan student test of educational progress (M-STEP) assessments
20 in English language arts and mathematics. These assessments shall
21 be aligned to state standards.

22 (3) For the purposes of this section, the department shall
23 implement a summative assessment system that is proven to be valid
24 and reliable for administration to pupils as provided under this
25 subsection. The summative assessment system shall meet all of the
26 following requirements:

27 (a) The summative assessment system shall measure student

1 proficiency on the current state standards, shall measure student
2 growth for consecutive grade levels in which students are assessed
3 in the same subject area in both grade levels, and shall be capable
4 of measuring individual student performance.

5 (b) The summative assessments for English language arts and
6 mathematics shall be administered to all public school pupils in
7 grades 3 to 11, including those pupils as required by the federal
8 individuals with disabilities education act, Public Law 108-446,
9 and by title I of the federal every student succeeds act (ESSA),
10 Public Law 114-95.

11 (c) The summative assessments for science shall be
12 administered to all public school pupils in at least grades ~~4~~ and
13 ~~7~~, **5 AND 8**, including those pupils as required by the federal
14 individuals with disabilities education act, Public Law 108-446,
15 and by title I of the federal every student succeeds act (ESSA),
16 Public Law 114-95.

17 (d) The summative assessments for social studies shall be
18 administered to all public school pupils in at least grades 5 and
19 8, including those pupils as required by the federal individuals
20 with disabilities education act, Public Law 108-446, and by title I
21 of the federal every student succeeds act (ESSA), Public Law 114-
22 95.

23 (e) The content of the summative assessments shall be aligned
24 to state standards.

25 (f) The pool of questions for the summative assessments shall
26 be subject to a transparent review process for quality, bias, and
27 sensitive issues involving educator review and comment. The

1 department shall post samples from tests or retired tests featuring
2 questions from this pool for review by the public.

3 (g) The summative assessment system shall ensure that
4 students, parents, and teachers are provided with reports that
5 convey individual student proficiency and growth on the assessment
6 and that convey individual student domain-level performance in each
7 subject area, including representative questions, and individual
8 student performance in meeting state standards.

9 (h) The summative assessment system shall be capable of
10 providing, and the department shall ensure that students, parents,
11 teachers, administrators, and community members are provided with,
12 reports that convey aggregate student proficiency and growth data
13 by teacher, grade, school, and district.

14 (i) The summative assessment system shall ensure the
15 capability of reporting the available data to support educator
16 evaluations.

17 (j) The summative assessment system shall ensure that the
18 reports provided to districts containing individual student data
19 are available within 60 days after completion of the assessments.

20 (k) The summative assessment system shall ensure that access
21 to individually identifiable student data meets all of the
22 following:

23 (i) Is in compliance with 20 USC 1232g, commonly referred to
24 as the family educational rights and privacy act of 1974.

25 (ii) Except as may be provided for in an agreement with a
26 vendor to provide assessment services, as necessary to support
27 educator evaluations pursuant to subdivision (i), or for research

1 or program evaluation purposes, is available only to the student;
2 to the student's parent or legal guardian; and to a school
3 administrator or teacher, to the extent that he or she has a
4 legitimate educational interest.

5 (l) The summative assessment system shall ensure that the
6 assessments are pilot tested before statewide implementation.

7 (m) The summative assessment system shall ensure that
8 assessments are designed so that the maximum total combined length
9 of time that schools are required to set aside for a pupil to
10 answer all test questions on all assessments that are part of the
11 system for the pupil's grade level does not exceed that maximum
12 total combined length of time for the previous statewide assessment
13 system or 9 hours, whichever is less. This subdivision does not
14 limit the amount of time a district may allow a pupil to complete a
15 test.

16 (n) The total cost of executing the summative assessment
17 system statewide each year, including, but not limited to, the cost
18 of contracts for administration, scoring, and reporting, shall not
19 exceed an amount equal to 2 times the cost of executing the
20 previous statewide assessment after adjustment for inflation.

21 (o) Beginning with the 2017-2018 school year, the summative
22 assessment system shall not require more than 3 hours in duration,
23 on average, for an individual pupil to complete the combined
24 administration of the math and English language arts portions of
25 the assessment for any 1 grade level.

26 ~~—— (4) In an effort to develop a cohesive state assessment~~
27 ~~system, the department shall implement a request for information~~

~~process for a common formative assessment system that is fully aligned to this state's content standards for English language arts and mathematics. The department may use information compiled from a request for proposal in 2016-2017 to satisfy this request.~~

(4) ~~(5) Beginning in the 2015-2016 school year, the~~ **THE** department shall field test **ADMINISTER BENCHMARK** assessments in the fall and spring of each school year to measure English language arts and mathematics in each of grades K to 2. ~~for full implementation when the assessments have been successfully field tested. This full~~ **FULL** implementation shall occur not later than the 2018-2019 school year. These assessments are necessary to determine a pupil's proficiency level before grade 3.

(5) ~~(6) Not later than November 1, 2017, the~~ **THE** department shall ~~issue a request for information for not less than 3~~ **PROVIDE A LIST OF 3** benchmark assessments **SOLUTIONS** that each meet all of the following:

(a) ~~Assesses~~ **ASSESS** all of grades 3 through ~~7-8~~ in math and English language arts.

(b) ~~Is~~ **ARE** aligned with this state's content standards such that items were written for this state's content standards.

(c) ~~Is~~ **ARE** computer adaptive above and below grade level.

(d) ~~Produces~~ **PRODUCE** a pupil's results in not more than 48 hours from the time the benchmark assessment is administered.

(e) ~~Is~~ **ARE** self-scoring.

(f) ~~Aligns~~ **ALIGN** to this state's content standards.

(g) ~~Measures~~ **MEASURE** the academic growth of pupils and ~~provides~~ **PROVIDE** an estimate for adequate yearly growth.

1 (h) ~~Demonstrates~~ **DEMONSTRATE** validity and reliability as
2 appropriate for a computer adaptive assessment.

3 (i) ~~Is~~ **ARE** provided by a vendor that is willing to negotiate a
4 discounted state rate for pricing.

5 ~~—— (7) Not later than March 1, 2018 and in consultation with~~
6 ~~experts in the field of education and educational assessment~~
7 ~~measurement, the department shall approve at least 3 benchmark~~
8 ~~assessments that were included in a response to the request for~~
9 ~~information under subsection (6) and meet the requirements~~
10 ~~described in subsection (6).~~

11 ~~—— (8) The department shall use the responses to the request for~~
12 ~~information to create a benchmark assessment budget request for the~~
13 ~~2018-2019 fiscal year.~~

14 (6) **DISTRICTS SHALL SELECT A BENCHMARK ASSESSMENT DESCRIBED IN**
15 **SUBSECTION (5) AND SHALL COMMIT TO USING THE SAME BENCHMARK**
16 **ASSESSMENT FOR NO LESS THAN 3 YEARS WITHOUT SWITCHING TO ANOTHER**
17 **BENCHMARK ASSESSMENT. THE DEPARTMENT SHALL USE FUNDS ALLOCATED**
18 **UNDER SECTION 104 TO PAY ON BEHALF OF DISTRICTS THE COSTS OF A**
19 **BENCHMARK ASSESSMENT SELECTED UNDER THIS SUBSECTION. PAYMENTS TO**
20 **VENDORS UNDER THIS SUBSECTION SHALL BE BASED ON THE NUMBER OF**
21 **PUPILS ASSESSED BY EACH VENDOR'S BENCHMARK ASSESSMENT.**

22 (7) ~~(9)~~ This section does not prohibit districts from adopting
23 interim assessments.

24 (8) ~~(10)~~ As used in this section, "English language arts"
25 means that term as defined in section 104b.

26 Sec. 107. (1) From the appropriation in section 11, there is
27 allocated an amount not to exceed \$27,000,000.00 ~~for 2017-2018~~

1 **\$30,000,000.00 FOR 2018-2019** for adult education programs
 2 authorized under this section. Except as otherwise provided under
 3 subsections (14) ~~, (15), and (19),~~ **AND (15),** funds allocated under
 4 this section are restricted for adult education programs as
 5 authorized under this section only. A recipient of funds under this
 6 section shall not use those funds for any other purpose.

7 (2) To be eligible for funding under this section, an eligible
 8 adult education provider shall employ certificated teachers and
 9 qualified administrative staff and shall offer continuing education
 10 opportunities for teachers to allow them to maintain certification.

11 (3) To be eligible to be a participant funded under this
 12 section, an individual shall be enrolled in an adult basic
 13 education program, an adult secondary education program, an adult
 14 English as a second language program, a high school equivalency
 15 test preparation program, or a high school completion program, that
 16 meets the requirements of this section, and for which instruction
 17 is provided, and **THE INDIVIDUAL** shall ~~meet either of the following:~~

18 ~~—— (a) Has attained 20 years of age.~~

19 ~~—— (b) Has attained 18 years of age and the individual's~~

20 ~~graduating class has graduated.~~ **BE AT LEAST 18 YEARS OF AGE AND THE**
 21 **INDIVIDUAL'S GRADUATING CLASS SHALL HAVE GRADUATED.**

22 (4) By April 1 of each fiscal year, the intermediate districts
 23 within a prosperity region or subregion shall determine which
 24 intermediate district will serve as the prosperity region's or
 25 subregion's fiscal agent for the next fiscal year and shall notify
 26 the department in a form and manner determined by the department.
 27 The department shall approve or disapprove of the prosperity

1 region's or subregion's selected fiscal agent. From the funds
2 allocated under subsection (1), an amount as determined under this
3 subsection shall be allocated to each intermediate district serving
4 as a fiscal agent for adult education programs in each of the
5 prosperity regions or subregions identified by the department. An
6 intermediate district shall not use more than 5% of the funds
7 allocated under this subsection for administration costs for
8 serving as the fiscal agent. Beginning in 2014-2015, 67% of the
9 allocation provided to each intermediate district serving as a
10 fiscal agent shall be based on the proportion of total funding
11 formerly received by the adult education providers in that
12 prosperity region or subregion in 2013-2014, and 33% shall be
13 allocated based on the factors in subdivisions (a), (b), and (c).
14 For 2018-2019, 33% of the allocation provided to each intermediate
15 district serving as a fiscal agent shall be based upon the
16 proportion of total funding formerly received by the adult
17 education providers in that prosperity region in 2013-2014 and 67%
18 of the allocation shall be based upon the factors in subdivisions
19 (a), (b), and (c). **HOWEVER, IF THE ALLOCATION TO AN INTERMEDIATE**
20 **DISTRICT AS CALCULATED UNDER THE PRECEDING SENTENCE IS LESS THAN**
21 **THE AMOUNT RECEIVED BY THE INTERMEDIATE DISTRICT UNDER THIS**
22 **SUBSECTION FOR 2017-2018, THE INTERMEDIATE DISTRICT SHALL INSTEAD**
23 **RECEIVE IN 2018-2019 AN AMOUNT EQUAL TO WHAT THE INTERMEDIATE**
24 **DISTRICT RECEIVED IN 2017-2018.** Beginning in 2019-2020, ~~100% of the~~
25 allocation provided to each intermediate district serving as a
26 fiscal agent shall be ~~based on the factors in subdivisions (a),~~
27 ~~(b), and (c).~~ **EQUAL TO WHAT THE INTERMEDIATE DISTRICT RECEIVED IN**

1 **2018-2019.** The funding factors for this section are as follows:

2 (a) Sixty percent of this portion of the funding shall be
3 distributed based upon the proportion of the state population of
4 individuals between the ages of 18 and 24 that are not high school
5 graduates that resides in each of the prosperity regions or
6 subregions, as reported by the most recent 5-year estimates from
7 the American ~~community survey~~ **COMMUNITY SURVEY** (ACS) from the
8 United States Census Bureau.

9 (b) Thirty-five percent of this portion of the funding shall
10 be distributed based upon the proportion of the state population of
11 individuals age 25 or older who are not high school graduates that
12 resides in each of the prosperity regions or subregions, as
13 reported by the most recent 5-year estimates from the American
14 ~~community survey~~ **COMMUNITY SURVEY** (ACS) from the United States
15 Census Bureau.

16 (c) Five percent of this portion of the funding shall be
17 distributed based upon the proportion of the state population of
18 individuals age 18 or older who lack basic English language
19 proficiency that resides in each of the prosperity regions or
20 subregions, as reported by the most recent 5-year estimates from
21 the American ~~community survey~~ **COMMUNITY SURVEY** (ACS) from the
22 United States Census Bureau.

23 (5) To be an eligible fiscal agent, an intermediate district
24 must agree to do the following in a form and manner determined by
25 the department:

26 (a) Distribute funds to adult education programs in a
27 prosperity region or subregion as described in this section.

1 (b) Collaborate with the ~~talent district~~ career **AND**
2 **EDUCATIONAL ADVISORY** council, which is an advisory council of the
3 workforce development boards located in the prosperity region or
4 subregion, or its successor, to develop a regional strategy that
5 aligns adult education programs and services into an efficient and
6 effective delivery system for adult education learners, with
7 special consideration for providing contextualized learning and
8 career pathways and addressing barriers to education and
9 employment.

10 (c) Collaborate with the ~~talent district~~ career **AND**
11 **EDUCATIONAL ADVISORY** council, which is an advisory council of the
12 workforce development boards located in the prosperity region or
13 subregion, or its successor, to create a local process and criteria
14 that will identify eligible adult education providers to receive
15 funds 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

1 education program, or an adult English as a second language program
2 operated on a year-round or school year basis may be funded under
3 this section, subject to all of the following:

4 (a) The program enrolls adults who are determined by a
5 department-approved assessment, in a form and manner prescribed by
6 the department, to be below twelfth grade level in reading or
7 mathematics, or both, or to lack basic English proficiency.

8 (b) The program tests individuals for eligibility under
9 subdivision (a) before enrollment and upon completion of the
10 program in compliance with the state-approved assessment policy.

11 (c) A participant in an adult basic education program is
12 eligible for reimbursement until 1 of the following occurs:

13 (i) The participant's reading and mathematics proficiency are
14 assessed at or above the ninth grade level.

15 (ii) The participant fails to show progress on 2 successive
16 assessments after having completed at least 450 hours of
17 instruction.

18 (d) A participant in an adult secondary education program is
19 eligible for reimbursement until 1 of the following occurs:

20 (i) The participant's reading and mathematics proficiency are
21 assessed above the twelfth grade level.

22 (ii) The participant fails to show progress on 2 successive
23 assessments after having at least 450 hours of instruction.

24 (e) A funding recipient enrolling a participant in an English
25 as a second language program is eligible for funding according to
26 subsection (9) until the participant meets 1 of the following:

27 (i) The participant is assessed as having attained basic

1 English proficiency as determined by a department-approved
2 assessment.

3 (ii) The participant fails to show progress on 2 successive
4 department-approved assessments after having completed at least 450
5 hours of instruction. The department shall provide information to a
6 funding recipient regarding appropriate assessment instruments for
7 this program.

8 (7) A high school equivalency test preparation program
9 operated on a year-round or school year basis may be funded under
10 this section, subject to all of the following:

11 (a) The program enrolls adults who do not have a high school
12 diploma or a high school equivalency certificate.

13 (b) The program shall administer a pre-test approved by the
14 department before enrolling an individual to determine the
15 individual's literacy levels, shall administer a high school
16 equivalency practice test to determine the individual's potential
17 for success on the high school equivalency test, and shall
18 administer a post-test upon completion of the program in compliance
19 with the state-approved assessment policy.

20 (c) A funding recipient shall receive funding according to
21 subsection (9) for a participant, and a participant may be enrolled
22 in the program until 1 of the following occurs:

23 (i) The participant achieves a high school equivalency
24 certificate.

25 (ii) The participant fails to show progress on 2 successive
26 department-approved assessments used to determine readiness to take
27 a high school equivalency test after having completed at least 450

1 hours of instruction.

2 (8) A high school completion program operated on a year-round
3 or school year basis may be funded under this section, subject to
4 all of the following:

5 (a) The program enrolls adults who do not have a high school
6 diploma.

7 (b) The program tests participants described in subdivision
8 (a) before enrollment and upon completion of the program in
9 compliance with the state-approved assessment policy.

10 (c) A funding recipient shall receive funding according to
11 subsection (9) for a participant in a course offered under this
12 subsection until 1 of the following occurs:

13 (i) The participant passes the course and earns a high school
14 diploma.

15 (ii) The participant fails to earn credit in 2 successive
16 semesters or terms in which the participant is enrolled after
17 having completed at least 900 hours of instruction.

18 (9) A funding recipient shall receive payments under this
19 section in accordance with all of the following:

20 (a) Statewide allocation criteria, including 3-year average
21 enrollments, census data, and local needs.

22 (b) Participant completion of the adult basic education
23 objectives by achieving an educational gain as determined by the
24 national reporting system levels; for achieving basic English
25 proficiency, as determined by the department; for achieving a high
26 school equivalency certificate or passage of 1 or more individual
27 high school equivalency tests; for attainment of a high school

1 diploma or passage of a course required for a participant to attain
2 a high school diploma; for enrollment in a postsecondary
3 institution, or for entry into or retention of employment, as
4 applicable.

5 (c) Participant completion of core indicators as identified in
6 the innovation and opportunity act.

7 (d) Allowable expenditures.

8 (10) A person who is not eligible to be a participant funded
9 under this section may receive adult education services upon the
10 payment of tuition. In addition, a person who is not eligible to be
11 served in a program under this section due to the program
12 limitations specified in subsection (6), (7), or (8) may continue
13 to receive adult education services in that program upon the
14 payment of tuition. The tuition level shall be determined by the
15 local or intermediate district conducting the program.

16 (11) An individual who is an inmate in a state correctional
17 facility shall not be counted as a participant under this section.

18 (12) A funding recipient shall not commingle money received
19 under this section or from another source for adult education
20 purposes with any other funds and shall establish a separate ledger
21 account for funds received under this section. This subsection does
22 not prohibit a district from using general funds of the district to
23 support an adult education or community education program.

24 (13) A funding recipient receiving funds under this section
25 may establish a sliding scale of tuition rates based upon a
26 participant's family income. A funding recipient may charge a
27 participant tuition to receive adult education services under this

1 section from that sliding scale of tuition rates on a uniform
2 basis. The amount of tuition charged per participant shall not
3 exceed the actual operating cost per participant minus any funds
4 received under this section per participant. A funding recipient
5 may not charge a participant tuition under this section if the
6 participant's income is at or below 200% of the federal poverty
7 guidelines published by the United States Department of Health and
8 Human Services.

9 (14) In order to receive funds under this section, a funding
10 recipient shall furnish to the department, in a form and manner
11 determined by the department, all information needed to administer
12 this program and meet federal reporting requirements; shall allow
13 the department or the department's designee to review all records
14 related to the program for which it receives funds; and shall
15 reimburse the state for all disallowances found in the review, as
16 determined by the department. In addition, a funding recipient
17 shall agree to pay to a career and technical education program
18 under section 61a the amount of funding received under this section
19 in the proportion of career and technical education coursework used
20 to satisfy adult basic education programming, as billed to the
21 funding recipient by programs operating under section 61a. **IN**
22 **ADDITION TO THE FUNDING ALLOCATED UNDER SUBSECTION (1), THERE IS**
23 **ALLOCATED AN AMOUNT NOT TO EXCEED \$500,000.00 TO REIMBURSE FUNDING**
24 **RECIPIENTS FOR ADMINISTRATIVE EXPENSES ASSOCIATED WITH COMMINGLING**
25 **PROGRAMMING UNDER THIS SECTION AND SECTION 61A. PAYMENTS MADE TO**
26 **EACH FUNDING RECIPIENT SHALL BE IN THE SAME PROPORTION AS FUNDING**
27 **CALCULATED AND ALLOCATED UNDER SUBSECTION (4).**

~~———— (15) From the amount appropriated in subsection (1), an amount not to exceed \$500,000.00 shall be allocated for 2017-2018 to not more than 1 pilot program that is located in a prosperity region with 2 or more subregions and that connects adult education participants directly with employers by linking adult education, career and technical skills, and workforce development. To be eligible for funding under this subsection, a pilot program shall provide a collaboration linking adult education programs within the county, the area career/technical center, and local employers, and shall meet the additional criteria in subsections (16) and (17). Funding under this subsection for 2017-2018 is for the third of 3 years of funding.~~

~~———— (16) A pilot program funded under subsection (15) shall require adult education staff to work with Michigan works! agency to identify a cohort of participants who are most prepared to successfully enter the workforce. Participants identified under this subsection shall be dually enrolled in adult education programming and at least 1 technical course at the area career/technical center.~~

~~———— (17) A pilot program funded under subsection (15) shall have on staff an adult education navigator who will serve as a caseworker for each participant identified under subsection (16). The navigator shall work with adult education staff and potential employers to design an educational program best suited to the personal and employment needs of the participant, and shall work with human service agencies or other entities to address any barrier in the way of participant access.~~

~~———— (18) Not later than December 1, 2018, the pilot program funded under subsection (15) shall provide to the senate and house appropriations subcommittees on school aid, to the senate and house fiscal agencies, and to the state budget director a report detailing number of participants, graduation rates, and a measure of transitioning to employment.~~

(15) ~~(19)~~ From the amount appropriated in subsection (1), an amount not to exceed ~~\$2,000,000.00~~ **\$4,000,000.00** shall be allocated for ~~2017-2018~~ **2018-2019** for grants to ~~not more than 5 pilot~~

INTERMEDIATE DISTRICTS ACTING AS FISCAL AGENTS FOR programs ~~that are additional to the pilot program funded under subsection (15) to~~ **THAT** connect adult education participants with employers as provided under this subsection. The grant to each ~~eligible pilot~~ program shall be up to ~~\$400,000.00.~~ **\$350,000.00. TO BE ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION, A PROGRAM MUST PROVIDE A COLLABORATION LINKING ADULT EDUCATION PROGRAMS WITHIN THE COUNTY, THE AREA CAREER AND TECHNICAL CENTER, AND LOCAL EMPLOYERS.** To receive funding under this subsection, an eligible ~~pilot program~~ shall satisfy all of the following:

~~———— (a) Meets 1 of the following:~~

~~———— (i) Is located in prosperity region 1c.~~

~~———— (ii) Is located in prosperity region 2 and borders prosperity region 4.~~

~~———— (iii) Is located in prosperity region 4a and borders prosperity region 5.~~

~~———— (iv) Is located in prosperity region 5 and borders Lake Huron.~~

~~———— (v) Is located in prosperity region 9 and borders a~~

1 ~~neighboring state.~~

2 ~~—— (b) Begins operations at the start of the 2017-2018 school~~
3 ~~year.~~

4 ~~—— (c) Replicates the pilot program funded under subsection (15).~~

5 ~~—— (d) Meets the requirements under subsections (15), (16), and~~
6 ~~(17) for a pilot program funded under subsection (15).~~

7 (A) SHALL CONNECT ADULT EDUCATION PARTICIPANTS DIRECTLY WITH
8 EMPLOYERS BY LINKING ADULT EDUCATION, CAREER AND TECHNICAL SKILLS,
9 AND WORKFORCE DEVELOPMENT.

10 (B) SHALL REQUIRE ADULT EDUCATION STAFF TO WORK WITH MICHIGAN
11 WORKS! AGENCY TO IDENTIFY A COHORT OF PARTICIPANTS WHO ARE MOST
12 PREPARED TO SUCCESSFULLY ENTER THE WORKFORCE. PARTICIPANTS
13 IDENTIFIED UNDER THIS SUBSECTION SHALL BE DUALY ENROLLED IN ADULT
14 EDUCATION PROGRAMMING AND AT LEAST 1 TECHNICAL COURSE AT THE AREA
15 CAREER AND TECHNICAL CENTER.

16 (C) SHALL HAVE AN INDIVIDUAL STAFFED AS AN ADULT EDUCATION
17 NAVIGATOR WHO WILL SERVE AS A CASEWORKER FOR EACH PARTICIPANT
18 IDENTIFIED UNDER SUBDIVISION (B). THE NAVIGATOR SHALL WORK WITH
19 ADULT EDUCATION STAFF AND POTENTIAL EMPLOYERS TO DESIGN AN
20 EDUCATIONAL PROGRAM BEST SUITED TO THE PERSONAL AND EMPLOYMENT
21 NEEDS OF THE PARTICIPANT AND SHALL WORK WITH HUMAN SERVICE AGENCIES
22 OR OTHER ENTITIES TO ADDRESS ANY BARRIER IN THE WAY OF PARTICIPANT
23 ACCESS.

24 (16) A PROGRAM THAT WAS A PILOT PROGRAM IN 2017-2018 AND THAT
25 WAS FUNDED UNDER THIS SECTION IN 2017-2018 SHALL BE FUNDED IN 2018-
26 2019 UNLESS THE PROGRAM CEASES OPERATION. THE INTERMEDIATE DISTRICT
27 IN WHICH THAT PILOT PROGRAM WAS FUNDED SHALL BE THE FISCAL AGENT

FOR THAT PROGRAM AND SHALL APPLY FOR THAT PROGRAM'S FUNDING UNDER
SUBSECTION (15).

(17) EACH PROGRAM FUNDED UNDER SUBSECTION (15) WILL RECEIVE
FUNDING FOR 3 YEARS. AFTER 3 YEARS OF OPERATIONS AND FUNDING, A
PROGRAM MUST REAPPLY FOR FUNDING.

(18) ~~(20)~~ Not later than December 1, ~~2018~~, ~~2019~~, a ~~pilot~~
program funded under subsection ~~(19)~~ (15) shall provide a report to
the senate and house appropriations subcommittees on school aid, to
the senate and house fiscal agencies, and to the state budget
director identifying the number of participants, graduation rates,
and a measure of transition to employment.

(19) ~~(21)~~ The department shall approve at least 3 high school
equivalency tests and determine whether a high school equivalency
certificate meets the requisite standards for high school
equivalency in this state.

(20) ~~(22)~~ As used in this section:

(A) "CAREER AND EDUCATIONAL ADVISORY COUNCIL" MEANS AN
ADVISORY COUNCIL TO THE LOCAL WORKFORCE DEVELOPMENT BOARDS LOCATED
IN A PROSPERITY REGION CONSISTING OF EDUCATIONAL, EMPLOYER, LABOR,
AND PARENT REPRESENTATIVES.

(B) ~~(a)~~ "Career pathway" means a combination of rigorous and
high-quality education, training, and other services that comply
with all of the following:

(i) Aligns with the skill needs of industries in the economy
of this state or in the regional economy involved.

(ii) Prepares an individual to be successful in any of a full
range of secondary or postsecondary education options, including

1 apprenticeships registered under the act of August 16, 1937
2 (commonly known as the "national apprenticeship act"), 29 USC 50 et
3 seq.

4 (iii) Includes counseling to support an individual in
5 achieving the individual's education and career goals.

6 (iv) Includes, as appropriate, education offered concurrently
7 with and in the same context as workforce preparation activities
8 and training for a specific occupation or occupational cluster.

9 (v) Organizes education, training, and other services to meet
10 the particular needs of an individual in a manner that accelerates
11 the educational and career advancement of the individual to the
12 extent practicable.

13 (vi) Enables an individual to attain a secondary school
14 diploma or its recognized equivalent, and at least 1 recognized
15 postsecondary credential.

16 (vii) Helps an individual enter or advance within a specific
17 occupation or occupational cluster.

18 (C) ~~(b)~~—"Department" means the department of talent and
19 economic development.

20 (D) ~~(e)~~—"Eligible adult education provider" means a district,
21 intermediate district, a consortium of districts, a consortium of
22 intermediate districts, or a consortium of districts and
23 intermediate districts that is identified as part of the local
24 process described in subsection (5)(c) and approved by the
25 department.

26 Sec. 147. (1) The allocation for ~~2017-2018~~ **2018-2019** for the
27 public school employees' retirement system pursuant to the public

1 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
2 to 38.1437, shall be made using the individual projected benefit
3 entry age normal cost method of valuation and risk assumptions
4 adopted by the public school employees retirement board and the
5 department of technology, management, and budget.

6 (2) The annual level percentage of payroll contribution rates
7 for the ~~2017-2018-2018-2019~~ fiscal year, as determined by the
8 retirement system, are estimated as follows:

9 (a) For public school employees who first worked for a public
10 school reporting unit before July 1, 2010 and who are enrolled in
11 the health premium subsidy, the annual level percentage of payroll
12 contribution rate is estimated at ~~36.88%, 38.39%~~, with ~~25.56%~~
13 **26.18%** paid directly by the employer.

14 (b) For public school employees who first worked for a public
15 school reporting unit on or after July 1, 2010 and who are enrolled
16 in the health premium subsidy, the annual level percentage of
17 payroll contribution rate is estimated at ~~35.60%, 36.60%~~, with
18 ~~24.28% 24.39%~~ paid directly by the employer.

19 (c) For public school employees who first worked for a public
20 school reporting unit on or after July 1, 2010 and who participate
21 in the personal healthcare fund, the annual level percentage of
22 payroll contribution rate is estimated at ~~35.35%, 36.24%~~, with
23 24.03% paid directly by the employer.

24 (d) For public school employees who first worked for a public
25 school reporting unit on or after September 4, 2012, who elect
26 defined contribution, and who participate in the personal
27 healthcare fund, the annual level percentage of payroll

1 contribution rate is estimated at ~~32.28%~~, **33.17%**, with 20.96% paid
2 directly by the employer.

3 (e) For public school employees who first worked for a public
4 school reporting unit before July 1, 2010, who elect defined
5 contribution, and who are enrolled in the health premium subsidy,
6 the annual level percentage of payroll contribution rate is
7 estimated at ~~32.53%~~, **33.53%**, with ~~21.21%~~ **21.32%** paid directly by
8 the employer.

9 (f) For public school employees who first worked for a public
10 school reporting unit before July 1, 2010, who elect defined
11 contribution, and who participate in the personal healthcare fund,
12 the annual level percentage of payroll contribution rate is
13 estimated at ~~32.28%~~, **33.17%**, with 20.96% paid directly by the
14 employer.

15 (g) For public school employees who first worked for a public
16 school reporting unit before July 1, 2010 and who participate in
17 the personal healthcare fund, the annual level percentage of
18 payroll contribution rate is estimated at ~~36.63%~~, **38.03%**, with
19 ~~25.31%~~ **25.82%** paid directly by the employer.

20 **(H) FOR PUBLIC SCHOOL EMPLOYEES WHO FIRST WORKED FOR A PUBLIC**
21 **SCHOOL REPORTING UNIT AFTER JANUARY 31, 2018 AND WHO ELECT TO**
22 **BECOME MEMBERS OF THE MPSERS PLAN, THE ANNUAL LEVEL PERCENTAGE OF**
23 **PAYROLL CONTRIBUTION RATE IS ESTIMATED AT 39.37%, WITH 27.16% PAID**
24 **DIRECTLY BY THE EMPLOYER.**

25 (3) In addition to the employer payments described in
26 subsection (2), the employer shall pay the applicable contributions
27 to the Tier 2 plan, as determined by the public school employees

1 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

2 (4) The contribution rates in subsection (2) reflect an
3 amortization period of ~~21-20~~ years for ~~2017-2018-2018-2019~~. The
4 public school employees' retirement system board shall notify each
5 district and intermediate district by February 28 of each fiscal
6 year of the estimated contribution rate for the next fiscal year.

7 Sec. 147a. (1) From the appropriation in section 11, there is
8 allocated for ~~2017-2018-2018-2019~~ an amount not to exceed
9 \$100,000,000.00 for payments to participating districts, **AND THERE**
10 **IS ALLOCATED FOR 2018-2019 AN AMOUNT NOT TO EXCEED \$5,000,000.00 TO**
11 **PARTICIPATING INTERMEDIATE DISTRICTS.** A participating district **OR**
12 **PARTICIPATING INTERMEDIATE DISTRICT** that receives money under this
13 subsection shall use that money solely for the purpose of
14 offsetting a portion of the retirement contributions owed by the
15 district **OR INTERMEDIATE DISTRICT** for the fiscal year in which it
16 is received. The amount allocated to each participating district
17 under this subsection shall be based on each participating
18 district's percentage of the total statewide payroll for all
19 participating districts for the immediately preceding fiscal year.
20 **THE AMOUNT ALLOCATED TO EACH PARTICIPATING INTERMEDIATE DISTRICT**
21 **UNDER THIS SUBSECTION SHALL BE BASED ON EACH PARTICIPATING**
22 **INTERMEDIATE DISTRICT'S PERCENTAGE OF THE TOTAL STATEWIDE PAYROLL**
23 **FOR ALL PARTICIPATING INTERMEDIATE DISTRICTS FOR THE IMMEDIATELY**
24 **PRECEDING FISCAL YEAR.** As used in this subsection, "participating
25 district" **OR "PARTICIPATING INTERMEDIATE DISTRICT"** means a district
26 **OR INTERMEDIATE DISTRICT** that is a reporting unit of the Michigan
27 public school employees' retirement system under the public school

1 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
2 38.1437, and that reports employees to the Michigan public school
3 employees' retirement system for the applicable fiscal year.

4 (2) In addition to the allocation under subsection (1), from
5 the state school aid fund money appropriated under section 11,
6 there is allocated an amount not to exceed ~~\$48,940,000.00 for 2017-~~
7 ~~2018-\$88,091,000.00 FOR 2018-2019~~ for payments to participating
8 districts and intermediate districts and from the general fund
9 money appropriated under section 11, there is allocated an amount
10 not to exceed ~~\$29,000.00 for 2017-2018-\$48,000.00 FOR 2018-2019~~ for
11 payments to participating district libraries. The amount allocated
12 to each participating entity under this subsection shall be based
13 on each participating entity's percentage of the total statewide
14 payroll for that type of participating entity for the immediately
15 preceding fiscal year. A participating entity that receives money
16 under this subsection shall use that money solely for the purpose
17 of offsetting a portion of the normal cost contribution rate. As
18 used in this subsection:

19 (a) "District library" means a district library established
20 under the district library establishment act, 1989 PA 24, MCL
21 397.171 to 397.196.

22 (b) "Participating entity" means a district, intermediate
23 district, or district library that is a reporting unit of the
24 Michigan public school employees' retirement system under the
25 public school employees retirement act of 1979, 1980 PA 300, MCL
26 38.1301 to 38.1437, and that reports employees to the Michigan
27 public school employees' retirement system for the applicable

1 fiscal year.

2 Sec. 147b. (1) The MPSERS retirement obligation reform reserve
3 fund is created as a separate account within the state school aid
4 fund.

5 (2) The state treasurer may receive money or other assets from
6 any source for deposit into the MPSERS retirement obligation reform
7 reserve fund. The state treasurer shall direct the investment of
8 the MPSERS retirement obligation reform reserve fund. The state
9 treasurer shall credit to the MPSERS retirement obligation reform
10 reserve fund interest and earnings from the MPSERS retirement
11 obligation reform reserve fund.

12 (3) Money available in the MPSERS retirement obligation reform
13 reserve fund shall not be expended without a specific
14 appropriation.

15 (4) Money in the MPSERS retirement obligation reform reserve
16 fund at the close of the fiscal year shall remain in the MPSERS
17 retirement obligation reform reserve fund and shall not lapse to
18 the state school aid fund or to the general fund. The department of
19 treasury shall be the administrator of the MPSERS retirement
20 obligation reform reserve fund for auditing purposes.

21 ~~—— (5) If the contributions described in section 43e of the~~
22 ~~public school employees retirement act of 1979, 1980 PA 300, MCL~~
23 ~~38.1343e, as that section was added by 2010 PA 75, are determined~~
24 ~~by a final order of a court of competent jurisdiction for which all~~
25 ~~rights of appeal have been exhausted to be constitutional and if~~
26 ~~the order for preliminary injunction in case no. 10-45-MM issued on~~
27 ~~July 13, 2010 is lifted, the money placed in a separate interest~~

~~bearing account as a result of implementing the preliminary injunction shall be deposited into the MPSERS retirement obligation reform reserve fund created in this section to be used solely for health care unfunded accrued liabilities.~~

~~—— (6) For the fiscal year ending September 30, 2018, \$55,000,000.00 from the state school aid fund shall be deposited into the MPSERS retirement obligation reform reserve fund to be used for the purposes under section 147e.~~

Sec. 147c. ~~(1)~~ From the appropriation in section 11, there is allocated for ~~2017-2018-2018-2019~~ an amount not to exceed ~~\$960,130,000.00~~ **\$1,032,000,000.00** from the state school aid fund for payments to districts and intermediate districts that are participating entities of the Michigan public school employees' retirement system. In addition, from the general fund money appropriated in section 11, there is allocated for ~~2017-2018-2018-~~ **2019** an amount not to exceed ~~\$654,000.00~~ **\$700,000.00** for payments to district libraries that are participating entities of the Michigan public school employees' retirement system. All of the following apply to funding under this subsection:

(a) For ~~2017-2018,~~ **2018-2019**, the amounts allocated under this subsection are estimated to provide an average MPSERS rate cap per pupil amount of ~~\$640.00~~ **\$690.00** and are estimated to provide a rate cap per pupil for districts ranging between \$4.00 and ~~\$3,020.00.~~ **\$3,000.00.**

(b) Payments made under this subsection shall be equal to the difference between the unfunded actuarial accrued liability contribution rate as calculated pursuant to section 41 of the

1 public school employees retirement act of 1979, 1980 PA 300, MCL
2 38.1341, as calculated without taking into account the maximum
3 employer rate of 20.96% included in section 41 of the public school
4 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
5 maximum employer rate of 20.96% included in section 41 of the
6 public school employees retirement act of 1979, 1980 PA 300, MCL
7 38.1341.

8 (c) The amount allocated to each participating entity under
9 this subsection shall be based on each participating entity's
10 proportion of the total covered payroll for the immediately
11 preceding fiscal year for the same type of participating entities.
12 A participating entity that receives funds under this subsection
13 shall use the funds solely for the purpose of retirement
14 contributions as specified in subdivision (d).

15 (d) Each participating entity receiving funds under this
16 subsection shall forward an amount equal to the amount allocated
17 under subdivision (c) to the retirement system in a form, manner,
18 and time frame determined by the retirement system.

19 (e) Funds allocated under this subsection should be considered
20 when comparing a district's growth in total state aid funding from
21 1 fiscal year to the next.

22 (f) Not later than December 20, ~~2017~~, **2018**, the department
23 shall publish and post on its website an estimated MPSERS rate cap
24 per pupil for each district.

25 (g) It is the intent of the legislature that any funds
26 allocated under this subsection are first applied to pension
27 contributions, and if any funds remain after that payment, those

1 remaining funds shall be applied to other postemployment benefit
2 contributions.

3 (h) As used in this subsection:

4 (i) "District library" means a district library established
5 under the district library establishment act, 1989 PA 24, MCL
6 397.171 to 397.196.

7 (ii) "MPSERS rate cap per pupil" means an amount equal to the
8 quotient of the district's payment under this subsection divided by
9 the district's pupils in membership.

10 (iii) "Participating entity" means a district, intermediate
11 district, or district library that is a reporting unit of the
12 Michigan public school employees' retirement system under the
13 public school employees retirement act of 1979, 1980 PA 300, MCL
14 38.1301 to 38.1437, and that reports employees to the Michigan
15 public school employees' retirement system for the applicable
16 fiscal year.

17 (iv) "Retirement board" means the board that administers the
18 retirement system under the public school employees retirement act
19 of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

20 (v) "Retirement system" means the Michigan public school
21 employees' retirement system under the public school employees
22 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

23 ~~—— (2) In addition to the funds allocated under subsection (1),~~
24 ~~from the appropriation in section 11, there is allocated for 2017-~~
25 ~~2018 only an amount not to exceed \$200,000,000.00 for payments to~~
26 ~~participating entities. Notwithstanding section 17b, payments to~~
27 ~~eligible participating entities under this subsection shall be paid~~

~~in 1 installment no later than October 20, 2017. Payments under this subsection shall be made as follows:~~

~~—— (a) The amount allocated to each participating entity under this subsection shall be based on each participating entity's proportion of the total covered payroll for the fiscal year ending September 30, 2016. A participating entity that receives funds under this subsection shall use the funds solely for purposes of this subsection.~~

~~—— (b) Each participating entity receiving funds under this subsection shall forward an amount equal to the sum of the amount allocated under this subsection and the amount allocated under subsection (1) to the retirement system in a form, manner, and time frame prescribed by the retirement system.~~

~~—— (c) Payments under this subsection shall be used by the retirement system specifically for the payment or prepayment of the final years or partial years of any additional costs to the retirement system due to the operation of section 81b of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1381b, without regard to the amortization of those costs under section 81b(5) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1381b, and in a manner and form as determined by the office of retirement services.~~

~~—— (d) As used in this subsection:~~

~~—— (i) "Participating entity" means a district, intermediate district, community college, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979,~~

~~1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.~~

~~(ii) "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

Sec. 147e. (1) From the appropriation in section 11, there is allocated for ~~2017-2018~~ **2018-2019** an amount not to exceed ~~\$23,100,000.00~~ **\$31,900,000.00** from the MPSERS retirement obligation reform reserve fund **AND \$5,700,000.00 FROM THE STATE SCHOOL AID FUND** for payments to participating entities.

(2) The payment to each participating entity under this section shall be the sum of the amounts under this subsection as follows:

(a) An amount equal to the contributions made by a participating entity for the additional contribution made to a qualified participant's Tier 2 account in an amount equal to the contribution made by the qualified participant not to exceed 3% of the qualified participant's compensation as provided for under section 131(6) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1431. ~~, if that act is amended by either Senate Bill No. 401 or House Bill No. 4647 of the 99th Legislature.~~

(b) Beginning October 1, 2017, an amount equal to the contributions made by a participating entity for a qualified participant who is only a Tier 2 qualified participant under section 81d of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning

1 February 1, 2018, not to exceed 1%, of the qualified participant's
2 compensation. ~~, if that act is amended by either Senate Bill No.~~
3 ~~401 or House Bill No. 4647 of the 99th Legislature.~~

4 (c) An amount equal to the increase in employer normal cost
5 contributions under section 41b(2) of the public school employees
6 retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member
7 that was hired after February 1, 2018 and chose to participate in
8 Tier 1, compared to the employer normal cost contribution for a
9 member under section 41b(1) of the public school employees
10 retirement act of 1979, 1980 PA 300, MCL 38.1341b. ~~, if section 41b~~
11 ~~of the public school employees retirement act of 1979, 1980 PA 300,~~
12 ~~MCL 38.1341b, is amended by either Senate Bill No. 401 or House~~
13 ~~Bill No. 4647 of the 99th Legislature.~~

14 (3) As used in this section:

15 (a) "Member" means that term as defined under the public
16 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301
17 to 38.1437.

18 (b) "Participating entity" means a district, intermediate
19 district, or community college that is a reporting unit of the
20 Michigan public school employees' retirement system under the
21 public school employees retirement act of 1979, 1980 PA 300, MCL
22 38.1301 to 38.1437, and that reports employees to the Michigan
23 public school employees' retirement system for the applicable
24 fiscal year.

25 (c) "Qualified participant" means that term as defined under
26 section 124 of the public school employees retirement act of 1979,
27 1980 PA 300, MCL 38.1424.

1 Sec. 152a. (1) As required by the court in the consolidated
2 cases known as ~~Adair v State of Michigan~~, **Adair v State of**
3 **Michigan**, 486 Mich 468 (2010), from the state school aid fund money
4 appropriated in section 11 there is allocated for ~~2017-2018-2018-~~
5 ~~2019~~ an amount not to exceed \$38,000,500.00 to be used solely for
6 the purpose of paying necessary costs related to the state-mandated
7 collection, maintenance, and reporting of data to this state.

8 (2) From the allocation in subsection (1), the department
9 shall make payments to districts and intermediate districts in an
10 equal amount per-pupil based on the total number of pupils in
11 membership in each district and intermediate district. The
12 department shall not make any adjustment to these payments after
13 the final installment payment under section 17b is made.

14 Sec. 152b. (1) From the general fund money appropriated under
15 section 11, there is allocated an amount not to exceed
16 ~~\$2,500,000.00 for each fiscal year for 2016-2017 and for 2017-2018~~
17 **\$100.00 FOR 2018-2019** to reimburse actual costs incurred by
18 nonpublic schools in complying with a health, safety, or welfare
19 requirement mandated by a law or administrative rule of this state.

20 (2) By January 1 of each applicable fiscal year, the
21 department shall publish a form for reporting actual costs incurred
22 by a nonpublic school in complying with a health, safety, or
23 welfare requirement mandated under state law containing each
24 health, safety, or welfare requirement mandated by a law or
25 administrative rule of this state applicable to a nonpublic school
26 and with a reference to each relevant provision of law or
27 administrative rule for the requirement. The form shall be posted

1 on the department's website in electronic form.

2 (3) By June 30 of each applicable fiscal year, a nonpublic
3 school seeking reimbursement for actual costs incurred in complying
4 with a health, safety, or welfare requirement under a law or
5 administrative rule of this state during each applicable school
6 year shall submit a completed form described in subsection (2) to
7 the department. This section does not require a nonpublic school to
8 submit a form described in subsection (2). A nonpublic school is
9 not eligible for reimbursement under this section if the nonpublic
10 school does not submit the form described in subsection (2) in a
11 timely manner.

12 (4) By August 15 of each applicable fiscal year, the
13 department shall distribute funds to each nonpublic school that
14 submits a completed form described under subsection (2) in a timely
15 manner. The superintendent shall determine the amount of funds to
16 be paid to each nonpublic school in an amount that does not exceed
17 the nonpublic school's actual costs in complying with a health,
18 safety, or welfare requirement under a law or administrative rule
19 of this state. The superintendent shall calculate a nonpublic
20 school's actual cost in accordance with this section.

21 (5) If the funds allocated under this section are insufficient
22 to fully fund payments as otherwise calculated under this section,
23 the department shall distribute funds under this section on a
24 prorated or other equitable basis as determined by the
25 superintendent.

26 (6) The department may review the records of a nonpublic
27 school submitting a form described in subsection (2) only for the

1 limited purpose of verifying the nonpublic school's compliance with
2 this section. If a nonpublic school does not allow the department
3 to review records under this subsection, the nonpublic school is
4 not eligible for reimbursement under this section.

5 (7) The funds appropriated under this section are for purposes
6 related to education, are considered to be incidental to the
7 operation of a nonpublic school, are noninstructional in character,
8 and are intended for the public purpose of ensuring the health,
9 safety, and welfare of the children in nonpublic schools and to
10 reimburse nonpublic schools for costs described in this section.

11 (8) Funds allocated under this section are not intended to aid
12 or maintain any nonpublic school, support the attendance of any
13 student at a nonpublic school, employ any person at a nonpublic
14 school, support the attendance of any student at any location where
15 instruction is offered to a nonpublic school student, or support
16 the employment of any person at any location where instruction is
17 offered to a nonpublic school student.

18 (9) For purposes of this section, "actual cost" means the
19 hourly wage for the employee or employees performing a task or
20 tasks required to comply with a health, safety, or welfare
21 requirement under a law or administrative rule of this state
22 identified by the department under subsection (2) and is to be
23 calculated in accordance with the form published by the department
24 under subsection (2), which shall include a detailed itemization of
25 costs. The nonpublic school shall not charge more than the hourly
26 wage of its lowest-paid employee capable of performing a specific
27 task regardless of whether that individual is available and

1 regardless of who actually performs a specific task. Labor costs
2 under this subsection shall be estimated and charged in increments
3 of 15 minutes or more, with all partial time increments rounded
4 down. When calculating costs under subsection (4), fee components
5 shall be itemized in a manner that expresses both the hourly wage
6 and the number of hours charged. The nonpublic school may not
7 charge any applicable labor charge amount to cover or partially
8 cover the cost of health or fringe benefits. A nonpublic school
9 shall not charge any overtime wages in the calculation of labor
10 costs.

11 (10) For the purposes of this section, the actual cost
12 incurred by a nonpublic school for taking daily student attendance
13 shall be considered an actual cost in complying with a health,
14 safety, or welfare requirement under a law or administrative rule
15 of this state. Training fees, inspection fees, and criminal
16 background check fees are considered actual costs in complying with
17 a health, safety, or welfare requirement under a law or
18 administrative rule of this state.

19 (11) The funds allocated under this section for ~~2016-2017~~
20 ~~2018-2019~~ are a work project appropriation, and any unexpended
21 funds for ~~2016-2017-2018-2019~~ are carried forward into ~~2017-2018-~~
22 ~~2019-2020~~. The purpose of the work project is to continue to
23 reimburse nonpublic schools for actual costs incurred in complying
24 with a health, safety, or welfare requirement mandated by a law or
25 administrative rule of this state. The estimated completion date of
26 the work project is September 30, ~~2019-2020~~.

27 Sec. 163. (1) Except as provided in the revised school code,

the board of a district or intermediate district shall not permit any of the following:

(a) ~~A noncertificated educator~~ **AN INDIVIDUAL WHO DOES NOT HOLD A VALID CERTIFICATE OR WHO IS NOT WORKING UNDER A VALID SUBSTITUTE PERMIT, AUTHORIZATION, OR APPROVAL ISSUED UNDER RULES PROMULGATED BY THE DEPARTMENT** to teach in an elementary or secondary school. ~~or in an adult basic education or high school completion program.~~

(b) ~~A noncertificated educator~~ **AN INDIVIDUAL WHO DOES NOT SATISFY THE REQUIREMENTS OF SECTION 1233 OF THE REVISED SCHOOL CODE, MCL 380.1233, AND RULES PROMULGATED BY THE DEPARTMENT** to provide ~~counseling~~ **SCHOOL COUNSELOR** services to pupils in an elementary or secondary school. ~~or in an adult basic education or high school completion program.~~

(c) ~~A noncertificated educator to administer~~ **AN INDIVIDUAL WHO DOES NOT SATISFY THE REQUIREMENTS OF SECTION 1246 OF THE REVISED SCHOOL CODE, MCL 380.1246, OR WHO IS NOT WORKING UNDER A VALID SUBSTITUTE PERMIT ISSUED UNDER RULES PROMULGATED BY THE DEPARTMENT, TO BE EMPLOYED AS A SUPERINTENDENT, PRINCIPAL, OR ASSISTANT PRINCIPAL, OR AS AN INDIVIDUAL WHOSE PRIMARY RESPONSIBILITY IS TO ADMINISTER** instructional programs in an elementary or secondary school, ~~or in an adult basic education or high school completion program, unless that educator is fulfilling applicable continuing education requirements.~~ **A DISTRICT OR INTERMEDIATE DISTRICT.**

(2) Except as provided in the revised school code, a district or intermediate district employing ~~educators not legally eertificated or licensed~~ **INDIVIDUALS IN VIOLATION OF THIS SECTION** shall have deducted the sum equal to the amount paid the ~~educators~~

1 **INDIVIDUALS** for the period of ~~noncertificated, unlicensed, or~~
 2 ~~illegal~~ employment. Each intermediate superintendent shall notify
 3 the department of the name of the ~~noncertificated or unlicensed~~
 4 ~~educator~~, **INDIVIDUAL EMPLOYED IN VIOLATION OF THIS SECTION**, and the
 5 district employing that individual and the amount of salary the
 6 ~~noncertificated or unlicensed educator~~ **INDIVIDUAL** was paid within a
 7 constituent district.

8 (3) If a school official is notified by the department that he
 9 or she is employing a ~~nonapproved, noncertificated, or unlicensed~~
 10 ~~educator~~ **AN INDIVIDUAL** in violation of this section and knowingly
 11 continues to employ that ~~educator~~, **INDIVIDUAL**, the school official
 12 is guilty of a misdemeanor, ~~punishable~~ by a fine of \$1,500.00 for
 13 each incidence. This penalty is in addition to all other financial
 14 penalties otherwise specified in this article.

15 Sec. 166b. (1) This act does not prohibit a parent or legal
 16 guardian of a minor who is enrolled in any of grades ~~kindergarten-1~~
 17 to 12 in a nonpublic school or who is being home-schooled from also
 18 enrolling the minor in a district, public school academy, or
 19 intermediate district in any curricular offering that is provided
 20 by the district, public school academy, or intermediate district at
 21 a public school site and is available to pupils in the minor's
 22 grade level or age group, subject to compliance with the same
 23 requirements that apply to a full-time pupil's participation in the
 24 offering. However, state school aid shall be provided under this
 25 act for a minor enrolled as described in this subsection only for **A**
 26 ~~curricular offerings that are~~ **OFFERING THAT IS RESTRICTED TO**
 27 **NONESSENTIAL ELECTIVE COURSES AND IS** available to full-time pupils

1 in the minor's grade level or age group. **FOR THE PURPOSES OF THIS**
2 **SUBSECTION, A CURRICULAR OFFERING INCLUDES OPTIONAL EXPERIENCES**
3 **ASSOCIATED WITH THE CURRICULAR OFFERING.**

4 (2) This act does not prohibit a parent or legal guardian of a
5 minor who is enrolled in any of grades ~~kindergarten~~ 1 to 12 in a
6 nonpublic school or who resides within ~~the~~ **A** district and is being
7 home-schooled from also enrolling the minor in the district in a
8 **ANY NONESSENTIAL ELECTIVE** curricular offering being provided by the
9 district at ~~the~~ **A** nonpublic school site ~~. However, state~~ **OR THAT IS**
10 **PROVIDED BY THE DISTRICT, A PUBLIC SCHOOL ACADEMY, OR AN**
11 **INTERMEDIATE DISTRICT AT A PUBLIC SCHOOL SITE, AND THAT IS**
12 **AVAILABLE TO PUPILS IN THE MINOR'S GRADE LEVEL OR AGE GROUP,**
13 **SUBJECT TO COMPLIANCE WITH THE SAME REQUIREMENTS THAT APPLY TO A**
14 **FULL-TIME PUPIL'S PARTICIPATION IN THE OFFERING. FOR THE PURPOSES**
15 **OF THIS SUBSECTION, A CURRICULAR OFFERING INCLUDES OPTIONAL**
16 **EXPERIENCES ASSOCIATED WITH THE CURRICULAR OFFERING. STATE** school
17 aid shall be provided under this act for a minor enrolled as
18 described in this subsection only if all of the following apply:

19 (a) Either of the following:

20 (i) The nonpublic school site is located, or the nonpublic
21 students are educated, within the geographic boundaries of the
22 district.

23 (ii) If the nonpublic school has submitted a written request
24 to the district in which the nonpublic school is located for the
25 district to provide certain instruction under this subsection for a
26 school year and the district does not agree to provide some or all
27 of that instruction by May 1 immediately preceding that school year

1 or, if the request is submitted after March 1 immediately preceding
2 that school year, within 60 days after the nonpublic school submits
3 the request, the instruction is instead provided by an eligible
4 other district. This subparagraph does not require a nonpublic
5 school to submit more than 1 request to the district in which the
6 nonpublic school is located for that district to provide
7 instruction under this subsection, and does not require a nonpublic
8 school to submit an additional request to the district in which the
9 nonpublic school is located for that district to provide additional
10 instruction under this subsection beyond the instruction requested
11 in the original request, before having the instruction provided by
12 an eligible other district. A public school academy that is located
13 in the district in which the nonpublic school is located or in an
14 eligible other district also may provide instruction under this
15 subparagraph under the same conditions as an eligible other
16 district. As used in this subparagraph, "eligible other district"
17 means a district that is located in the same intermediate district
18 as the district in which the nonpublic school is located or is
19 located in an intermediate district that is contiguous to that
20 intermediate district.

21 (b) The nonpublic school is registered with the department as
22 a nonpublic school and meets all state reporting requirements for
23 nonpublic schools.

24 (c) The instruction is provided directly by a certified
25 teacher ~~at~~ **OF** the district, ~~or~~ public school academy, or ~~at~~ **an**
26 intermediate district.

27 (d) The curricular offering is also available to full-time

1 pupils in the minor's grade level or age group in the district or
2 public school academy at a public school site.

3 (e) The curricular offering is restricted to nonessential
4 elective courses for pupils in grades ~~kindergarten~~ 1 to 12.

5 **(F) IF A COURSE HAS AN ASSOCIATED OPTIONAL EXPERIENCE, THE**
6 **OPTIONAL EXPERIENCE MUST ALSO BE AVAILABLE TO FULL-TIME PUPILS IN**
7 **THE MINOR'S GRADE LEVEL OR AGE GROUP.**

8 (3) A nonessential course in grades 1 to 8 is a course other
9 than a mathematics, science, social studies, and English language
10 arts course required by the district for grade progression.
11 Nonessential courses in grades 9 to 12 are those other than algebra
12 1, algebra 2, English 9-12, geometry, biology, chemistry, physics,
13 economics, geography, American history, world history, the
14 Constitution, government, and civics, or courses that **MAY** fulfill
15 the same credit requirement as these courses. Nonessential elective
16 courses include courses offered by the local district for high
17 school credit that are also capable of generating postsecondary
18 credit, including, at least, advanced placement and international
19 baccalaureate courses. College level courses taken by high school
20 students for college credit are nonessential courses. Remedial
21 courses for any grade in the above-listed essential courses are
22 considered essential. ~~Kindergarten is considered nonessential.~~

23 (4) Subject to section 6(4)(ii), a minor enrolled as described
24 in this section is a part-time pupil for purposes of state school
25 aid under this act.

26 (5) A district that receives a written request to provide
27 instruction under subsection (2) shall reply to the request in

1 writing by May 1 immediately preceding the applicable school year
2 or, if the request is made after March 1 immediately preceding that
3 school year, within 60 days after the nonpublic school submits the
4 request. The written reply shall specify whether the district
5 agrees to provide or does not agree to provide the instruction for
6 each portion of instruction included in the request.

7 Sec. 169a. (1) A board member, official, or employee of a
8 district or intermediate district shall ~~not interfere with the~~
9 ~~right or ability of~~ **PROVIDE ANY INFORMATION RECEIVED FROM** the
10 Michigan schools for the deaf and blind ~~to provide information~~
11 about ~~the ITS~~ residential program ~~among~~ **TO** parents and guardians of
12 pupils ~~or~~ **WHO ARE DEAF, DEAF-BLIND, OR HARD OF HEARING AND TO ANY**
13 residents of the district or intermediate district **WHO REQUEST THE**
14 **INFORMATION.**

15 (2) Upon determining that a pupil is deaf or hard of hearing,
16 a district or intermediate district shall provide to the pupil's
17 parent or legal guardian information, provided by the Michigan
18 coalition for deaf and hard of hearing persons, on educational
19 placement options for deaf and hard of hearing children.

20 (3) Upon determining that a pupil is blind, a district or
21 intermediate district shall provide to the pupil's parent or legal
22 guardian information, provided by the Michigan federation for the
23 blind, on educational placement options for blind children.

24 **(4) A DISTRICT OR INTERMEDIATE DISTRICT THAT VIOLATES THIS**
25 **SECTION SHALL FORFEIT AN AMOUNT EQUAL TO 5% OF THE FUNDS DUE TO THE**
26 **DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ARTICLE.**

27 Enacting section 1. In accordance with section 30 of article

IX of the state constitution of 1963, total state spending from state sources on state school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2017 PA 143 and this amendatory act for fiscal year 2017-2018 is estimated at \$12,846,177,300.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2017-2018 are estimated at \$12,659,469,800.00. In accordance with section 30 of article IX of the state constitution of 1963, total state spending on school aid under article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, as amended by this amendatory act from state sources for fiscal year 2018-2019 is estimated at \$13,008,106,800.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2018-2019 are estimated at \$12,819,958,800.00.

Enacting section 2. Sections 21j, 22g, 31b, 35, 104d, and 104e of the state school aid act of 1979, 1979 PA 94, MCL 388.1621j, 388.1622g, 388.1631b, 388.1635, 388.1704d, and 388.1704e, are repealed effective October 1, 2018.

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 2018.

(2) Sections 11, 11m, 22a, 22b, 24, 25f, 26a, 26c, 31d, 32d, 51a, 51c, 56, 62, and 94 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611, 388.1611m, 388.1622a, 388.1622b, 388.1624, 388.1625f, 388.1626a, 388.1626c, 388.1631d, 388.1632d, 388.1651a, 388.1651c, 388.1656, 388.1662, and 388.1694, as amended by this amendatory act, take effect upon enactment of this amendatory act.